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THE LESSONS OF HAM AND EGGS California's 1938 and 1939 Pension Ballot Propositions

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Then one day—just three short weeks before the (1938) California primaries—the Pension Plan presented Frank C. Jordan, Secretary of State, with the largest list of petitions in the history of California: 789,000 voters—25% of the registration—were demanding a chance to vote for Ham and Eggs for California. California politicians sat up with a jerk. It wasn't possible! Over three quarters of a million voters. Who were these people?²

Who were these people? They were the elderly and near elderly who thought they would benefit from the Ham and Eggs pension plan. Ham and Eggs was a proposal to pay Californians aged 50 and over (about a third of the electorate) "\$30 Every Thursday" financed out of a new California currency. At first glance, the story of Ham and Eggs is one of those truth-is-stranger-than-fiction Southern California tales. The world has come to be unsurprised by such regional events as the 1997 mass suicide of castrated, computer-programming "monks" seeking to join a mythical space ship following the Hale-Bopp comet. But much of the state's current image comes from its reputation as a center of youth culture. In the 1930s, however, when Ham and Eggs developed, California was a place to which one retired. As Chart 1 shows, from the 1890s until the mid 1950s, California

¹The author thanks Sanford M. Jacoby and attendees at a special seminar at the University of California Los Angeles School of Public Policy and Social Research for their comments. He also thanks Raymond Teichman and Verne Newton of the Franklin Delano Roosevelt Library for their assistance in locating documents and the U.C.L.A. Academic Senate for research funding. The research staff of the California State Archives was also very helpful.

²Winston Moore and Marian Moore, *Out of the Frying Pan* (Los Angeles: DeVorss & Co., 1939), p. 77.

had a disproportionately elderly population until the influx of young job seekers during and after World War II.

Today, the U.S. and other countries are considering the economic issues involved in the retirement of the baby boom. Much discussion has revolved around proposals to change Social Security and Medicare. For the most part, the discussion has been technical, with estimates of budgetary impacts. There has been little concern with the political ramifications of what could happen if the boomers find themselves with less income in old age than they expect. The tale of Ham and Eggs should give pause to the technicians and policy makers, most of whose alternatives for Social Security and Medicare would reduce benefits or—at least—risk doing so.

Ham and Eggs' creators "were the first to introduce business principles into political campaigns by requiring that each promotional activity defray its costs."³ And, arguably, a byproduct of Ham and Eggs was the eventual elevation of Earl Warren to Chief Justice of the U.S. Supreme Court. As in chaos theory, a local event somewhere can have major (unforeseen) effects elsewhere. And in its heyday Ham and Eggs wasn't just a local event. President Franklin Roosevelt was concerned enough about the national ramifications to speak out against Ham and Eggs on the radio. Ham and Eggs was roiling state politics and threatened to besmitch New Deal policies.

HAM AND EGGS: THE CAST

The Ham and Eggs movement was conceived, directed, and carried out by a cast of colorful individuals. Here are some of them:

ROBERT NOBLE, originator of the Ham and Eggs California Pension Plan. Noble was a Los Angeles radio commentator. Noble may have at one time been sequestered in a mental institution under the delusion he was Jesus Christ. Or it may have been his mother who was the inmate. He was also said to have been a Navy deserter. Given the spectrum of enemies Noble acquired, it is hard to know what is truth and what is fiction. For a time, he considered himself the local representative of Senator Huey Long's populist "share the wealth" movement. Noble was given to denouncing the corrupt regime of Los Angeles Mayor Frank Shaw. He supported author/muckraker Upton Sinclair for California governor in the so-called EPIC (End Poverty in California) campaign of 1934. And he read approvingly from conspiratorial speeches by radio priest Father

³Frank A. Pinner, Paul Jacobs, and Philip Selznick, *Old Age and Political Behavior: A Case Study* (Berkeley: University of California Press, 1959), p. 6.

Charles Coughlin on his own radio program. Noble was imprisoned for seditious activities during World War II.

THE ALLEN BROTHERS, Willis and Lawrence, promoters of "Grey Gone" hair tonic, an enterprise which led Willis into difficulties when the tonic turned out to destroy hair rather than color it. Willis received two years' probation for the hair tonic scam. In that he was following the family tradition; his father spent five years in prison for embezzlement. Lawrence escaped such problems and was the attorney for his father and brother when they were convicted.

The Allen brothers owned a building in Hollywood in which Noble rented space and from which the brothers operated the "Cinema Advertising Agency." Brother Lawrence reportedly had a certain admiration for Hitler. Both brothers believed there would be money to be made in owning a high-powered, unregulated Mexican radio station that could beam programming into California for various political causes.

EARLE KYNETTE, a captain in the Los Angeles Police Department "Red Squad". He did dirty jobs for the police chief, who—in turn—was aligned with Mayor Shaw. Capt. Kynette was no stranger to shady deals. He had started his career as a pharmacist but moved on to work for a fellow who controlled a "chain of whorehouses" in Los Angeles. His patron had gotten him a job in the police and Kynette had subsequently been arrested for shaking down a prostitute. But the matter was quickly dropped and Kynette was soon promoted.

SHERMAN J. BAINBRIDGE, the radio voice of Ham and Eggs who had previously worked with Roy G. Owens (see below) in various schemes.

ARCHIE PRICE, an inadvertent martyr to the Ham and Eggs cause. Price walked into a newspaper office in San Diego and told the staff that at age 64 he had no job, no pension, and would therefore commit suicide, which he later did.⁴

ROY G. OWENS, a high-school dropout who styled himself the "engineer-economist" of Ham and Eggs. Owens previously been involved in the local Utopian Society and drafted a "dated money plan" for it.⁵ He was

⁴A variation on the Price suicide forms the basis of the 1941 movie *Meet John Doe*. In the film version, a reporter (Barbara Stanwyck) fakes a letter to the editor in which John Doe says he will commit suicide if the world does not improve. A political movement is inadvertently started and the paper has to come up with a "real" John Doe to take the part of the non-existent letter writer. A naive character played by Gary Cooper is persuaded to take the part and the movement snowballs.

⁵He was reportedly ousted from the Society subsequently. Bill Edward Fitzgerald, "Pension Politics in California" (M.A. Thesis, Department of History, University of California, Berkeley, 1951), p. 36.

also involved with the Father Divine black cult. Owens managed to escape a sex scandal involving an underage angel known as "Virgin Mary" and a close friend of his whose Divine cult name was sometimes "John the Revelator" and sometimes "John the Baptist". Bainbridge and Owens were associated in "Plenocracy," a scheme which promoted investments which were supposed to return a 30% "natural increase" based on the "Universal Creative Principle."

GERTRUDE M. COOGAN, originally an economic advisor to radio priest Father Coughlin and conspiracy theorist for Ham and Eggs. Her beliefs entailed "invisible forces" controlling the government and the Federal Reserve. These forces, according to Coogan, were part of an effort to destroy Christianity dating back to the Bavarian "Illuminati" in the 1770s and involving the Rothschilds. The same dark forces were preventing the U.S. from going on a silver standard and instead maintaining the evil gold standard. Thus, the Fed should be abolished, banks should be prohibited from creating money, and money should be created by a new institution and used for such worthy purposes as veterans' bonuses and pensions.

