

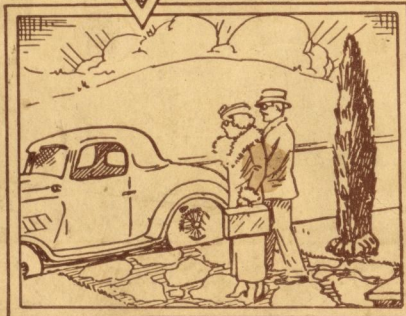


OLD AGE REVOLVING PENSIONS

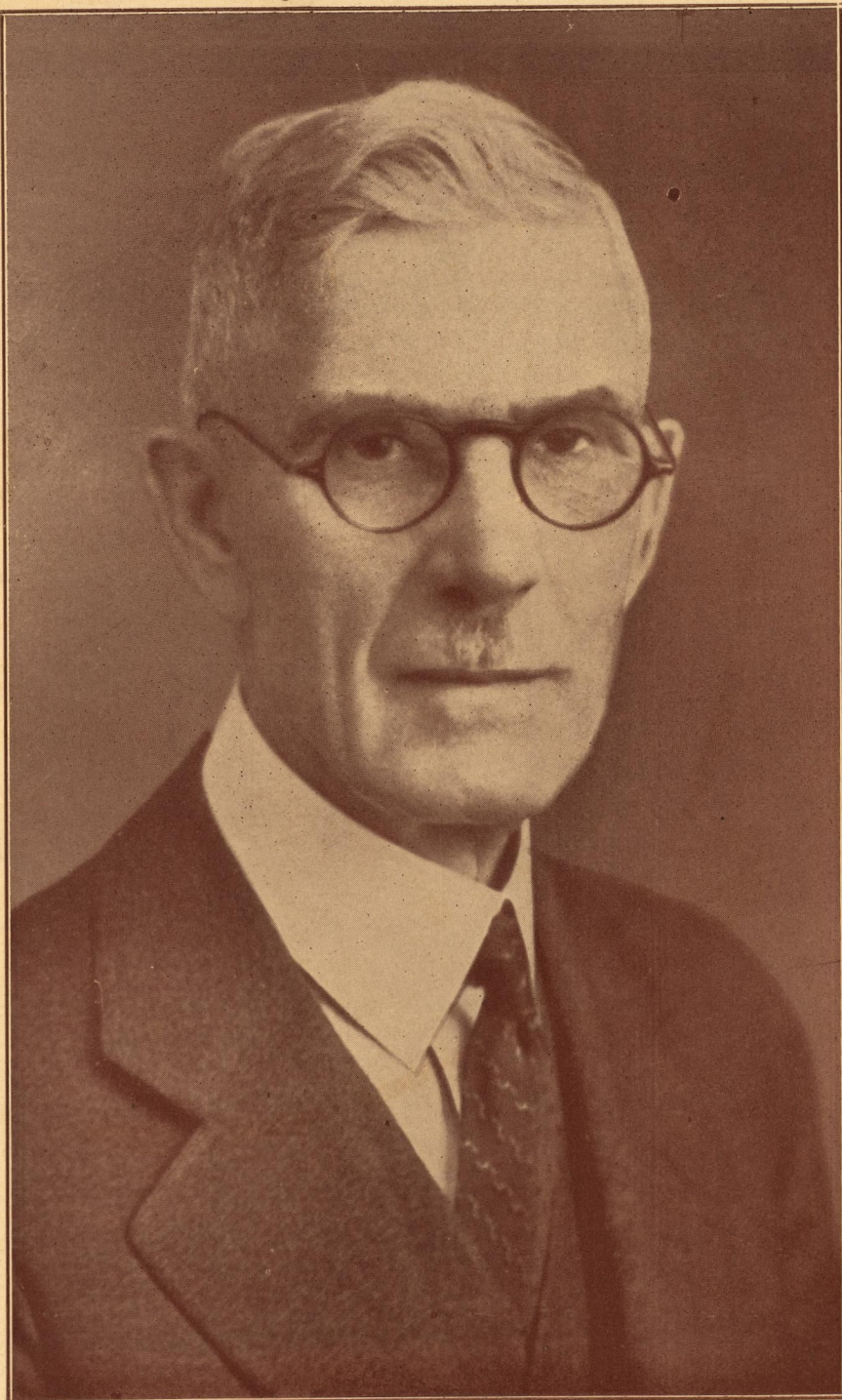
A national plan....

