



YES CALIFORNIA'S
CALEXIT
BLUE BOOK

**ANSWERS TO YOUR
QUESTIONS ABOUT
INDEPENDENCE**

**LEARN WHY YOU SHOULD VOTE YES
FOR CALIFORNIA TO EXIT THE UNION**

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On March 5, 2019, Californians will go to the polls in a historic vote to decide by referendum if California should exit the Union, a #Calexit vote.

You will have this historic opportunity because the Yes California Independence Campaign will qualify a citizen's initiative for the 2018 ballot that if passed would call for a special election for Californians to vote for or against the independence of California from the United States.

This is a very important question. It is the responsibility of this campaign to explain what a yes vote will mean for you, your family, your community, our state, our country, and our world. We have designed this booklet to answer many of these questions and look to you to ask more.

“ As the sixth largest economy in the world, California is more economically powerful than France and has a population larger than Poland. Point by point, California compares and competes with countries, not just the 49 other states.”

In our view, the United States of America represents so many things that conflict with Californian values, and our continued statehood means California will continue subsidizing the other states to our own detriment, and to the detriment of our children.

Although charity is part of our culture, when you consider that California's infrastructure is falling apart, our public schools are ranked among the worst in the entire country, we have the highest number of homeless persons living without shelter and other basic necessities, poverty rates remain high, income inequality continues to expand, and we must often borrow money from the future to provide services for today, now is not the time for charity.

However, this independence referendum is about more than California subsidizing other states of this country. It is about the right to self-determination and the concept of voluntary association, both of which are supported by constitutional and international law.

It is about California taking its place in the world, standing as an equal among nations. We believe in two fundamental truths: (1) California exerts a positive influence on the rest of the world, and (2) California could do more good as an independent country than it is able to do as a just a U.S. state.

In 2016, the United Kingdom voted to leave the international community with their “Brexit” vote. Our “Calexit” referendum is about California joining the international community. You have a big decision to make.

YES CALIFORNIA IS HERE TO HELP.

CALIFORNIA

IS ONE OF THE TOP 10

GLOBAL ECONOMIES

ACCORDING TO 2015 GLOBAL GDP FIGURES IN TRILLIONS OF DOLLARS

1 UNITED STATES 17.95 

2 CHINA 10.87 

3 JAPAN 4.12 

4 GERMANY 3.36 

5 UNITED KINGDOM 2.85 

6 CALIFORNIA 2.46 

7 FRANCE 2.42 

8 INDIA 2.07 

9 ITALY 1.81 

10 BRAZIL 1.77 

THE CASE FOR INDEPENDENCE IN 9 SIMPLE POINTS

Being a U.S. state is no longer serving California's best interests. On issues ranging from peace and security to natural resources and the environment, it has become increasingly true that California would be better off as an independent country. Here's a summary of why we think so.

1. PEACE AND SECURITY

The U.S. Government spends more on its military than the next several countries combined. Not only is California forced to subsidize this massive military budget with our taxes, but Californians are sent off to fight in wars that often do more to perpetuate terrorism than to abate it. The only reason terrorists might want to attack us is because we are part of the United States and are guilty by association. Not being a part of that country will make California a less likely target of retaliation by its enemies.

2. ELECTIONS AND GOVERNMENT

California's electoral votes haven't affected a presidential election since 1876. On top of that, presidential election results are often known before our votes are even counted. So, why should we keep subjecting ourselves to presidents we play no role in electing, to 382 representatives and 98 senators we can't vote for, and all the government officials and federal judges appointed by those very same people we don't elect.

3. TRADE AND REGULATION

The U.S. Government maintains a burdensome trade system that hurts California's economy by making trade more difficult and more expensive for California's businesses. As long as California remains within this burdensome trade system, we will never be able to capitalize on the trade and investment opportunities that would be available to us as an independent country. On top of that, the United States is dragging California into the Trans-Pacific Partnership agreement which conflicts with our values.

4. DEBT AND TAXES

Since 1987, California has been subsidizing the other states at a loss of tens and sometimes hundreds of billions of dollars in a single fiscal year. As a result, we are often forced to raise taxes and charge fees in California, and borrow money from the future to make up the difference. This is partly why California presently has some of the highest taxes in the country, and so much debt. Independence means that all of our taxes will be kept in California based on the priorities we set, and we will be able to do so while repaying our debts and phasing out the current state income tax.

5. IMMIGRATION

California is the most diverse state in the United States and that is something we are proud of. This diversity is a central part of our culture and an indispensable part of our economy. As a U.S. state, our immigration system was largely designed by the 49 other states thirty years ago. This immigration system has since neglected the needs of the California economy and has hurt too many California families. Independence means California will be able to decide what immigration policies make sense for our diverse and unique population, culture, and economy, and that we'll be able to build an immigration system that is consistent with our values.

6. NATURAL RESOURCES

Certain minerals and other natural resources like coal, oil, and natural gas are being extracted from California at below market value rates by private corporations with the permission of the U.S. Government. While a small portion of the revenue is shared with us, our share has been withheld during times of sequestration. That means the U.S. Government is paying their debts with royalties collected from selling off California's natural resources. Independence means we will gain control of the 46% of California that is currently owned by the U.S. Government and its agencies. We will therefore take control of our natural resources and be the sole beneficiary of royalties collected if and when they are extracted from our lands.