FRANCIS H. SHOEMAKER, former Minnesota congressman. Shoemaker—apparently a formidable speechmaker—campaigns for Ham and Eggs in California. He had been expelled from the Progressive Farmers of America in his home state for misuse of funds. After being convicted of making defamatory charges against a banker (calling him a "robber of widows and orphans"), Shoemaker served time in Leavenworth for persisting in his vituperations. Despite Shoemaker's prison term, he was later elected to Congress and pardoned by President Roosevelt. His career was marked with violent incidents including ramming a cab in Washington, D.C.

GEORGE MCLAIN, Los Angeles County manager for the Ham and Eggs movement. He used his Ham and Eggs connections to initiate his own pension-related political enterprise.

FRANK MERRIAM, Republican governor of California. Incumbent Merriam faced Upton Sinclair and his EPIC campaign in the 1934 gubernatorial election. Merriam endorsed the Townsend pension plan, thereby obtaining a share of the elderly vote. He defeated Sinclair with massive support by the business community, panicked by Sinclair. (EPIC would have had depression-idled factories and farms turned into cooperatives financed by a California currency.) Although he opposed Ham and Eggs, Merriam seemed to have links to the Allens.

CULBERT OLSON, successful Democratic candidate for governor in 1938 against incumbent Merriam. In his native Utah, Olson became an ardent supporter of the "free silver" campaign to abolish the gold standard. He was elected to the California state senate in 1934 on the EPIC platform. Olson seemed friendly to Ham and Eggs in 1938, although he remained vague on the issue.

EARL WARREN, Republican attorney general and then governor of California. Warren defeated Olson in the gubernatorial election of 1942 with assistance from the Ham and Eggs supporters who were by then angered at Olson. Although he did not favor Ham and Eggs, Warren did make promises about doing something on the old age pension issue and brought George McLain to prominence.

STAMP, STAMP, STAMP

Ham and Eggs' genesis began when Robert Noble stumbled across an article by Irving Fisher, the famous Yale monetary economist. Fisher believed that a monetary "reflation" was needed to end the Great Depression. In that context, he wrote favorably of experiments in various small towns and cities to create "stamp money."⁶ The version of stamp money favored by Fisher had the following characteristics.

Town merchants would agree to accept at par a locally-issued "scrip" which would be used initially to finance public works. Each note would have a face value of \$1. However, on a given day each week, the notes would officially become "worthless" unless a special 2¢ stamp was attached. After a year's worth of stamps were affixed, the scrip could be redeemed for a "real" dollar from the municipality. The municipality would have collected \$1.04 in stamp taxes and would thus have the dollar to redeem the scrip plus a 4¢ surplus to cover printing.

The weekly 2¢ tax would also provide incentive to use the scrip rather than hoard it; the way to avoid the tax was to spend the scrip before the 2¢ was due. This spending, it was argued, would stimulate demand and boost the depression-ridden local economy. But that happy result depended, of course, on getting people to accept at par a currency which effectively depreciated by more than 100% within a year. Users were being asked, after all, to accept an asset which cost \$1.04 over the course of a year, after which it would be worth \$1.

⁶Irving Fisher, *Stamp Scrip* (New York: Adelphi, 1933).

NOBLE VISIONS

In the hands of Robert Noble, Fisher's scrip became the financing mechanism for a proposed pension scheme. Under the plan every jobless citizen in California aged 50 and over would receive "\$25 Every Monday." The recipients would spend these scrip notes quickly due to the stamp feature thus stimulating the state's economy. Trumpeting this plan on his radio program, Noble developed an avid following of the elderly in the late 1930s. Clubs were formed to push for adoption of the plan and cash contributions began to flow in. An appealing element of the scheme is that it seemed to provide resources costlessly, i.e., without taxing anyone. Of course, it would in fact collect \$1.04 in stamp revenue—a form of tax—for every \$1 of pension warrants (which might turn out to be worth a lot less than \$1).

It should be recalled that at the time, although the Social Security Act had been enacted in 1935, the Social Security system itself was not originally scheduled to pay out any pensions until 1942.⁷ Employer-provided pensions in that era were comparatively rare, having gradually evolved from early experiments for civil servants, railroad workers, university professors, and other specialized groups. Some employer pension plans had been terminated during the Great Depression. Private plans were often limited to higher-paid white collar workers and managers.⁸ Finally, work opportunities for the elderly were limited by the Depression.

An typical indigent elderly person on Old Age Assistance in California in that period would have received about \$20 per MONTH from county authorities as compared with Noble's \$25 per WEEK.⁹ Average weekly wages of a full-time factory worker were also below the level promised by Noble.¹⁰ Thus, there would have been strong incentive for many workers aged 50 and over to quit their jobs and rely instead on the California pension. And the already unemployed and retired would have been delighted to receive such an income.

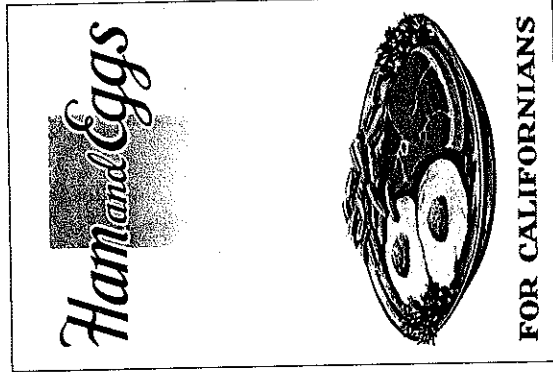
At about \$1,300 per year (\$25 times 52 weeks) for eligibles over 50, the cost of the plan would have been about \$1.1 billion on the conservative assumption that only half of those Californians over 50 would choose not to

⁷As it turned out, the date of initial pension payments was advanced to 1940 when the rise in the Social Security trust fund exceeded expectations.

⁸Steven A. Suss, *The Promise of Private Pensions: The First Hundred Years* (Cambridge, Mass.: Harvard University Press, 1997), pp. 18-112.

⁹Paul H. Douglas, *Social Security in the United States: An Analysis and Appraisal of the Federal Social Security Act* (New York: Whitlsey House, 1936), p. 237.

¹⁰The national income accounts report annual earnings of full-time equivalent employees in 1938 to be \$1,247. Average weekly earnings of manufacturing production workers were \$22.



A typical "Ham and Eggs" poster used to gain popular support.

work to be eligible. Such an amount would have been about a fifth of the state's gross product.¹¹

There was probably only about \$350 million in regular U.S. currency in circulation in California and \$2 billion in narrowly-defined money (currency plus demand deposits).¹² It is one thing to get the merchants in a small town to agree to accept a modest increment of stamp scrip at par. It is another to obtain such an agreement for a flood of new quasi-money in a large state of well over 6 million people. Fisher himself denounced the child he had inadvertently sired, citing this problem.¹³ He even wrote to Roosevelt to disown Ham and Eggs.¹⁴

As for the name "Ham and Eggs," there are different stories. One is that Sherman Bainbridge shouted at a rally that "We want our ham and eggs!"¹⁵ A variation is that "ham and eggs" was the equivalent of "pie in the sky"; the phrase was thus used by critics until Bainbridge gave it the positive connota-

¹¹There are no figures for state gross product at that time. However, in 1940, California had 5.2% of the U.S. population (6.9 million people out of 131.7 million). Nominal GDP for the U.S. in 1940 was \$100 billion so a rough estimate of California's gross product would be \$5.2 billion. There were about 1.7 million people aged 50 and over in California in 1940. If half of them were paid \$1,300 annually, the cost would have been \$1.1 billion, about 21% of the state's estimated gross product. (The subsequent increase in the proposed Ham and Eggs pension to \$30/week would have raised this estimate to 25%.)