Proposed by

Dr. F.E. TOWNSEND



Price
25¢



F. E. TOWNSEND, M. D.

The Townsend Plan ...in Brief

Have the National Government enact legislation to the effect that every citizen of the United States, man or woman—60 years of age and over may retire on a pension of \$200 per month on the following conditions:

1. That they engage in no further labor, business or profession for gain.
2. That their past life is free from habitual criminality.
3. That they take oath to, and actually do spend, within the confines of the United States, the entire amount of their pension within thirty days after receiving same.

Have the National Government create the revolving fund by levying a national transactions tax; have the rate just high enough to produce the amount necessary to keep the Old Age Revolving Pensions Fund adequate to pay the monthly pensions.

Have the act so drawn that such transactions tax can only be used for the Old Age Revolving Pensions Fund.

OLD AGE REVOLVING PENSIONS, LTD.

ARCADE BUILDING

LOS ANGELES, CALIF.

ANALYSIS OF PLAN

Insurance statistics show that only 8% of all people born, upon reaching the age of 60, have achieved financial success to such a degree that they may live comfortably thereafter without depending upon further earnings. Eighty-five percent of the remaining 92% are still employed or are endeavoring in some manner to earn all or a part of their livelihood and the remainder are dependent upon public or private charity for their keep. Those of the 85% who are still earning are capable of producing only enough to partially pay for their living. A very small percentage actually earn enough for their total needs and but very few earn any surplus for their declining years.

Approximately 8,000,000 of the 10,300,000 people will be eligible to apply for the pension. Economists estimate that each person spending \$200.00 per month creates a job for one additional worker. The retirement of these citizens of 60 years and over from all productive industry and gainful occupations, will create jobs for 8,000,000 workers which will solve our national labor problem.

RETIREMENT ON A MONTHLY PENSION OF \$200

The spending of \$200 a month is for a constructive purpose. First, to place an adequate amount of buying power in the hands of these citizens which will permit them to satisfy their wants that have been so restricted for the past four years. Second, to create such a demand for new goods of all descriptions that all manufacturing plants in the country will be called upon to start their wheels of production at full speed and provide jobs for all workers.

This money made suddenly available to the channels of trade will immediately start a tremendous flood of buying, since the country has been on short commodity rations for the past four years, and since all sections of the country will be affected alike (the old are everywhere) and the poorest sections will at once become important buying centers.

All factories and avenues of production may be expected to start producing at full capacity and all workers called into activity at high wages, since there will be infinitely more jobs available and many less workers to fill the jobs, the old folks having retired from competition for places as producers.

HOW WILL THIS MONEY BE SPENT

It will go into the regular channels of trade for food, clothing, homes, rent, furniture, automobiles—all manner and description of things dear to the human heart. It will go for travel, the pleasure of riding hobbies, theatre tickets, professional and servant employment and the thousand and one things which modern man demands.

HOW THIS PLAN WILL AFFECT THE OWNERS OF PROPERTY OR BUSINESS

Those of 60 years or over owning income property, whose income is greater than the pension, would not need or possibly care to apply for the pension, as it is not designed to be compulsory. Those whose income is less than the pension, undoubtedly would readily consent to turning over the management of their properties or business to younger friends or relatives, thus creating paid positions and jobs for others when receiving retirement pay for themselves. Thus they will perform the two-fold function intended by the plan itself, that of relieving the ranks of industrial workers of their competition for jobs while at the same time creating new jobs themselves.

This plan will effect a marked easement of the tax burden borne by present-day tax payers and make more secure the profits that should accrue from business and property investment, since the great increase in the volume of business done throughout the country with the resultant employment at high wages which will naturally follow from a new and plentiful circulation of money and a restricted number of workers, should put everybody in a position to carry his pro rata share of the costs of government. Once this has been done for the people there will be no injustice in demanding that everybody pay taxes

in proportion to his ability to pay; national transactions tax will bring this condition about and permit none to escape paying his share.

PENSIONERS TO RETIRE WITHOUT FURTHER GAIN FROM LABOR OR PROFESSION

This is an important feature of the plan since the idea is to create jobs for the young and able, eliminating competition for such jobs and positions on the part of elderly people.