7. THE ENVIRONMENT

California is a global leader on environmental issues. However, as long as the other states continue debating whether or not climate change is real, they will continue holding up real efforts to reduce carbon emissions. The truth is this country accounts for less than five percent of the world's population yet consumes one-third of the world's paper, a quarter of the world's oil, 27 percent of the aluminum, 23 percent of the coal, and 19 percent of the copper. Independence means California will be able to negotiate treaties to not only reduce the human impact on our climate but also to help build global resource sustainability.

8. HEALTH AND MEDICINE

The Affordable Care Act was enacted by the U.S. Government to lower the cost of health care and expand health insurance coverage to the uninsured, yet millions of Californians still lack access to quality health care because they can't afford it. For many, access to hospitals and medicine is a life or death issue. Independence means we can fund the health care programs we want and ensure everyone has access to the medicines they need because our taxes will no longer be subsidizing other states. Finally, California can join the rest of the industrialized world in guaranteeing health care as a universal right for all of our people.

9. EDUCATION

California has some of the best universities but in various ways, our schools are among the worst in the country. Not only does this deprive our children of the education they deserve, but it also costs taxpayers billions in social services and law enforcement expenses linked to lacking opportunities resulting from poor education. Independence means we will be able to fully fund public education, rebuild and modernize public schools, and pay public school teachers the salaries they deserve. On top of that, independence means freedom from federal education policies and one-size-fits-all standards set by political appointees on the other side of the continent.

The background of the page features several stacks of coins. On the left, there are two tall stacks of coins. In the center, there is a single tall stack of coins. On the right, there is a shorter stack of coins with a dollar sign (\$) on top. The text is overlaid on these stacks.

**CALIFORNIA LOSES ABOUT
\$16 BILLION EACH YEAR
SUBSIDIZING OTHER STATES
AND THIS WILL CONTINUE TO
HAPPEN UNTIL CALIFORNIA
BECOMES AN INDEPENDENT
COUNTRY.**

**KEEPING OUR TAXES IN
CALIFORNIA MEANS**

**MORE FUNDING FOR
HEALTH, EDUCATION, AND
INFRASTRUCTURE.**

IS THE CALEXIT INDEPENDENCE PLEBISCITE EVEN LEGAL?

The Constitution says that each state in the Union shall retain every power which is not by the Constitution given to the federal government. The Constitution does not give the power of secession to the federal government, nor does it expressly prohibit the states from exercising this power. Therefore, the power of secession is reserved to the states, or to the people, per the Tenth Amendment.

Further, the Supremacy Clause of the Constitution says that treaties ratified by Congress are the supreme law of the land. In 1945, the United States ratified the UN Charter, a treaty that guarantees peoples the right to self-determination in Article I. Thus, by ratifying this treaty, the United States adopted the right of self-determination as the supreme law of our land.

Lastly, Aristotle wrote that the state “is a culmination of widening circles of human association based on human wants,” and that it is “the highest form of human association.” Why is this important?

It is important because in 1948, the United Nations adopted its Universal Declaration of Human Rights. Article 20 of that Declaration provides that “No one may be compelled to belong to an association.” This campaign takes the position, as Aristotle argued, that the state is an association and therefore we Californians may not be compelled to belong to the State, or the country, that is the United States of America.

Regardless, if the original 13 American colonies didn't pursue their independence from the British Empire because King George and the government in London said they had no right to do so, then this country wouldn't exist today. Therefore, when a government says to its people that they have no right to seek their independence, history shows us that has not deterred the cause of freedom or self-determination.

DOES THE INITIATIVE AMEND OR REVISE THE CONSTITUTION?

We respectfully submit that California Supreme Court precedent makes clear that repeal of the Section 1 of Article III of the California Constitution would constitute an amendment, not a revision.

An analysis of repeal versus amendment requires both a quantitative and qualitative analysis of whether or not a Proposition “substantially” alters the “basic government framework” of the Constitution. *Legislature v Eu*, 54 Cal. 3d 492, 510 (1991). In making this analysis, a decision maker with standing must ensure that “all presumptions favor the validity of initiative measures and mere doubts as to validity are insufficient; such measures must be upheld unless their unconstitutionality clearly, positively, and unmistakably appears.” *Id.* at 501.

Given the single sentence proposed to change, presumably your request does not pertain to the quantitative analysis. The “preamble” nature of the Section further suggests that the qualitative analysis indicates an amendment, not a revision. Regardless, the standard applied in *Eu* with respect to qualitative analysis confirms that the Proposition seeks an amendment, not a revision.

The Court in *Eu*, reaffirming prior holdings, found that “prior decisions have made it clear that to find ... a revision, it must necessarily or inevitably appear from the face of the challenged provision that the measure will substantially alter the basic governmental framework set forth in our Constitution.” *Id.* at 510 (emphases added) (rejecting “revision” challenge to Proposition

140, which set legislative term and budget limits, among other things) (citing *Brosnahan v. Brown* (1982) 32 Cal.3d 236, 261 [rejecting argument that Prop. 8 (see Cal. Const., art. I, § 28) involved improper constitutional revision]; *Amador Valley Joint Union High Sch. Dist. v. State Bd. of Equalization* (1978) 22 Cal.3d 208, 224-226 [nothing on face of Prop. 13 (see Cal. Const., art. XIII A) “necessarily and inevitably” would result in loss of home rule]; and *Raven v. Deukmejian* 52 Cal.3d 336, 349 [“nothing on the face of the challenged measures [Prop. 115] ‘necessarily or inevitably’ compels” dire economic consequences predicted by petitioners in context of single-subject rule challenge]).