¹²There are no figures for the California money supply. In 1940, a total of \$6.76 billion in currency was in circulation in the entire U.S. and the narrowly-defined money supply was \$39.65 billion. Applying the California/U.S. population ratio to these figures produces the estimates in the text.

¹³Jackson K. Furnam, *Old-Age Politics in California* from Richardson to Reagan (Stanford, Calif.: Stanford University Press, 1970), p. 95.

¹⁴A response to Fisher's letter disowning Ham and Eggs was sent to him on September 12, 1938. President's Personal File 3385, Franklin D. Roosevelt Library.

¹⁵Furnam, *Old-Age Politics in California*, p. 93.

tion of the elderly having a good breakfast.¹⁶ A third version relates to a local breakfast club; members greeted strangers with "Hello Ham" to which the stranger was to reply "Hello Egg."¹⁷

In any event, a pattern developed of chanting "ham and eggs" at rallies, a practice compared by critics to incantations at Nazi gatherings.¹⁸ As the scheme evolved, local Ham and Eggs clubs were kept under tight control. But tons, pamphlets, and other paraphernalia sold through the clubs provided significant revenues. Once the Allens became involved, these revenues passed through their Cinema Advertising Agency, the sole authorized supplier. The revenue was collected in U.S. currency, not ephemeral state scrip.

THE NOBLE LOSS TO THE ALLEN WRENCH

Quick to see a money-making opportunity in the pension plan, the Allen brothers became partners with Noble, a tenant in their Hollywood building. They also involved Noble in their scheme to set up a powerful Mexican radio station that would carry his and other programming into California. The Allens' concern with having a radio voice is not surprising, given their ambitions for the pension program. Radio was the latest electronic medium in the 1930s; about 70% of households were estimated to own radios by 1936 and the proportion was continuing to increase rapidly.¹⁹

Complaints by American broadcasters about interference from Mexican "border blasters" had led to U.S.-Mexican negotiations about station licensing. But in 1937, Mexico granted a license for a new 100,000 watt station in Rosarita Beach, backed by a former Mexican president. Rosarita Beach was a resort founded in 1928 by Manuel Barbachano and his brother and frequented by Hollywood stars.²⁰

To launch their station, the Allens obtained a Mexican partner, as required under Mexican law, none other than Manuel Barbachano. Other partners were also involved including one J.A. "Foghorn" Murphy. The Allens, however, found themselves short of the funds needed to obtain a Mexican license. Their American broker in this deal, George Berger, was unaware of the Allens' limited financial resources when he located Barbachano for them. Berger was surprised to learn that the Allens had forged his signature

¹⁶Kevin Starr, *Endangered Dreams: The Great Depression in California* (New York: Oxford University Press, 1996), p. 206.

¹⁷Cynthia Lindsey, *The Natives are Restless* (Philadelphia: J.B. Lippincott, 1960), p. 89.

¹⁸Carey McWilliams, *Southern California: An Island on the Land* (Santa Barbara, Calif.: Peregrine Smith, 1973 [1946]), pp. 305-306.

¹⁹Michael Kazin, *The Populist Persuasion: An American History* (New York: BasicBooks, 1995), p. 115.

²⁰Gene Fowler and Bill Crawford, *Border Radio* (Austin: Texas Monthly Press, 1987), pp. 209-210.

on a document to convince their Mexican partner to put up his own money as a temporary loan.

Various skirmishes arose between the various partners in the radio scheme. Foghorn Murphy believed he was being cut out of the deal and tried to stop construction through a court order. But other partners managed to spirit the transmitter across the border before the court could move. Foghorn Murphy then sued his partners for \$450,000.²¹ Meanwhile, Berger went to the police to file a complaint about the Allens' forgery and the forged document wound up in the hands of Los Angeles police captain Earle Kynette.

Capt. Kynette turned out to have a special interest in the Allens and their pension enterprise. He offered the Allen brothers a deal they couldn't refuse. If the Allens would get their pension partner Noble—with his broadcasts attacking Mayor Shaw—off the air, and if they would bring Kynette in as a silent partner in Ham and Eggs, the unfortunate forgery matter could be made to disappear.

Following their arrangement with Kynette, the Allens called a rump meeting of the board of their California Pension Plan Association. The meeting took place in a cafeteria ironically owned by one of the leading figures in the effort to unseat Shaw. At the meeting, the Allens managed to take control of Ham and Eggs and kicked Noble out of the movement he had created. When Noble, and his followers attempted a public demonstration to protest the coup, the cooperative police broke up the rally and arrested him.

With Noble out, the Allens needed a new broadcaster; they soon found Sherman Bainbridge who also brought with him his friend Robert Owens. Bainbridge soon discovered that the Allens, despite having a considerable elderly following, actually had no formal pension plan, other than Noble's vague idea about using Fishertian stamp money. Bainbridge set Owens to draft a bill which could be put on the California ballot as a constitutional amendment. But in a first strike, Noble got hold of the Owens draft and took that and the accompanying slogan "\$25 Every Monday" to the California Secretary of State, acquiring exclusive rights to both.

In response, the Allens incorporated under the name "Retirement Life

²¹Details of what occurred are unclear. A memo to the files on Ham and Eggs and the Allens in the Franklin D. Roosevelt Library dated September 23, 1938 refers to "Fog Horn Murphy" Mess which is now pending in the Federal Courts here in Los Angeles." It goes on to explain that "these cases refer to some Mexican radio station which interfered with stations in this country." (President's Personal File 3385) Moore and Moore, *Out of the Frying Pan*, pp. 33-36, provide a discussion of the radio scheme, although with a slightly different spelling of the name of the Mexican partner. The station in question, XERB, did get on the air eventually but it may have been without the participation of the Allens, given their lack of ready cash.

Payments Association," changed their slogan to "\$30 Every Thursday," and had Owens draft up a revised bill. Since \$30 was greater than \$25, Noble's version was dead. Under the Allen-Owens plan, anyone qualified to vote in California, aged 50 years or older, and without a job would receive \$30 of stamp scrip each week. Each \$1 "warrant" would require a 2 cent tax paid weekly to keep the note valid. (An escalator was included to adjust the \$30 figure for inflation.) The warrants would be made legal tender for payment of state taxes in an effort to keep the notes circulating at par. Transactions in warrants would also be exempt from sales tax. An administrator of this system would be elected. But the ballot proposition made it probable that Owens would be named interim administrator until such an election was held.²² Then, as the incumbent, he would likely be elected.