Consumption of the products of farm and factory is the vital problem now facing our nation. The success of this plan is based entirely on the creation of jobs of production and by retiring all those pensioned, with adequate spending power, that they may consume for all their need in comforts, necessities and pleasure.

RECORDS FREE FROM HABITUAL CRIME

This clause is designed to have a strong effect in restraining the young and impatient from taking the short cut of criminal activity to obtain money. They will hesitate to jeopardize their future welfare for the sake of getting money now by criminal activities.

The desire to honestly earn is uppermost in the minds of American people. The records of our law enforcement department show that crime is largely the result of lack of opportunity to provide necessities of life through the sale of labor. Provide these opportunities for our younger generations and the crime problem will be greatly lessened.

SAVING FOR OLD AGE

We have been taught in the past that saving was essential in planning for security in old age. But recent experience has taught us that no one has yet been able to devise a sure method of saving. Statistical records show that a very high percent of all people reaching the age of sixty-five have, in spite of their best efforts, been unable to save enough to guard them from the humiliation of accepting charity in some form, either from relatives or from the state. Experience proves that no form of investment is infallible that human mind can devise which is based upon the small group or individual financing. The Townsend plan proposes that all who serve society to the best of their ability in whatever capacity shall not be denied that security in their declining years to which their services in active years have entitled them.

TAX TO BE USED EXCLUSIVELY FOR THE PENSIONS

It is the intent of the plan to apply the transactions tax solely to the one purpose of maintaining the pensions roll until such time as the public becomes fully assured of the beneficent and fair system of taxation involved in a national transactions tax. Here is the only fair system of taxation for all that can be devised. Every individual who enjoys the benefits of the numerous social agencies maintained for his benefit, such as schools, police protection, sanitation, public health supervision and the thousand and one functions of government, should be compelled to carry his share of the costs just in proportion to his ability to do so; that is, in proportion to his ability to spend money. This compels the child to become a taxpayer at an early age and accustoms him to the idea that he must do his share throughout his life.

NO CHANGE IN FORM OF GOVERNMENT

This plan of Old Age Revolving Pensions interferes in no way with our present form of government, profit system of business or change of specie in our economic set-up. It is a simple American plan dedicated to the cause of prosperity and the abolition of poverty. It retains the rights of freedom of speech and of press and of religious belief and insures us the right to perpetuate and make glorious the liberty we so cherish and enjoy.

THE MEANING OF SECURITY TO HUMANITY

Here lies the true value in the Townsend Plan. Humanity will be forever relieved from the fear of destitution and want. The seeming need for sharp practices and greedy accumulation will disappear. Benevolence and kindly consideration for others will displace suspicion and avarice, brotherly love and tolerance will blossom into full flower and the genial sun of human happiness will dissipate the dark clouds of distrust and gloom and despair.

WHY THE \$200 PER MONTH?

By DR. F. E. TOWNSEND

IT HAS been shown by actuarial figures that an investment of \$2000 to \$2500 in commercial production is required to make possible the permanent employment of one worker. With modern power machines doing the work of the world and an ever lessening number of workers needed to man the machines, it becomes apparent that our unemployment problem is a chronic one and that a permanent solution of it is imperative.

Hence we say, retire the elders on \$200 per month. Make them spend the money and their spending will provide jobs for as many younger people as there are on the retired pension roll.

Another important reason for the large pension of \$200 lies in the necessity of stimulating all lines of industry, not alone the pauper's demand for the necessities of life. We want an increased demand for beans and corn meal, of course, but we want as well, a demand for farm tractors and bath tubs; pianos and perfumes, overalls and satin gowns, electric refrigerators and automobiles. To increase a demand for the necessities of life alone would do little good toward relieving the semi-paralysis that afflicts business in general.

The problem confronting humanity in all civilized communities today is how to provide a ready market for the things that modern ingenuity and technical skill are able to produce. Industrialists say, "Give us the market and we will undertake to supply every human want that can be expressed." It requires an abundant circulation of money to create and maintain a market for all the things enlightened and technically equipped humanity is capable of producing. Marketing these myriad things entails providing the means of getting them to the people and permitting them to be bought. Money is just as essential in transporting these things to the people as are railroads or trucks or steamships; more so, in fact, for without money, these transport facilities are useless and will not run.