In the case of the Proposition, if voters pass it in its current form, no alteration of the “basic government framework” of the Constitution happens, much less a substantial and “necessary or imminent” one. Notably, a leading treatise on the California Constitution describes the Section as the most “symbolic” update in the 1879 California Constitution when compared to the original 1849 Constitution. Gronking, Shanske & Salerno, *The California State Constitution*, p.21 (2016 2d Ed). Nothing about the specific Section in the 1879 Constitution altered the relationship of California to the United States previously established in an 1850 Treaty.

Similarly, if the Proposition passes in its current form, no specific state or federal constitutional rights or laws change. This includes the state’s relationship to the United States. As applied in courts today and any time soon, Federal law would continue to prevail on all matters over which it both supersedes and conflicts with state law. No substantive provisions of the Constitution change.

To the contrary of “imminent or necessary”, as it relates the subject matter of the Proposition on its face to delete the Section,

any eventual substantial change in the government framework of California's Constitution depends on future events faces high uncertainty. For example, under the vision of YesCalifornia (see Bluebook available at www.yescalifornia.org), any substantial change in the governmental nature of the relationship between California and the United States would require a second and uncertain popular vote; agreement and a method for California's government to then seek "consent of the states" to secede; actual consent of such other states under U.S. Constitutional law, and recognition under principles of international law.

Yet, California's Supreme Court has carefully guarded against findings of "revisions" in cases where challenges against a voter proposition claim, with uncertainty and speculation, "substantial" change to the "basic Governmental framework" of the Constitution. Eu at 509-510 ("the assertedly momentous consequences to our governmental scheme are largely speculative ones, dependent on a number of as yet unproved premises ... uncertainty inhibits us from holding that a constitutional revision has occurred in this case").

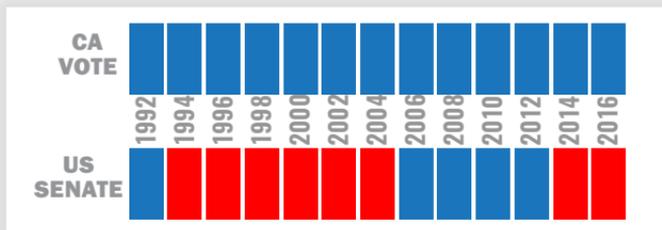
So here. The Proposition, if it repeals the Section, changes nothing in the Constitution other than a transparently symbolic sentence. All Constitutional rights and laws remain as current. Any substantial change would require much further change that may or may not happen - events that are well beyond the face of the Proposition. Yet it is the face of the Proposition that sets the boundary of any analysis in of a "revision" versus "amendment" question. Eu at 510. Hence, we are proposing nothing more than an amendment to the Constitution.

WHAT ARE THE OVERLYING PRINCIPLES?

Most of the time, California doesn't get the national government we choose. We have voted for a Democratic majority in both chambers of the California Legislature since 1971 and have elected Democrats to the U.S. Senate since 1992. Clearly California leans left but by the time of the 2016 election we will have had a Republican-controlled House for 19 out of the last 24 years and a Republican-controlled Senate for 15 out of the last 24 years.

Whether you support the Democrats or the Republicans, this system denies us the national government we vote for. The simple truth is that 88% of the U.S. population is not from California, and that means in practice all these non-Californians decide what national government California gets.

Most of the time (roughly six years in every 10, for the last three decades dating back to the mid-1980s) that has been a government Californians rejected at the ballot box. We believe California should be a country, so that we can get the national government we vote for every time - not just when it happens to coincide with what 49 other states want.



When we don't get the Senate we vote for, it doesn't just impact the laws they enact that we must then adhere to, or the budget they pass that we must then live with. It also affects which judicial nominees are confirmed to the bench with the power to declare California's laws unconstitutional. This happens more than you think and although we maintain the right to appeal

to a higher court, the Supreme Court reverses more decisions from the 9th Circuit Court based in San Francisco than any other Circuit Court system in the country. In 2010, the American Bar Association gave California's 9th Circuit Court the lowest grade of all "numbered" Circuit Courts with a C- average, pointing out that some 80% of its decisions were reversed or vacated by the Supreme Court.

Independence isn't about policies or parties. Those are questions which will be decided at future elections, not by this independence referendum. All you have to decide is who should choose the future governments Californians live under: the people of California, or the people of the 49 other states?

QUESTION

Q: "But won't we be abandoning the US to permanent right-wing control?"

A: No. Without California, every single president elected since 1880 would still have been elected, and even though there have been 84 Congressional elections since California became a state in 1850, the balance of power in the House of Representatives and the Senate would have only been different three and four times, respectively. And remember, California already does not get to vote for 382 of the 435 members of the House or for 98 of the 100 members of the Senate so our impact on the composition of the House and Senate is very minimal regardless of our economic strength and population.

On top of that, the US is a center-right country. A recent Gallup poll showed that just 21% of Americans identify as liberal - and that's with California in the equation. Conservatives are the largest ideological group, at 38% nationwide. So an argument could be made that we wouldn't be abandoning the rest of the US to right-wing governments, we would be making it easier for them to have the governments they want, too. A win-win!

WHAT TYPE OF GOVERNMENT WILL WE HAVE?