Things initially went well for Ham and Eggs. The necessary signatures were quickly gathered by the faithful and Ham and Eggs went on the ballot as Proposition 25 in November 1938. With the suicide of Archie Price—the pauper with no pension—the Allens had a martyr to the cause. Gertrude Coogan joined the movement after leaving radio priest Father Coughlin, providing Ham and Eggs with a conspiratorial air of monetary expertise. The major official Ham and Eggs book has a long question-and-answer section dealing heavily with monetary matters, written in the style of Coughlin's pamphlets.²³ Undoubtedly, Coogan was the author. She also turned out to be an inspiring speaker.

Word of Ham and Eggs spread out of the state. As a result, Coogan was not the only non-Californian attracted to the cause. Ex-Congressman (and ex-con) Francis H. Shoemaker from Minnesota joined the cause. Shoemaker reportedly was a powerful speaker for Ham and Eggs. He could reel off figures and "pack them in." The Allens liked Shoemaker because he donated his time for the cause and didn't cost them a cent. If there was a fly in the ointment, it was that Shoemaker had an unfortunate habit of including in his speeches lines such as "When I was in the penitentiary . . ." ²⁴ Nonetheless, he could boast that he had gone to the White House and been given a pardon personally by Roosevelt.

²²California, Secretary of State, *Proposed Amendments to Constitution, Propositions and Proposed Laws to Be Submitted to the Electors of the State of California at the General Election to Be Held Tuesday, November 8, 1938 Together With Arguments Respecting the Same* (Sacramento, Calif.: California State Printer, 1938).

²³California Pension Plan, *Ham and Eggs for Californians* (Hollywood, Calif.: California Pension Plan, 1938), pp. 39-71.

²⁴Moore and Moore, *Out of the Frying Pan*, pp. 97-98.

STRENGTH IN UNION

Ham and Eggs were able to capitalize on support of the expanding union movement in California and the surrounding turmoil in industrial relations. The business community had been successful in putting Proposition 1 on the ballot in the November 1938 election, where it appeared along with Ham and Eggs' Proposition 25. Proposition 1 regulated picketing, boycotts, and displays of banners. It aimed at "abusive statements and threats of violence" and at the then-prevalent tactic of sit-down strikes. Despite their rivalry, both the AFL and CIO could see the virtue in opposing Prop 1. Thus, an alliance was forged between the Ham and Eggs and organized labor, with the assistance of Sherman Bainbridge. Labor and the Ham and Eggs crowd would both endorse Prop 25 and both oppose Prop 1. They were successful in the latter endeavor; Prop 1 lost receiving 42% of the votes.

THE BIG BANG

Opponents of Ham and Eggs were unsuccessful in an attempt to have the state Supreme Court bar the pension proposition from the ballot. But despite their good fortunes in court and in attracting allies and outside speakers, the Allens had problems. President Roosevelt let it be known that he viewed the Ham and Eggs proposition as a false "short cut to Utopia" and opposed it.²⁵ In a press conference on "background" he hinted that there might be constitutional impediments to a state issuing a quasi-currency. Roosevelt also circulated a critical report on Ham and Eggs from the Controller of the Currency.

Brother Willis telegraphed the President, offering to send a representative—perhaps "economist-engineer" Roy Owens or a local congressman—to explain the plan.²⁶ A letter-writing campaign to Roosevelt was started urging him to reverse his position. Meanwhile, Roosevelt's famous line that "this generation has a rendezvous with destiny" appeared on the inside cover page of the major Ham and Eggs book. (California Pension Plan)

Presidential opposition was not the only problem. The main difficulty was that the Allens were greedy. They neglected to pay Social Security taxes for their staff (leading to federal investigations), and sometimes neglected to pay the staff any wages at all. While ex-con Shoemaker may have helped the Ham and Eggs campaign, another person currently in jail began causing difficulties.

²⁵Presidential broadcast of August 15, 1938. Transcript in President's Personal File 3385, Franklin D. Roosevelt Library.

²⁶Telegram of August 27, 1938 in President's Personal File 3385, Franklin D. Roosevelt Library.

Police Capt. Kynette was jailed for planting a bomb in the car of a private investigator for a good-government group looking into corruption in the Mayor Shaw regime, Harry Raymond. On what he thought was his hospital death bed, bombing victim Raymond called in a journalist/friend for some last words. The following dialogue—out of some film noir—reportedly ensued:²⁷

"Who did it, Harry?"

"That son of a bitch Earle Kynette. . . . I want you to promise you'll get him for me."

"I'll get him for you, Harry."

"They told me they would get me. They put Kynette on me. . . . Kynette takes his orders from the City Hall and they wanted me out of the way. He's the one who rigged the bomb."

The charges against Kynette came not only from Raymond. As it turned out, Kynette had been spying on Raymond's house for some time. A neighbor, spotting Kynette and other men from his Red Squad, had told them to leave. He was beaten up for his intervention and told to keep quiet. But at Kynette's trial, the neighbor testified about the surveillance and beating. Sadly for L.A. Police Chief James Davis, he, too, was called to testify and did not do himself credit in the eyes of the public, e.g., "My memory is not sufficiently clear to state that I directly ordered Captain Kynette to keep Raymond under surveillance . . . but I did not order Kynette not to do so."²⁸

Such dubious testimony appearing in the newspapers made it unlikely that Kynette would turn up in person any time soon to claim his share of the Ham and Eggs revenues. So with their silent partner in jail, the Allens began neglecting to make payments to Kynette's wife. This failure to keep the money flowing to Mrs. Kynette turned out to be a big mistake.

Mayor Shaw's opponents began a recall campaign. The campaign featured radio broadcasts beginning with the sound of a simulated explosion followed by screams, to remind listeners of the Kynette bombing.²⁹ Shaw declared himself "too busy with real work and real problems to give any thought to this curious combination of commercial advertising, poor sportsmanship, subversive activities and backfence gossip."³⁰ But despite his pre-

²⁷James H. Richardson, *For the Life of Me: Memoirs of a City Editor* (New York: G.P. Putnam's Sons, 1954), pp. 220-221.

²⁸Joe Domonick, *To Protect and To Serve: The LAPD's Century of War in the City of Dreams* (New York: Pocket Books, 1994), p. 77.

²⁹Jerry Saul Kaplan, "The CIVIC Committee in the Recall of Mayor Frank Shaw," (M.A. Thesis in Political Science, U.C.L.A., June 1947), p. 114.

³⁰Bruce Henstell, *Sunshine and Wealth: Los Angeles in the Twenties and Thirties* (San Francisco: Chronicle Books, 1984), p. 55.



Frank F. Merriam (1865-1955) was governor of California, June 2, 1934 to January 3, 1939. After fending off a strong challenge from Lieutenant Governor George J. Hatfield of San Francisco in the 1938 primary, Merriam faced a badly divided Republican Party in the general election. The principal issue of the gubernatorial campaign was the initiative amendment, "Ham and Eggs" or "Thirty-Dollars-Every Thursday" pension plan. (The illustrations used in this article are from various California Blue Books.)

tended aloofness, the recall was successful. A new mayor was installed who soon forced Police Chief Davis to resign. Significantly, the city recall election was held in mid September 1938, only a few weeks before Ham and Eggs was on the state ballot.