Money circulating rapidly, not more money in the aggregate, is the crying necessity of the modern world. We have a surplus of population so far as manning the industries is concerned. Let us use this surplus population to some purpose, not permit it to degenerate into chronic pauperism and the flabby mentality of a hopeless existence. The elderly people, trained and experienced by life's activities, can be made the greatest asset humanity possesses if permitted to exercise their talents, if liberated from the slavery of poverty and given the means of expressing their acquired talents.

Money as a medium of exchange is the crying need of civilization, not as a storage of values. In use only can it be of service to humanity. Ours is a huge country. If it were properly distributed we could use an additional two billions of dollars monthly in the channels of trade and the stimulation accruing to business from its use would provide well paid employment for all who wished to serve. Let the national government assume the function of circulating money abundantly through the hands of retired old folks and our business stagnation, together with our unemployment problem, will end immediately.

WHAT THE TOWNSEND PLAN WILL DO » » »

WILL restore National Prosperity without inflation through the rapid and continuous circulation of existing money in trade channels, sufficient in volume to immediately restore maximum buying power and normal consumption of every form of manufactured goods, food products and professional services.

WILL provide immediate employment for all in the vocations for which they are fitted and trained at a standard living wage to which they were formerly accustomed and to which they are entitled.

WILL correct the present abortive method of partial employment through State and National Welfare Agencies, whereby experienced workers in their respective lines are now assigned a pick and shovel job, regardless of their ability to do hard manual labor, which is lowering the morale of thousands of our citizens and unless corrected may result in open protest against the ever-widening social caste.

WILL provide employment of youth through the restoration of commercialism and in the positions vacated by their elders.

WILL reduce crime, now costing many millions of dollars.

WILL greatly reduce present taxes through the abolition of alms houses and homes for the aged.

WILL sustain itself with a 2 per cent transactions tax without Government aid.

WILL balance the budget by enabling the Government to discontinue the present waste of funds through insufficient and inefficient relief activities and to discontinue military pensions to Veterans of 60 years of age and over.

WILL proclaim to the world the desire and willingness of this great Nation to intelligently care for and reward the deserving aged, retiring them in comfort and happiness as they reach the age of 60, thus assuring all of "Peace on earth to men of good will."

PRODUCTION

By FRANK A. GARBUTT

The greatest source of wealth is production. Wealth may be acquired by trade, enhancement of values, gift, robbery or by chance, but its original source is production.

Man originally produced little and possessed little. As his brain developed he devised ways of producing more and he possessed more.

The need for physical exertion decreased and the fruits of production went to the man with the brains to produce, who was soon forced to combine with others for mutual protection so he could retain possession of what he produced.

What was the good of producing if he could not possess. Therefore, the will to produce went hand in hand with the power to possess.

Eventually a high price was paid in tribute and taxes for the power to possess.

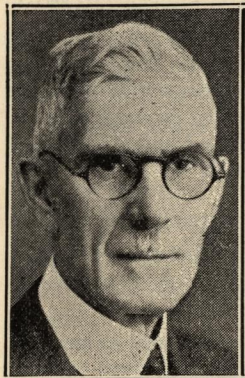
The increase of production by physical exertion is limited. The increase of production by mental exertion is unlimited. Therefore brain has received greater rewards than muscle and is now hard put to retain possession of the fruits of its labors.

What price must brains pay to muscle for the power to retain all it wants? For the present it must pay all that muscle needs; eventually all that muscle wants.

A PERMANENT NATIONAL CURE FOR DEPRESSION

WE RECOGNIZE the fact that the inventive genius of the world, and especially of the United States, has, through the perfection of labor-saving machines, created a condition in society which has resulted in a huge surplus of producers as well as a surplus of products. There is a constant standing army of unemployed.

Even in the boom days of 1929 there was a large number of them and their ranks have been steadily increased until today there are fifteen millions of them with their families who are without jobs. They can never be put to work again unless they are



DR. F. E. TOWNSEND

willing to accept the short day and the minimum wage. Their labor will be too expensive. Machines will do the work of all of them in infinitely less time and at less cost. It will be the plan of organized society as constituted today to shunt this army of jobless aside on some sort of subsistence dole and do the work of the world with efficient and tireless machines. Mind, I say society as constituted today. This condition must be corrected. Are we a Nation of morons or imbeciles that we can solve the problems of production to a point where we have more products than we can consume and yet be eternally faced with the sight of an ever increasing number of citizens suffering from a lack of those same products to a point where they become mere human clods without ambition, content to wear the livery of serfs and eat the bread of grudging charity? This condition prevails today and nothing in the way of half-time employment, minimum wage plans or price

fixing will alter the frightful state of affairs. It will grow steadily worse so long as we adhere to our present systemless lack of control of our monetary circulation. Money circulates under the present system or it does not circulate in accord with whims or fears or emotions of a few men or institutions that control the major portion of the money of the land.