When California becomes an independent country, or perhaps during the process of becoming an independent country, the people of California will choose the type of government system we want to have. Will we have a democratic-republic like the United States with a president and a bicameral legislature, or will we establish for ourselves a parliamentary republic with a prime minister and a parliament? Possibly, with all our ingenuity and imagination, we can craft an entirely unique system of governance.

However, these are questions to be decided by future elections, not by this independence referendum. While it is a very important question, this referendum is only asking whether or not you think California should become an independent country. It does not declare California's independence from the United States, nor does it establish any new system of government. It does not remove any elected official from office, nor does it take away your U.S. citizenship. In short, the referendum is a way to gauge the sense of the people on whether we Californians prefer the status quo of statehood, or if we want to see a change towards nationhood.

Voting yes on the referendum is essentially voting yes to reform our system of government as well as our political and elections process to:

- guarantee a more responsible and responsive government;
- move away from a two-party system;
- reduce the influence of big money in elections;
- restore the principle of one person, one vote;
- establish a system of proportional representation; and,
- engage disenfranchised voters

These are goals Californians and others are currently fighting for, yet under the corrupt U.S. political system, they are unlikely to be achieved.

HOW WILL THIS IMPACT OUR ECONOMY?

The economy is such an important part of this debate. The choices that the country of California makes, and whether those choices will be easier or harder than those faced by the state of California, will greatly depend upon how much money is available.

For that reason, the United States Government and California's critics desperately want you to believe that California would be poorer as an independent country, be greater in debt, and that it would therefore have to raise taxes even more to make ends meet.

But that simply isn't true. In fact, it's not even close - California is a donor state which means that we have been subsidizing many of the other states with our federal taxes. This has been happening for decades now and we lose generally tens and sometimes hundreds of billions of dollars in a single year because of this.

For example, the Federal Government's own figures show in 2014, the last year for which data is available, that Californians collectively paid \$369.2 billion in federal taxes and received federal payouts totaling approximately \$355.8 billion. That's a loss of more than \$13.5 billion in a year when California was still working its way out of the recession.

Since 1995, California has lost about \$16 billion each year. To put that in perspective, California's entire state budget in 2014 was \$156 billion. So when we talk about how much money is available in our budget, California as an independent country would have about 10% more without any additional taxes and before adjusting our budget priorities.

By keeping all the taxes you pay in California, we will be on our way to budget

surpluses instead of deficits. By remaining part of the United States, not only will the 49 other states ensure that we keep subsidizing them but California will always be in debt, will always be forced to borrow money that puts us deeper into debt, and will always have a massive national debt hanging over our heads. Today that national debt is over \$19 trillion.

In short, we pay the highest taxes, we have been subsidizing the other states at an average loss of about \$16 billion a year since 1995, and California is hundreds of billions of dollars in debt. Had California been an independent country since the 1980s when we started subsidizing other states, we would have had \$120 billion more available to us since that time and would not have had to accumulate so much debt, or raise taxes so much. So the question you have to decide is who should receive the taxes Californians pay every year: the people of California, or the people of the 49 other states?

QUESTION

Q: “But isn’t the US government spending more per person in California?”

A: No. In FY 2015 federal spending in California was \$6,452 per person, lower than the national average of \$6,649. That may not seem like a lot but there’s more than 39 million people in California. It’s been worse. For example, federal spending in California per person was \$800 below the national average in FY 2014 and \$994 below the national average in FY 2013.

Q: “But what about US government spending as a percent of California’s GDP?”

A: The State of California actually researched this in 2015. They found that federal funding is equivalent to less than 16 percent of California’s statewide economic activity, which is lower than the national average of 19 percent. Mentioning California’s GDP brings up another important point, though: Did you know California’s economy is now the 6th largest in the world? California is more economically-powerful than France.

HOW WILL THIS IMPACT OUR BUDGET?

Independence will stop the United States from using our taxes to subsidize other states. However, returning California's taxes to California's budget represents only a portion of the fiscal benefit of independence.

When California is an independent country, every dollar in federal taxes you pay will be sent to Sacramento instead of to the U.S. Government. This will not only keep your taxes in California, but it will also dramatically increase the size of California's budget by hundreds of billions of dollars.

As an independent country, however, California will assume much more responsibility and therefore have a range of budget items from Social Security to national security that we will be responsible to fund with that budget each year. This is where a substantial fiscal opportunity arises for us to align our budget priorities with our values as Californians, and thereby secure the funds we need to invest in the healthcare, education, and infrastructure programs we can afford only through independence.

Take national security for example. In 2015, the U.S. Government dedicated more than half of all discretionary spending on its military. In dollars, that means they spent nearly \$600 billion on its military that year, about 16% of the entire \$3.8 trillion national budget, and over three percent of the nation's Gross Domestic Product.

If California as an independent country spent 16% of its annual budget, or over three percent of our Gross Domestic Product on military defense, not only would that conflict with our values as peace-loving Californians, and not only would it be a massive waste of tax dollars, but it would frankly render this campaign largely unnecessary and even unworkable.

One of the benefits of independence is the ability to spend less on weapons

of war and more on education, healthcare, infrastructure, and other quality of life issues that matter to the people of California in their daily lives. Spending three percent of California's \$2.46 trillion Gross Domestic Product (or 16% of our annual budget) on military defense would give us a military defense budget of about \$70-80 billion a year.

Why spend \$70-80 billion a year to maintain a military apparatus in North America where Canada defends itself with just \$18 billion a year? Israel's military defense costs them \$18 billion a year, too. In fact, California spending even \$70 billion a year on defense would afford us a military larger than Russia's - and Russia is 40 times larger than California.