Kynette was surely upset by what had become of his bombing misadventure. He was also enraged about the failure of his wife to receive payments from the Allens. In revenge for this neglect, he began to sing about his links to the Allens, about the forged document, and about the Allens' failure to pay him his share of the "profits." With these disclosures, the Ham and Eggs campaign was endangered. To make matters worse, Lawrence Allen was sued by an elderly woman for slapping her. And the Allens seemed to be using Ham and Eggs in an effort to discredit Mayor Shaw's opponent in the recall election that had been set in motion. They also appeared to have links with the incumbent Republican candidate for governor, Frank Merriam, even though Merriam had openly come out against Ham and Eggs. And, conversely, they would not officially support Democratic candidate Culbert Olson who was outwardly friendly to Ham and Eggs (although fuzzy on the issue).

Armed with this information, Bainbridge attempted to get the Ham and Eggs board to oust the Allens just as the Allens had ousted Noble. But Bainbridge was not as successful a manipulator as the Allens; he ended up being ousted himself. As might have been expected, the Allens branded Bainbridge as being in the hands of dark money interests.

It might be thought that the unfavorable publicity, along with the internal power struggle, would have led to an electoral disaster. Yet despite the internal turmoil, bad publicity, and massive opposition by the state's business establishment, Ham and Eggs Proposition 25 was defeated by a relative nar-

row margin of 1,143,670 to 1,398,999. Ham and Eggs had come remarkably close to popular enactment with 45% of the vote. Absent the Kynette scandal, it might well have passed.

IF AT FIRST YOU DON'T SUCCEED. . .

The 1938 defeat was not the end of the Ham and Eggs story. For the Allens to close up shop would have meant killing off their money machine. With the narrow electoral defeat and with an intact organization, the Allens got the necessary signatures to put another "30 Every Thursday" proposition on the ballot in 1939. Indeed, their 1939 election petition carried over 1.1 million names, more than on the petitions for the 1938 election and about equal to the votes cast in 1938 for Ham and Eggs.³¹ The new version, drafted (again) by Roy Owens, added an income tax of 3% except for income received in state stamp scrip, and would have created a state bank with Owens in charge.³²

Proposed creation of a bank caused Coogan to walk out in a huff, since banks were generally an anathema in her conspiratorial approach to monetary affairs. Owens, who had felt eclipsed by Coogan during the first Ham and Eggs campaign, was pleased by her departure. But the resulting split endangered the prospects of the revised Ham and Eggs proposition.

Culbert Olson, as a mere candidate for governor, could afford to take an ambiguous position on Ham and Eggs in 1938. In the 1938 campaign, Olson said he was not sure Ham and Eggs would work. But then again, he waffled, how can one be sure something won't work before giving it a try? He also had nice words for the Townsend pension plan. During the 1938 Democratic convention, although Olson chaired the platform committee, Willis Allen let him off the hook on Ham and Eggs. Perhaps the Allens' links to Republican Merriam might have been compromised if the Democrats endorsed Ham and Eggs. In any case, Willis Allen declared that the issue was nonpartisan and should not be in a party platform.³³

The straddling of the Ham and Eggs issue of candidate Olson in 1938 would not ultimately be possible for Governor Olson in 1939. In his inaugural address, Olson had said that the state relief pension for the elderly was inadequate but suggested that fiscal resources were insufficient to raise it.³⁴ Thus, he did not have a strong pro-elderly record from which to oppose the reincarnated Ham and Eggs proposition. When first presented with the peti-

³¹Tom Zimmerman, "Ham and Eggs, Everybody!", *Southern California Quarterly*, 62 (Spring 1980): 89.
³²California, Secretary of State, *Proposed Amendments to Constitution, Propositions and Proposed Laws to Be Submitted to the Electors of the State of California at the General Election to Be Held Tuesday, November 7, 1939 Together With Arguments Respecting the Same* (Sacramento, Calif.: California State Printer, 1939).



Culbert L. Olson (1876-1962) was the first Democrat to be elected to the governorship since James H. Budd in 1894. The major issue before voters was the "Ham and Eggs" initiative, a measure on which Olson did not take a stand, unlike one of his Democratic primary rivals, Congressman John F. Dockweiler, who opposed the proposition. Olson supported the constitutional right of the populace to vote on the issue, thus making it appear that he was favorably disposed to it.

tions putting the measure back on the ballot, Olson spoke to a Ham and Eggs rally and promised the crowd a special election on their new proposition. But he included some waffling language indicating—again—he was not sure the plan would work.³⁵ Nonetheless, holding a special election just on Ham and Eggs would have increased its chance of passage; an election with just one issue would have attracted mainly the faithful to the polls.

Olson's waffling invited political criticism. Initially, the Governor defended his promised special election on grounds that since so many people wanted the vote, it was best to do it quickly. But somehow, the new proposition, now designated Proposition 1, ended up on the regular fall election ballot despite Olson's initial promise. In the end, Olson came out against Ham and Eggs, although Lieutenant Governor Ellis Patterson (Dem.), supported it. The market for California government bonds shuddered as it contemplated the possibility that Ham and Eggs might rise from its 1938 defeat like a phoenix.³⁶

Roosevelt again became concerned about the issue, as he had been in 1938. This was partly because the Ham and Eggs campaign included literature purporting a Roosevelt endorsement. "Try Plan," says Roosevelt," read one leaflet.³⁷ He had actually said that ultimately Ham and Eggs was state mat-

³⁵Robert E. Burke, *Olson's New Deal*, for California (Berkeley: University of California Press, 1953), pp. 16-17, 24, 26-27.

³⁶*Ibid.*, p. 42.

³⁷*Ibid.*, p. 108.

³⁸Leonard Leader, "Los Angeles and the Great Depression" (Ph.D. dissertation, Department of History, U.C.L.A., 1972), pp. 84-85.

³⁹Ham and Eggs pamphlet from President's Personal File 3385, Franklin D. Roosevelt Library.

ter for Californians to decide.³⁸ Nonetheless, the Ham and Eggers were anxious to marry themselves and their scheme to the New Deal.

Despite these efforts, Ham and Eggers lost in 1939, receiving about a third of the votes. There was again a link between organized labor and the Ham and Eggers in the 1939 campaign, but this time it was looser. No anti-union initiative was on the ballot in 1939, unlike 1938, so unions did not need allies. Still, CIO-affiliated unions generally supported the revised plan. And members of the Communist Party were active campaigners on its behalf.³⁹ As a result, the House Un-American Activities Committee came to Los Angeles, claiming there was a secret communist plot to take over Ham and Eggers, and through it the state.⁴⁰ And the Roosevelt administration, exasperated with Ham and Eggers, forwarded a letter to FBI director J. Edgar Hoover. The letter from a local doctor purported that the Allens were working with the communists to take over California and the U.S.⁴¹

Angered at Governor Olson's betrayal and seeking revenge, the Allens backed an immediate recall drive against the governor. However, the recall effort was abortive and some petition circulators wound up convicted of fraud.⁴² Labor support was not available for the recall drive; Olson was by this time seen as pro-union. And parts of the Ham and Eggers movement split away from the Allens after the 1939 elections and opposed the recall. These groups, having seen the electoral handwriting on the wall, decided to go with Olson who promised to work for higher Old Age Assistance.⁴³

Party to embarrass Olson, the Ham and Eggers ran a slate of delegates in the Democratic presidential primary in 1940, pledged to Willis Allen for President.⁴⁴

³⁸Roosevelt's statement appeared in a public letter dated October 31, 1938 to George Creel, a conservative Democrat who had been defeated in the Democratic gubernatorial primary in 1934 by Upton Sinclair. His statement reads, "As for the \$30 every Thursday plan, I have never concealed the fact that I am against it. I hope it will not be tried—because on the one hand I feel quite sure it will not work and because on the other hand I feel quite sure we can evolve from the present Social Security statute methods of obtaining security for old age which will work better and better each year. But the plan is wholly a State issue . . ." President's Personal File 3385, Franklin D. Roosevelt Library.