We say that one of the chief functions of government should be the exercise of its power to insure a steady and sufficient flow of money through the channels of trade and commerce adequate to keep that trade at an even tempo free from fear of panic or boom. We say that our government must assume this function and adopt a system whereby money shall flow in a constant volume into the coffers of the U. S. Treasury and immediately start on a return flow back into the avenue of commerce whence it came.

The banking system of our country cannot do this. Money can flow into the Treasury by the taxation route but from there the stream can only reach the banks. There it stagnates. It cannot get back among the people where it is needed unless they have security to offer for it. This, when times are hard and the need for money greatest, the people cannot give and, as a consequence, business dies and the people have to accept charity or starve.

By what plan shall the government assume its rightful task of keeping the money of the Nation in circulation? By the Old Age Revolving Pension Plan. Recognize the fact that we can spare the seven or eight millions of people over the age of sixty from the ranks of the producers and retire them with badges of honor and pensions of a size sufficient to keep them in affluence the rest of their days. These pensions should not be paltry. They should be large enough to make the recipient an envied individual and the aggregate of all the pensions great enough at all times to insure an abundant supply of money for all commercial needs as the pensioners spend it.

Let all citizens who become sixty years of age, and desire to retire, receive the pension upon two conditions: That they give proof of never having been habitual criminals and

that they solemnly promise to spend the entire amount of the pension during the current month in which it is received. Also that they retire from all productive or gainful occupation or labor.

We shall request the government to assume a monopoly of the transaction-sales tax plan of collecting revenue for the pensions. This tax should be levied evenly and fairly upon all merchandise and commodities and be paid at a specific rate upon gross sales at the end of each month. A graduated "income" tax must be levied fairly so as not to discourage industry. And "inheritance" taxes must be increased. If these three forms of taxation are sensibly administered, real estate taxes can be greatly lowered. Under the sales tax plan of collecting government revenues, all classes of the population pay in proportion to their financial ability and none receive the benefits of government without assuming his share of the burden. A transaction-sales tax levied for the express purpose of paying pensions to the aged will meet with universal approval. Its beneficent purpose will be recognized by all; its two fold function (that of doing justice to those who have done a full life's work, and that of keeping an abundance of money circulating at all times) will be recognized and acclaimed by all. A rate of 2 per cent should be sufficient, if levied on all sales, to meet the pension roll. The pension system will relieve society of a tremendous burden of taxation now made necessary by the maintenance of poor farms, community chests and other charitable institutions. By keeping a healthy business condition throughout the Nation, it will remove to a large extent the incentive to crime and through lowering our prison population, reduce another huge taxation outlay. No doubt it will also reduce the number of unfortunates confined in our insane asylums. Pensions for the aged of sufficient size to assure a high standard of living will make the latter end of life a delightful golden autumn instead of the bleak and fearful winter which it represents for so many. Pensions for the aged will remove eight or ten millions of pensioners from the fields of productive effort and permit of the paying of high wages to younger workers. Prices will be stabilized at a level high enough to insure a fair profit to the producers at all times when the steady flow of money is assured from tax payer to the government and from the government to the pensioners and thence to the channels of trade. Justice can be assured to all through this system and the injustice of permitting the wealth of the Nation to accumulate in the hands of a few will be eliminated.

THERE are ten million three hundred thousand odd persons in the U. S. above the age of sixty years according to the last census. They are quite uniformly proportioned throughout the population, this proportion, naturally, being greatest in the older settled sections where population is densest.

Two billions of dollars spent monthly in all sections of the country by these old folks would give the entire population of the United States an additional \$14 per capita in spending ability each month. Enough to raise the standard of living very materially above the present low level but quite within the nation's ability to provide.

The constantly growing use of power by civilized man (largely electric) is increasing his power to produce the things man must use at an ever decreasing cost. Hence, an ever decreasing number of workers is required in production and an ever increasing number find themselves out of employment. If civilization is to be a blessing instead of a curse a sensible and just provision for their retirement must be devised.