By reducing military expenditures while adequately providing for our defense, we will have about \$50 billion more a year on top of the billions we retain by ending the subsidies we pay to other states. Combined, this is about \$75 billion a year - and that's after we fund the military! So all you need to decide is how you want that money spent: improving your quality of life, or on subsidies to other states and a bloated military budget?

QUESTION

Q: "But if we spend less on the military, won't we be invaded by another country?"

A: *California doesn't pose a threat to any other country so there would be no risk to California of being attacked by another country.*

On top of that, this is the 21st Century. Unless you're the Americans, countries typically don't amass armies, cross oceans, and invade other countries anymore. The risks of the 21st Century come from non-state actors like terrorists, or through economic or cyber warfare, not from conventional armies arriving at our shores from abroad.

WHAT ABOUT ALL THE DEBT WE HAVE?

California has amassed over \$400 billion in state debt - a figure that is growing everyday and represents about 17 percent of California's Gross Domestic Product (GDP) and slightly more than \$11,000 for every Californian. As bad as these figures seem, they are much better than those for the United States as a whole where the national debt is over \$19.5 trillion (and growing), or 105% of GDP, and nearly \$60,000 per citizen.

During the transition from statehood to nationhood, California will agree to assume its share of the U.S. national debt on a per capita basis. This will reduce the national debt by nearly \$2.4 trillion for the United States but California's exit also means the overall GDP of the United States will fall by \$2.46 trillion. Thus, although its national debt will fall to \$17 trillion, the debt-to-GDP ratio of the United States will rise to 110% of GDP.

At the same time, California's exit will raise our debt to \$2.79 trillion. However, since California has paid approximately \$120 billion more in federal taxes than we have received in federal funding since 1981, we will obtain a credit from the United States in that amount, reducing our total debt from \$2.79 trillion to approximately \$2.67 trillion. Compared to our sixth-largest-in-the-world economy, that means California's national debt will be about 108% of GDP, similar to the debt-to-GDP ratio in Belgium and two points lower than in the United States under this scenario.

Honestly, these are not great numbers for California to deal with as a newly independent country. However, the point to stress here is that California's current debt is just 17 percent of GDP and growing at a slower pace than the national debt of the United States. Therefore, this leads us to conclude that independence is a necessity because the longer we remain part of the United States, the larger our share of its national debt is. So it's a race against a debt clock in a situation that worsens with every passing second.

QUESTION

Q: “Why is a per-capita share of the debt a fair amount?”

A: *Assuming the national debt on a per capita basis means California will assume a share of the national debt proportional to its share of the US population so each Californian’s share of the national debt is accounted for.*

This is actually quite generous. California has not only recently been a source of taxes to subsidize other states, but also a source of natural resources from which the United States owes its very existence. General Grant, who became President four years after the American Civil War, said of California’s support for the Union during that conflict: “I do not know what we would do in this great national emergency if it were not for the gold sent from California.”

So, California has a long history of sending its riches - be it gold or dollars - to keep the Union alive and well and we believe we’ve already paid our debt.

Q: “What do you mean by “it’s a race against the clock”?”

A: *The debt-to-GDP ratio is getting worse every year. What will our share of the national debt be in 2030 when it is projected to reach \$30 trillion?*

As stated, the current figures are bad enough. If we accept that the US national debt will continue to grow, then we must also accept that our share of that debt will also grow as long as we are a part of that country.

It is not just the \$19.4 trillion national debt, either. Federal debt held by the public is projected to nearly double over the next 30 years to 141% of GDP by 2046. Eventually, this will make the Union fiscally unsustainable. Assuming the Union will inevitably collapse under the weight of its debt, the longer we wait to exit the Union, the larger our share of its debt will be. So, would you rather take \$2.4 trillion now, or \$3.6 trillion in 2030?

WILL WE HAVE OUR OWN CURRENCY?

An independent California may eventually have its own currency but that is a question to be answered in future elections. The day after independence, California can continue using the U.S. Dollar and if anyone tells you something different, they are lying.

That is because the U.S. Dollar is a “fully-tradeable” international currency, which means any country can use it if it wants to without requiring the U.S. Government’s permission. Many countries have already done away with their own currency and instead use international ones like the U.S. Dollar, so having our own currency is not something we absolutely must have.



WHAT ABOUT MEDICAID?

Medicaid is administered by the individual states but subject to federal requirements. This means California already has the infrastructure to continue running this important healthcare program and delivering its benefits as an independent country. While the program is funded jointly by the state and federal government, independence means the taxes you pay to the U.S. Government that fund Medicaid today will simply be diverted to Sacramento to continue funding it tomorrow. Indeed, while this healthcare

program may continue under a different name in an independent California, the program itself certainly will continue - with the added benefit that federal requirements will no longer apply to it, putting complete control of the program exclusively into our hands.

WHAT ABOUT MEDICARE AND SOCIAL SECURITY?

Medicare is administered entirely by the U.S. Government and paid for with your federal taxes. While this important Social Security program provides health insurance coverage to persons over the age of 65, it does not cover 100% of all costs. As is the case with Medicaid, an independent California will be able to administer a program to continue this important health coverage with the federal taxes you currently pay to the federal government that will instead be paid to Sacramento. By doing so, California (instead of the federal government) will have control of who, what, when, where, and how much is covered by the program.