³⁹Lewis B. Perry and Richard S. Perry, *A History of the Los Angeles Labor Movement, 1911-1941* (Berkeley: University of California Press, 1963), p. 494.

⁴⁰Zimmerman, "Ham and Eggers, Everybody!", p. 87.

⁴¹Letter to Hoover from Edwin Watson, Secretary to the President, in President's Personal File 3385, Franklin D. Roosevelt Library.

⁴²Stephen Schwartz, *From West to East: California and the Making of the American Mind* (New York: The Free Press, 1998), p. 294.

⁴³Zimmerman, "Ham and Eggers, Everybody!", p. 91.

⁴⁴Burke, *Olson's New Deal for California*, p. 142.

However, Olson decided to compete for pensionite votes. Immediately after the 1939 defeat of Ham and Eggers, he announced support for a "Sixty-Sixty" plan, really a recommendation to Congress to raise the Social Security pension to \$60 per month and cut the age of eligibility to 60. Olson said he supported a reduction in the eligibility age to 60 for California Old Age Assistance. This proposal was meant as a goodwill demonstration to Congress but it was never passed. His lieutenant governor—the previous Ham and Eggers supporter—also endorsed Sixty-Sixty.⁴⁵

HAM AND EGGS: THE ECHO

There were new efforts to put Ham and Eggers initiatives on the ballot after 1939, but these failed due to legal technicalities. The California State Federation of Labor endorsed a variant on the Ham and Eggers plan by Willis Allen in 1941, in exchange for Ham and Eggers support in opposing an employer-backed proposition.⁴⁶ But Ham and Eggers had a more significant impact on subsequent gubernatorial politics.

In 1942 incumbent Governor Olson faced Republican Attorney General Earl Warren in the contest for the governorship. The two candidates feuded over issues related to defense preparedness, with Warren—in what is now regarded as a shameful tactic—campaigning to relocate California's Japanese Americans. Warren was an ambitious politician who set his sights for elec-

⁴⁵Phann, *Old-Age Politics in California*, pp. 120-121.

⁴⁶Philip Taft, *Labor Politics American Style: The California State Federation of Labor* (Cambridge, Mass.: Harvard University Press, 1968), pp. 138-139.



Earl Warren (1891-1974) had the distinction of being elected governor of California three times, an enviable record. He was also the only gubernatorial candidate to receive both the Republican and Democratic nominations, thanks to cross-filing (adopted in 1913) in his bid for reelection in 1946.

total office high. He later became the Republican vice presidential candidate on a ticket with Thomas Dewey in 1948 and hoped to become president. But at the time of his first campaign for governor, Warren's own polls showed him initially behind Olson and he needed support, however it could be obtained.

Warren never endorsed Ham and Egges; indeed the Allens had opposed Warren unsuccessfully in his race for attorney general.⁴⁷ But he now promised to do something about the pension issue if elected. In fact, Warren declared in the campaign that the elderly "are entitled to pensions . . . as a matter of right."⁴⁸ He promised to form a commission to make pension recommendations as soon as he was elected. Such statements were enough to get Warren the Ham and Egges backing he needed against traitor Olson.

The Ham and Egges had already run Roy G. Owens in the Democratic primary against Olson.⁴⁹ During the actual campaign, Ham and Egges' regular radio broadcasts favored Warren. Olson charged that Lawrence Allen had offered to support him in exchange for \$40,000 or \$50,000 (accounts vary), which he refused to pay. An Olson campaign official charged that the Allens had gotten \$25,000 from the Republicans.⁵⁰ But in the end, Warren—with his pensionite support—was elected with 57% of the vote.

Warren felt he owed something to the Ham and Egges. As promised, the newly-elected chief executive put together a special "Governor's Citizens Committee on Old Age Pensions" which included Ham and Egges representation. Of course, neither Warren, nor his Committee, ever proposed anything resembling the Ham and Egges plan during his term in office. But he did boost state old age assistance pensions following the Committee's recommendation. As a successful governor, Warren went on to national prominence and was appointed Chief Justice of the U.S. Supreme Court by President Dwight D. Eisenhower. Thus, in a way the famed "Warren Court" was a byproduct of Ham and Egges.

UNCLE GEORGE

Included as a member of Warren's new state pension committee was Hollywood-born George H. McLain, former Ham and Egges organizer and stepson of a California rainmaker.⁵¹ McLain's father, working as a paving

⁴⁷Ibid., p. 81.

⁴⁸Floyd A. Bondi, et al., *Our Needy Aged, A California Study of a National Problem* (New York: Henry Holt, 1954), p. 77.

⁴⁹Burke, *Olson's New Deal for California*, pp. 217-218.

⁵⁰Ibid., p. 221; Fitzgerald, "Pension Politics in California," p. 48.

⁵¹Fitzgerald, "Pension Politics in California," pp. 61-62.

contractor, had lost his business in the Great Depression and was forced to apply for county relief at age 80. According to McLain, it was the undignified treatment of his father by county bureaucrats that brought him to the pension cause. Junior McLain, who had been employed by Daddy's paving business, also applied for relief. He ended up working on a county building project.

Young George quickly saw the immediate connection between social movements and politics. In 1932, for example, he was a spokesperson at a city council meeting for the "Los Angeles Unemployed Voters Association," a group he had organized. The group pushed for public works and self-help programs such as the "Tradex" barter cooperative plan. A year later he ran for mayor using Unemployed Voters as a support base, but failed to make a significant showing. It was clear that the unemployed were not going to advance his career any further.

But there were other causes available. McLain joined up with EPIC and achieved minor status in that movement. He made an unsuccessful run for membership on the board of education. In 1936 he formed a group called "Natives of California, Inc." whose purpose was to "restore the Government of California to the natives of the State, and keep it there." But the organization went nowhere and after two more unsuccessful electoral bids, McLain joined Ham and Egges in 1938. After the second defeat of Ham and Egges in 1939, McLain split off from the movement, taking along a short-lived splinter group known as the "Militant Body."⁵²

There were more unsuccessful bids for political office by McLain. But he was learning political skills. He knew how to form alliances with other politicians. For example, McLain had been tapped by Olson to sabotage the Allens' abortive effort to recall him after the defeat of Ham and Egges in 1939. And McLain originally received money from Olson indirectly to assist with Olson's 1942 bid for reelection as governor. But when it seemed likely that Olson would lose, McLain moved over to Earl Warren's camp.