The return to manufacturers in profits tends to increase as power displaces men (since machines are cheaper than men) only up to the point where buying power begins to diminish among the people through lack of paid jobs, thus decreasing market demands. Hence, manufacturers too begin to see the necessity of keeping up the buying power of the people by some such plan as the Old Age Revolving Pensions.

Poverty, once considered a natural curse which the human race was doomed to endure, can and will be abolished in the United States within the next five years never to return. Our country will show the way to other nations and poverty will be driven from the earth. No other construction can be given to the fact that man's ability to produce faster than he can consume is definitely established.

F. E. TOWNSEND, M. D.

Pertinent Questions Answered

By ROBERT E. CLEMENTS, Co-Founder and National Secretary of O. A. R. P., Ltd.

Q.—What is The Townsend Plan of Old Age Revolving Pensions and how did it originate?

A.—It is a plan which we believe will restore prosperity to every part of the country immediately if it is put in operation through forced circulation of money.

The need of a reliable agency which may at all times be depended upon to circulate money has been recognized for years. It was this need that prompted Dr. F. E. Townsend to suggest the combination of two familiar governmental activities, namely, the sales tax and the pension system.



ROBT. E. CLEMENTS

Q.—Why do you assume that a pension plan for the aged is essential to the restoration of prosperity to the entire country?

A.—The aged class of people is the only one which could be universally agreed upon as wholly deserving of retirement upon a pension. To name any other class would arouse the jealousy of all the rest of us. We all expect to belong to the class of the aged ultimately and would all look with equanimity and pleasure upon a plan which would insure us financial security and comfort in advanced years. An adequate circulation of money to insure prosperity to the nation must be had through the services of some class that is uniformly distributed throughout the general population. No other class so well fills the bill as that of the old folks.

Q.—Could not the same thing have been accomplished by an extension of the pensions to all the ex-soldiers and seamen of the Navy?

A.—Hardly, without paying enormous pensions. There are not enough ex-soldiers and sailors. An effort in that direction by past administrations is still fresh in our memory. The malodorous consequence of that effort remains with us also.

Q.—Tell us just why you set the amount of this old age pension at the high figure of \$200 per month. Is not this amount in excess of what the sixty-year-olds, on an average, have been able to earn during their life time?

A.—We set this figure because a standard of living measured by anything less than \$200 per month does not permit the enjoyment of enough of the spiritual, educational and artistic features of life to bring out the really valuable traits of human character and make the most of our citizenship. Since the manufactured wealth of the nation for

the single year of 1929 was almost one thousand dollars for each man, woman and child in the nation, to say nothing of the unmanufactured wealth produced in that year, it is apparent that we can afford a minimum standard of living for adults measured by \$200 per month or \$2,400 per year.

This amount is not in excess of the amount earned on the average by people above the age of sixty years since each generation of people above the age of sixty produces over and over the entire wealth of the nation. Practically all wealth must be renewed every forty years or so.

Q.—Upon what do you base the assumption that the payment of \$200 per month to the old folks will benefit the entire country in a way to insure a return of prosperity?

A.—In the bill demanding the passage of the \$200 per month pension for the aged, we shall require that the entire amount of the pension be spent within thirty days from the date of its receipt. This money will circulate everywhere—in the poverty centers as well as the wealthy ones, the old being found everywhere—and the resultant turn-over in business and commerce will be enormous. The old folks will be enabled to hire much help for themselves. This newly employed element, together with the retirement of the old from the job-seeking field, should result in a comfortable shortage of the workers required in the industrial fields and make for high wages therein. It is not unreasonable to expect that \$10 or \$12 per day would become the minimum wage. All this ability to spend money could not help but bring prosperity.

Q.—What will be the conditions imposed upon the applicants for the pension? In your plan, who are the old and what must be their qualifications in order to obtain a pension from the government?

A.—The conditions are that all shall be citizens of the United States, either naturalized or native; that they shall have lived lives free from habitual criminality, and shall agree under oath to spend the entire amount of their pensions within the confines of the United States within thirty days.

The old shall be designated in this bill as being sixty years or over. It is not intended that this shall be a retirement age fixed for all future time. We believe that it will only be a few years until we shall be compelled to drop the retirement age to 55 or, perhaps, 50. This must necessarily follow from our increased ability to produce with increasing efficient machines.