Remember, California's independence will never deprive you of your U.S. citizenship - you will simply become eligible for dual citizenship in California and will suddenly be living in a foreign country. The good news is that won't affect your retirement benefits. The Social Security Administration says that U.S. citizens living outside the United States may continue to receive retirement payments "as long as you are eligible for payment and you are in a country where we can send payments."

By the way, collecting your Social Security retirement benefits as a U.S. citizen living in another country also means you will still be automatically covered by premium-free Medicare Part A if you visit the United States and need additional coverage while there. You will also be eligible for coverage under Part B. In short, you will not lose your citizenship, your health insurance coverage or your Social Security retirement benefits by voting yes on the California independence referendum.

WHAT ABOUT OUR WATER AND AGRICULTURE?

Even with the water shortages we faced in 2014, California's 76,400 farms produced \$54 billion that year - a more than five percent increase in cash receipts from 2013. No other state in the country has a larger agricultural output than California so it is no doubt that this industry is a very important part of California's economy.

About half of California's water is used for environmental purposes such as maintaining habitats and scenic rivers or keeping seawater out of the Sacramento-San Joaquin River Delta, which is an important source of our drinking water. Another 40 percent of California's water is used for agricultural irrigation while urban usage represents the remaining ten percent of water usage.

Technological innovation has allowed for agricultural and urban water usage to decline although farm production and the population continues to grow each year. This is good news for the environment as well as the economy.

While an independent California will continue to foster the technological innovation and promote the environmental conservation that has led to the decline in water usage across California, independence means we can actually increase the water supply. More water means California's \$2.46 trillion economy - the sixth largest in the world - can continue to expand because farmers will be able to grow more crops and we as a nation will be able to support an ever-growing population.

In normal years, the snowpack supplies about 30 percent of California's water as it melts in the spring and early summer. The larger the snowpack, the greater the likelihood California's reservoirs will receive ample runoff. However, this snow and the associated runoff is on federal lands and managed by federal agencies subject to the federal budget. The problem is

the federal government is mismanaging these lands by allowing the forests of the Sierra Nevada mountains to become too dense. Not only does that negatively affect the health of our forests and increase the likelihood of forest fires, but more trees means that more water is being consumed and therefore there is less runoff.

As an independent country, we will take control of our forests. This will put us in position to increase mechanical thinning and restore meadows. In doing so, we will allow our beautiful Sequoias to grow and flourish, reduce the threat of forest fires, and increase the water supply available for hydropower, agriculture, and urban water usage - the economic benefits of which would be sufficient to cover the costs of these restoration projects.

Not only has the federal government mismanaged our forests but they have also been allowing private corporations to extract California's groundwater from these forests with permits that have been expired since the late 1980s. While this does not represent a huge portion of our water supply, every drop counts - especially in a drought.

An independent California will have oversight authority to not only make sure that private companies extracting our groundwater for profit are operating with valid permits, but also that they adequately compensate the people of California for this precious resource. The federal government permits these companies to extract millions of gallons of our water for just \$527 a year!

On top of all this, because we will no longer be subsidizing other states and also spending less on the military, an independent California will have more money to pay for the maintenance of existing water infrastructure facilities - such as those near Sacramento, one of the most "at-risk" areas for a catastrophic flood resulting from levee failure, as well as new projects, including Eco-friendly desalination along the coast.

CALIFORNIA'S AGRICULTURE SNAPSHOT

➤ CROP CASH RECEIPTS

CALIFORNIA'S AGRICULTURAL INDUSTRY IS THE LARGEST IN THE NATION, GREATER THAN #2 IOWA, #3 NEBRASKA, AND #4 TEXAS.



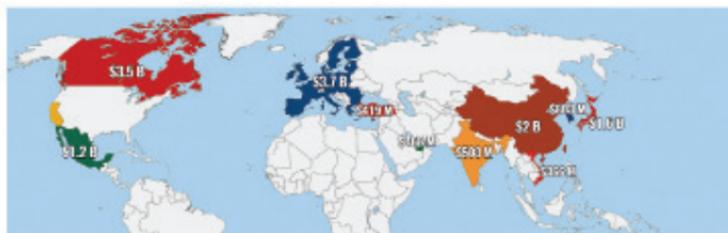
➤ SOLE PRODUCER

CALIFORNIA IS THE SOLE PRODUCER (>99%) OF THESE CROPS AND LEADS THE NATION WITH 65 OTHER FRUITS, NUTS, AND VEGETABLES.



➤ TOP 10 GLOBAL EXPORT MARKETS

CALIFORNIA TOP EXPORT MARKETS: THE EUROPEAN UNION, CANADA, CHINA, JAPAN, MEXICO, SOUTH KOREA, INDIA, TURKEY, AND VIETNAM.



WHAT ABOUT MONEY FOR ROADS AND HIGHWAYS?

Much of the money the federal government spends maintaining transportation infrastructure in California comes from the federal excise taxes on gasoline we pay at the pump. There is also a state excise tax on gasoline which Sacramento collects to upkeep transportation infrastructure maintained by the state of California.

When California becomes an independent country, these excise taxes will remain in place (if they haven't already been replaced by a per-mile tax scheme first) but all of them will be collected by Sacramento so that California's Department of Transportation, CalTrans, can use these funds to take care of all the transportation infrastructure that is currently maintained by the state government, and assume responsibility for the transportation infrastructure that is currently maintained by the federal government.