By the time Warren put him on the pension committee, McLain had developed a new organization. More correctly, he had taken over a pre-existing one originally called the American Citizens' Pension Association. This group favored a national pension scheme but McLain revamped it with a California orientation. It eventually became known as the California Institute of Social Welfare after several intermediate name changes.

McLain followed the Ham and Egges formula of using his own advertis-

⁵²Lester, "Los Angeles and the Great Depression," p. 171; Finmer, Jacobs, and Selznick, *Old Age and Political Behavior: A Case Study*, pp. 26-34.

ing agency to handle his organization's media propaganda, taking a percent age commission in the process. And, of course, there was a regular radio program (and later a television program). McLain even mirrored the Allens' neglect to pay payroll taxes for the staff. He dominated his group, operating with a rubber-stamp board. But with the Warren appointment, McLain emerged as the major pension player in the state.⁵³

McLain's appeal in organizing went directly to the pocketbook. Potential contributors to his organization were encouraged to view their donations as investments. "Would you spend five dollars to get back from \$60 to \$300 a year increase in your pension checks?" Truly committed contributors could pay extra and take out "life memberships". Apart from lobbying, members also received personal assistance in confronting the welfare bureaucracy, e.g., filing claims and appeals. And publications were offered on legislative developments.

Broadcasts were conducted in a folksy manner with McLain referring to himself as "Uncle George." Like a contemporary radio or TV preacher, there were regular "emergency" funding-raising appeals: "Unless we can raise some money very quickly, our radio programs will cease." The preacher element was even more present in the closing of each broadcast with a prayer. Although the references were typically Christian, McLain was inter-denominational when it came to fund raising. At least one of his Social Welfare Clubs had Jewish membership and conducted its business in Yiddish.⁵⁴

Meanwhile, the Allens and others still in the residual Ham and Eggs movement involved themselves in a money laundering scandal concerning campaign funding. A Townsend plan pension proposition was placed on the California ballot in 1944 but lost by two-to-one. An attempt by the Allens to resurrect Ham and Eggs with the aid of the vicious anti-Semite Gerald L.K. Smith failed in 1946. As a result of an unfavorable court decision, so, too, did another Allen scheme in 1948 to finance pensions by taxing legalized bookmakers. The last gasp for the Allens was an organization known as the "Pension and Taxpayers Association" in 1950, which also involved linking pensions and gambling.⁵⁵ Thus, after World War II, it was McLain's turn to put his own propositions on the California state ballot.⁵⁶

McLain took a less radical stance than his predecessors. His targets of

⁵³Pinnet, Jacobs, and Seimick, *Old Age and Political Behavior: A Case Study*, pp. 34-46.

⁵⁴*Ibid.*, pp. 115-118, 146-157.

⁵⁵*Ibid.*, p. 4; Fitzgerald, "Pension Politics in California," pp. 54-61.

⁵⁶Carey McWilliams, "Pension Politics in California," pp. 295-299, in David Farrally and Ivan Hinderaker, eds., *The Politics of California: A Book of Readings* (New York: Ronald Press, 1951).

attack were "private interests" dominating the legislature and the bureaucrats and social workers administering state Old Age Assistance (OAA). On the other hand, Governor Warren initially received favorable treatment in McLain's broadcasts and publications. He eschewed advocacy of anything that seemed a major modification of the existing economic order. McLain's name, for example, is among the official authors of the arguments against the unsuccessful Townsend proposition in 1944 (\$60 a month to residents aged 60 and over, a state-level Sixty-Sixty plan).⁵⁷

McLain accepted the evolving national Social Security system and its related welfare components—by then in full operation—as givens. Under the 1935 Social Security Act, state OAA systems provided welfare payments to the indigent elderly, but with a federal subsidy. In California, OAA was administered by the counties with federal subsidy. It essentially offered aid to those not eligible for regular Social Security, a shrinking pool as the number of Social Security eligibles expanded.

Although the Social Security Act was hardly a Republican program, the move to favor OAA as the lesser evil (when compared with other pension schemes) had roots in the Merriam administration. A change in state law in 1935 reduced the eligibility age under California's OAA to 65 from 70 and made other liberalizing modifications. Further liberalizations of state law were adopted in 1937. By 1940, monthly OAA payments in California were 87% above the national average.⁵⁸ Pension agitation from Ham and Eggs and the Townsends had the indirect effect of enhancing the mainstream OAA program.

Earl Warren was also willing to let OAA payments rise just enough to fend off pensionite opposition.⁵⁹ During the Warren years, McLain's organization became an early version of the contemporary AARP, providing benefits, communications, and political advocacy. Specifically, it offered assistance to its members in obtaining OAA from reluctant county agencies. It put out its own newspaper and radio programs and possessed "the latest direct mail machinery and gadget."⁶⁰ And it exercised political muscle with precinct captains organized around the state.

⁵⁷California voters receive a pamphlet containing an official summary of the various propositions on the ballot along with official arguments pro and con and the names of the authors of these arguments. These are reproduced in John M. Allswang, *California Initiatives and Referendums, 1912-1990: A Survey and Guide to Research* (Los Angeles: Edmund G. "Pat" Brown Institute of Public Affairs, California State University, Los Angeles, 1991), p. 98.

⁵⁸McWilliams, "Pension Politics in California," p. 240.

⁵⁹Moley, "Knight of Nonpartisanship: Earl Warren," p. 223.

⁶⁰McWilliams, "Pension Politics in California," p. 297.

Three years after World War II ended, McLain was ready to make a major political move. California's OAA premium above the national average had eroded from its 87% peak in 1940 to 45% by 1948.⁶¹ So McLain put on the 1948 California ballot a constitutional amendment raising monthly payments for aged and blind recipients from \$60 to \$75. The changing dynamics of pension politics was apparent in that year; competing Ham and Eggs and Townsend propositions failed to obtain places on the ballot.⁶²

McLain's proposition moved the authority for administering the program from the counties to the state. The amendment created an elected state Director of the Department of Social Welfare. But for an interim period, it effectively named a woman associated with McLain, Myrtle Williams, as state director. The two co-owned the "Williams Advertising Agency" which like the Allens' earlier Cinema Advertising Agency, was able to generate profits from a supposedly non-profit movement.⁶³ (Discreet documents of that period do not further explore their relationship.)

Apparently, McLain's proposition had not been expected to win and only a limited campaign was launched against it. Governor Earl Warren at the time was busy campaigning as the Republican candidate for Vice President with running mate Thomas Dewey. When the proposition actually passed, the surprised empire of dispossessed counties struck back. Allied with them were business interests opposed to the shift from local property taxes to other (state) taxes to support the new pension system.⁶⁴

First, a legislative committee investigated McLain and his organization's finances. Embarrassing disclosures were made—mirroring a Roosevelt-engineered Congressional investigation of the Townsend plan in the 1930s. McLain's expenses seemed to exceed his income. He lived rent-free in an apartment owned by his organization. Witnesses also testified that McLain was controlling the State Welfare Department through Myrtle Williams. And there were complaints about some McLain-associates she appointed to various state positions.⁶⁵

Second, the opponents of McLain's successful proposition mounted a repeal drive. They put a proposition on the 1949 ballot reversing the transfer of OAA authority to the state, but leaving the increased dollar amount

⁶¹Bond, et al., *Our Needy Aged, A California Study of a National Problem*, p. 240.