And there will be no loss or reduction in funding. In fact, there will actually be more funding for transportation infrastructure because again California receives less in federal funding than it contributes. An analysis of Federal Highway Trust Fund payments versus state apportionments shows that between 1994 - 2013, California received about \$0.94 from the federal government for each dollar in federal gasoline excise taxes paid by drivers across the state of California everyday.

So the question you need to answer is: do you want all the excise taxes you pay on gasoline to maintain roads in California, or do you want a portion of those taxes, your highway funds, to maintain roads in the 49 other states?

WHAT ABOUT FUNDING FOR EDUCATION, PELL GRANTS, ETC.?

California already has its own education system from Kindergarten to Graduate school. In fact, the California Institute of Technology and Stanford University are respectively ranked as the first and third best universities in the world - straddling Oxford University which holds the number two spot. Together, four of the top 20 universities in the world are in California.

However, both the California Institute of Technology and Stanford University, which represent California so well in the global rankings, are private universities. That means they are not subsidized by tax dollars from the state or federal government and instead rely on tuition and private contributions for funding. Many universities in California are private.

When it comes to taxpayer-funded public universities, a great deal of funding does come from the federal government. However, federal funds exist because you pay federal taxes. When California becomes an independent country, the federal taxes you pay to the U.S. Government will instead be paid to California's Franchise Tax Board. This means that funding for public colleges and universities and all the programs and grants that help students afford college will continue at their current levels (or even increase) without raising any new taxes.

This goes back to the recurring themes of this campaign. For the past two decades, we have been paying an average of \$16 billion more in federal taxes than we have been receiving in federal funds each year. In an independent California, you will pay the same taxes but you won't lose \$16 billion a year by sending this money to Washington, D.C. first. So, we will actually have more money available for education in an independent California but with the added benefit of finally cutting the strings the federal government attaches to federal funds in order to coerce us into implementing their education policies.

HOW WILL WE DEFEND OURSELVES?

Only one country has ever invaded California - the United States. Modern-day California doesn't have military enemies and in fact, there are 23 countries in the world, including Iceland and Panama, that do not have a regular military and yet they manage to remain free from invasion. Unlike these countries, however, California will have a military that is ample for our defense in North America.

What does ample for our defense in North America mean? Well, Canada defends itself with about \$18 billion a year while Mexico protects itself with even less. In fact, the global average for military budgets is about \$17 billion a year. Only the United States spends way more, so it is no surprise that this country remains one of the only major industrialized countries in the world that can't guarantee healthcare, among other services, to all of its citizens.

An independent California will be able to refocus our priorities on these important quality of life issues while still providing for the defense and security of our country. However, independence does not mean the U.S. military is going to leave California right away. Although this campaign does not take many specific policy positions, instead leaving them to be decided by future elections, we do take the position that California will negotiate a military base agreement with the Americans.

These military base agreements will require the Americans to lease the land their bases are on just like they do in many countries around the world. These leases will bring in revenue each year that we can use to subsidize California's defense and national security budget. Perhaps most importantly, an independent California will be more secure and at less risk of attack simply because we will no longer be involved in all of America's military activities that actually perpetuate and instigate terrorism around the world.

WILL WE JOIN THE UNITED NATIONS?

One key element of nationhood is international recognition. Once we have voted in favor of independence through an honest referendum, we will be able to request international recognition of our independence. As such, California will then apply for membership in the United Nations and ratify its Charter. Joining the United Nations will provide California with many benefits, including a greater platform and more influence to affect the changes we want to see in the world.

WILL WE JOIN NATO?

The North Atlantic Treaty Organization (NATO) is just that - an alliance established by treaty between several North Atlantic countries. California will be a Pacific country and therefore will not join this alliance between North Atlantic countries even if just for simple geographic reasons. Beyond that, joining NATO will keep California too entangled in Washington's military affairs, which would be counterproductive to our campaign for independence. There are a host of other international defense and security arrangements and alliances California can join outside of NATO.

WILL WE JOIN THE INTERNATIONAL CRIMINAL COURT?

Although this campaign draws many comparisons between the Brexit vote and our independence referendum, one of the key differences is that the Brexit vote was about the United Kingdom becoming more isolationist while our independence plebiscite is about California joining the international community. Therefore, one way to fully integrate an independent California and our diverse population is to join the International Criminal Court and that will be an option available to us as an independent country.

WILL WE BE A MEMBER OF THE GROUP OF EIGHT (G8)?

California is currently the sixth largest economy in the world based on its Gross Domestic Product. At more than \$2.46 trillion, our economy is larger than the French or Russian economies. That means an independent California will be a major economic player on the world stage and be deserving of a seat in the Group of Eight (G8), a political forum of the world's eight major industrialized countries. This will provide California yet another platform to participate in world affairs and steer the course of history on the world stage.

WHAT ABOUT OTHER INTERGOVERNMENTAL ORGANIZATIONS?

Aside from gaining a new platform to exert our positive influence around the world in the United Nations, the International Criminal Court and in the Group of Eight, California as an independent country can and should join many other intergovernmental organizations. Some of these organizations include the World Trade Organization, the World Bank, the International Monetary Fund, the Organization of American States, and the Organization for Economic Cooperation and Development. From combating global poverty to collective security, the possibilities and influence we will have on the world stage as an independent country far eclipse the opportunities provided to us by remaining part of a broken and dysfunctional Congress as a U.S. state.

WILL WE HAVE OUR OWN OLYMPIC TEAM?

There are currently three official Olympic Training Centers in the United States and one of them is in California. That puts California in a strong position to establish our own Olympic Committee to support, enter and oversee Californian athletes and teams for the Olympic Games.

WILL I NEED A PASSPORT OR A VISA TO VISIT THE UNITED STATES?

While the act of California becoming an independent country will not affect your U.S. citizenship, California will indeed become a foreign country. As such, not only will we have an international border with Mexico to the south but we will suddenly have international borders to our east with Arizona and Nevada, and to our north, with Oregon.

As a U.S. citizen, your travel to the United States will not be impaired but you may need to show your passport when you cross the border depending on your mode of travel. For travel by air, U.S. Customs and Border Protection says that all US citizens entering the United States from within the Western Hemisphere must present a passport. However, the United States has various international programs for travelers entering the United States.

One is the NEXUS program, which enables U.S. citizens to travel between Canada and the United States more quickly and easily by using automated self-serve kiosks in the air mode of travel, dedicated lanes in the land mode of travel, and by calling Telephone Reporting Centers prior to arrival in the marine mode of travel.

Another program is Global Entry. Global Entry is a U.S. Customs and Border Protection program that allows expedited clearance for pre-approved, low-risk travelers upon arrival in the United States by air. Global Entry kiosks are already in place at airports in Los Angeles, Oakland, San Diego, San Francisco, and San Jose.

Between these programs, as well as SENTRI and FAST, an independent California will work with the U.S. Government to facilitate U.S. citizen travel to and from California. However, even without such a program in place, U.S. citizens entering the United States by land, such as by driving across the border into Nevada, may do so with a passport, a passport card, or an enhanced driver's license.

WHAT ABOUT EMBASSIES AND CONSULATES?

Currently, Sacramento has zero foreign embassies but Bulgaria, Denmark, Hungary, and Italy have honorary consulates - facilities that do not provide the full range of services typically available at embassies and consulates. With over 190 countries in the world, when Sacramento becomes a national capital of an independent republic, we will welcome nations to set up diplomatic posts to facilitate international relations with us and to provide services to their citizens visiting or residing in California, as well as for Californians interested in visiting or doing business abroad.

This will completely transform Sacramento as local businesses, contractors, and workers build many of these embassies and the infrastructure that will be necessary to support them and their staff. The presence of foreign embassies in Sacramento will spur growth in all sectors of the local and national economy. Embassies will help bring more foreign investment and international tourism to California, and improve trade relations.

Likewise, an independent California will set up embassies and consulates in other countries. Interestingly, we already have trade missions in China and Israel, and a culture center in Russia. These trade missions need to be expanded to handle diplomatic and other consular affairs. More embassies would be established in the capital cities of other countries as well.

While this will incur great upfront costs, the presence of embassies in foreign countries improve tourism by up to 30% (even more so in developing countries) and each foreign mission raises bilateral exports from 6-10%. Combined with other benefits of establishing embassies and consulates abroad, the economic benefits of establishing them will be well worth the investment. California already is the number one place in the United States for direct foreign investment.

SUMMARY OF POINTS

California is a unique place - the home of forty million souls who collectively make up the sixth largest economy in the world. We have the people, the resources, and the economy to make it as an independent country.

When the time comes to make a decision in the ballot box in 2019 on whether to vote yes or no on the Calexit independence referendum, remember no matter the results of the referendum, you will not lose your U.S. citizenship or any of the benefits, services, or privileges that are afforded to U.S. citizens.

Nothing will change overnight. The day after the historic independence vote, California will still be a state and still have representation in Washington and you will unfortunately still have to pay your federal taxes. Voting yes on independence will simply express your will that California becomes an independent country. In order for that to actually happen, the government of California and the government of the United States will have to negotiate the details over a couple of years.

We highlight these two points first and foremost because the fear-mongers of the U.S. government and those who would prefer that California remain subservient to Washington are going to try and scare you into voting against independence by raising questions about citizenship issues and by implying that economic and/or political anarchy will ensue if the referendum passes. This is not the case. With that settled, keep in mind the following points:

1. California loses an average of \$16 billion each year by remaining a U.S. state. That is the deficit between the amount of federal taxes we pay each year versus the amount of federal spending in California.
2. As an independent country, we can adjust the amount of spending

we allocate for weapons of war to an amount more consistent with our values as peace-loving Californians. This will free upwards of \$50 billion a year and get Californians out of the business of subsidizing the United States' imperialist and militaristic foreign agenda while adequately providing for our defense in North America.

3. With these funds freed up, an independent California will be able to improve the quality of life of our people by reinvesting in schools, hospitals, and infrastructure. We will be able to do this while maintaining every job, agency, program, grant, and service that you currently receive from the state or federal government. However, with an entire level of government bureaucracy eliminated (the federal government), there is bound to be quite a bit of streamlining which will save even more taxpayer money.

4. These savings will not only improve the budget situation in California, but it will allow us to over time pay down our debt and perhaps even eliminate some taxes and fees - taxes and fees we have to pay today to make up for the loss of billions of dollars a year in a tax deficit with Washington.

5. Lastly, California not only has the potential to do so much better for our own people by managing our own affairs, but as an independent country we will have the capacity to help build a better world. Building a better world is what California is all about. It is unfortunate that today we find ourselves stuck in a country that is making the world more dangerous and divided.

Let's change that.

VOTE YES, CALIFORNIA!