⁶²Fitzgerald, "Pension Politics in California," p. 29.

⁶³Ibid., p. 69.

⁶⁴Ibid., pp. 76-82.

⁶⁵Punnet, Jacobs, and Seimick, *Old Age and Political Behavior: A Case Study*, pp. 46-48, 243-248.

intact. Indeed, payments to the blind were raised to attract additional votes and support from agencies assisting the sightless. To McLain's aid came Townsendite U.S. Senator Sheridan Downey (whose son had been given a post by Williams) and James Roosevelt, son of Franklin, who was running for governor.⁶⁶ Governor Warren was equivocal initially and McLain threatened him with a recall. But eventually Warren came out in favor of repeal.⁶⁷

The new repeal proposition passed, returning OAA administration to the local authorities. McLain began trying to unseat Earl Warren. In his 1951 report to his constituents, McLain described unsuccessful efforts to push various bills through the legislature. The report names friends and enemies in the legislature and set the stage for a new ballot initiative in 1952.⁶⁸ The 1952 proposition would have transferred authority for OAA back to the state and added a cost of living adjustment and other benefits. The official argument for this proposal (Proposition 11) read: "The elderly need relief from their misery and suffering. We need to honor our elderly (as God said to Honor thy Father and Mother)."

But by this time the state was losing its elderly demographic tilt and shifting towards its current youthful position. And even with God's alleged endorsement, the proposition failed along with a related measure.⁶⁹ McLain's final proposition appeared on the ballot in 1954 and would have raised OAA payments from \$80 to \$100 per month. It was also defeated, effectively ending the ballot wars in California over pensions for the elderly. Nonetheless, McLain thereafter pushed—unsuccessfully—for legislation to put OAA back under state control as it had been under his 1948 proposition.⁷⁰ He died in 1965 amidst a protest within an organization he controlled about funding irregularities in a housing project for the aged. With McLain's death, California had finally consumed all of its Ham and Eggs.

THE INGREDIENTS OF HAM AND EGGS

Although Ham and Eggs was the brainchild Robert Noble, his invention

⁶⁶Ibid., p. 54.

⁶⁷Fitzgerald, "Pension Politics in California," pp. 85-87.

⁶⁸George McLain, *The Story of the 1951 California Legislature: How the Conspiracy to Wreck the State's Social Welfare Program Was Exposed!* (Los Angeles: California Institute of Social Welfare, 1951).

⁶⁹McLain's unsuccessful Proposition 10 sought to prevent use of public funds to influence legislation. He apparently thought this ban would nullify the opposition of groups such as the County Supervisors Association to his other proposals.

⁷⁰California Institute of Social Welfare, *How the California Legislature Votes on Social Welfare* (Los Angeles: California Institute, no date [1956?], pp. 50-51).

was in fact the product of related contemporaneous and earlier social and political movements. The Townsend plan, developed by Dr. Francis Townsend, a Long Beach, California physician was an obvious precedent. Townsend also generated significant revenues from his clubs for elderly supporters. But not all of the ingredients of Ham and Eggs were related directly to pensions. Various notions were in the air at the time, out of which Ham and Eggs was developed. These included *monetary and currency theories*, notions about *underconsumption and income distribution* as causes of the depression, depression-alleviation schemes such as *spreading around the limited opportunities for employment*, as well as movements *promoting payments to worthy groups* such as veterans, the aged, and widows.

Irving Fisher's stamp money proposal has already been mentioned as the root of the monetary side of Ham and Eggs. But more generally, there was still a strong residue of the free silver movement of the 19th century, especially in the Democratic Party. Fiddling with the currency was not an exceptional idea in the 1930s, nor were the related monetary conspiracy theories touted by Father Coughlin and others. They had a long history in U.S. politics.

Redistributing wealth to those who would spend it was also a popular idea, pushed by Louisiana Senator Huey Long in the U.S. and the Social Credit movement in Canada. Social Credit, a movement of British origins, took control of Alberta province and proposed payouts to all citizens to balance consumption and production. It also was rife with monetary conspiracy theories of an anti-Semitic tinge. The Ham and Eggs and Townsendite proposals to limit old age pensions to non-workers—thereby making scarce jobs available to the young—was also not novel. (Unlike today, elderly males did often work in that period.) There was, for example, sentiment that married women should not work so that male breadwinners could find jobs.

Payment of bonuses to worthy groups was not a new idea. There were embryonic OAA systems in existence before the Depression. California, reflecting its demographics, had adopted what was considered the most progressive OAA system in the country in 1929. Many states (including California) had also adopted "mothers' pensions" systems (payments to widows with children). World War I veterans had demanded bonus payments in a dramatic march to, and encampment in, Washington in 1932. Their demonstration ultimately was broken up by the military, further alienating the Hoover administration in its waning days from the electorate.

More generally, the Ham and Eggs movement—bizarre as its particulars

may seem in retrospect—a caricature of the New Deal. Roosevelt's New Deal in fact contained monetary elements, underconsumption remedies, and social welfare payments as part of its agenda. The Roosevelt administration fiddled with the gold standard and silver prices, regulated banks, embraced income redistribution, created Social Security pensions, and sought to spread work around through limits on child labor and overtime hours. Given these similarities between the New Deal and Ham and Eggs, it is not surprising that the Roosevelt administration was concerned about the California pensionites; a Ham and Eggs victory at the polls would potentially tar the New Deal. Moreover, Ham and Eggs was rolling California politics. California's voters sent a Ham and Eggs and Townsend Plan supporter, the above-mentioned Sheridan Downey, to the U.S. Senate in 1938. Downey had earlier taken the Democratic nomination for senator away from the Roosevelt administration's preferred candidate.

HAM AND EGGS IN THE 21ST CENTURY?

Of course, it is possible to interpret the Ham and Eggs story as one more example of California weirdness or as a unique product of the Great Depression. Taken that way, the story has nothing to teach us about the future when the baby boom retires. But that interpretation would be a mistake. It would be wrong to assume, on the other hand, that in the year 2030 or so, someone will simply propose a scheme to pay everyone over fifty \$30 a week (or the inflation-adjusted equivalent), i.e., that history will mechanically repeat itself.

The Ham and Eggs plan was dreamed up by political entrepreneurs, albeit colorful, who capitalized on state demographics and the political and economic currents of their time. There will surely be very different currents in 2030. But just as surely there will be political entrepreneurs ready to capitalize on demographics and disappointed elderly voters and propose remedies. The issues of 2030 could involve Social Security, private pensions, or health care. And there will be politicians—the Warrens, Merriams, Olsons, and Downeys of the future—who will respond in varying degrees to the political pressures.

Those experts and policy makers currently debating reforms in Social Security and other programs which affect the elderly might give some thought to how their words will appear in a few decades. What today may seem like a technical debate could easily be depicted as a dark conspiracy to deprive the elderly boomers of their due by some future incarnations of Robert Noble, the Allens, and Gertrude Coogan. Statements that the Social Security trust

funds aren't "real," that the surplus in those funds is being used to cover up or pay for the federal deficit, or that private investment returns to individuals would be higher than Social Security provides are the ingredients for tomorrow's complaints and conspiracy theories.

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