Q.—How will you know that the pensioners are actually spending their money each month, and how they are spending it?

A.—We need not be apprehensive that people will not spend their pensions. It is natural to spend when the income is assured. However, it may be necessary to establish some safeguard or assurance that this spending shall take place. A lot of people have ingrowing economy, due to the hardships of life with which they have become familiar, and it may be necessary to require them to place their government pension checks in designated local banks and open local checking accounts. These accounts would be required to show entire depletion each month. The canceled vouchers would have to show what was done with the money.

Q.—This is all very interesting but to the common, garden variety of voter it looks pretty expensive. How is it proposed to finance such a program as you advocate? And how many millions of old folks do you anticipate will apply for and receive the pension?

A.—We propose to finance the pensions roll by means of a national transaction-sales tax, calculated at a low rate on necessities, and a high rate on luxuries. With the new spending era in full swing and all classes employed at high wages, it will not be unfair to say to all, "Since all are now able to do so, all must pay their pro rata share of the cost of government." In other words, "Pay taxes in proportion to your ability to spend money." None will be able to evade the sales tax, all will be compelled to pay. We shall, of course, continue to collect the income taxes and inheritance taxes as well.

As to your second question, we hope that ten million old folks will apply for the pension. There should be an increase of about two billion dollars per month in our circulation of money to bring our marketing ability up to our producing ability. Only by balancing our production with full consumption can we hope to enjoy our full capabilities of prosperity.

Q.—Is not the plan you advocate a definite leaning toward the Socialism advocated a few years ago by Debs and Hilquist and Sinclair?

A.—No, it is the very antithesis of Socialism. Socialism demands the abolition of the profit system. We believe that the profit system is the very main spring of civilized progress and that it is imperative that we retain the principle that superior rewards shall go to those who show superior accomplishments. To abandon this principle would result in a dead level of mediocrity for the human family that would preclude all possibility of rapid advancement for civilization. Equality of opportunity can be approximated here on earth, but equality of achievement cannot without abandoning progress.

Q.—If the fulfillment of your plan is necessary to a speedy recovery from our depression, why have we not had a resort to a similar program in recovering from past depressions?

A.—The major depressions of the past occurred before the advent of mass production methods by means of machines and were precipitated by the same cause that operated to bring this one on, namely, the fear generated in the minds of bankers by speculative tendency of the times. This fear caused them to restrict credit and to call loans and the panic was on. The army of unemployed, already great, was augmented tremendously. Their buying power soon became exhausted and they became objects of charity and a terrific burden to the tax-paying class. Factories can never re-absorb these ex-workers because of the efficient machines which have taken their places unless we increase the buying power of all the people tremendously and at the same time reduce the number of workers through a system of retirement which will leave only the requisite number of workers to man the machines.

Contentment in Old Age

By ROBERT QUILLEN

The tourist in Denmark is surprised and puzzled by the number of old people who seem content in poverty.

They are happy because they feel secure. They do not depend on the reluctant generosity of dutiful sons and daughters. They are not segregated like social outcasts in dreary homes for aged paupers. They do not live in dread of the day when their meager savings will be exhausted.

They are pensioned by the State. They did their share of the world's work and now they have their reward. They live long and happily because they are free of all care and anxiety. They know beyond all doubt that no misfortune can deprive them of their living.

That knowledge of security is the one thing needed above all others to make workers content and cleanse their hearts of bitterness.

What will become of us when I can no longer find work? What will happen to my family if I

get hurt or fall sick? How can we live when we are too old to work?

These are the questions that give the workingman no peace.

The workers of America are striking for shorter hours or more pay or recognition of the union, but these are not the things they most desire. These are but the means to an end.

The thing that lies at the root of all "unrest" is the feeling of insecurity.

All men know that industrial workers are today less secure than any other class in America.

Give them assurance of a living, in good times and bad, in sickness and in health, in vigorous youth and worn-out old age, and few industrial problems will remain.

It will cost money, but it will cost less than turmoil and uncertainty and strife. Contented workers are the one sure foundation of America's economic system.

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THE TOWNSEND PLAN

—WHAT WILL IT DO?

By FRANCIS CUTTLE, *Chairman, National Congressional Committee of O.A.R.P., Ltd.*

THE FAMOUS statement of former President Cleveland during a crisis, "It is a condition, not a theory, which confronts us," correctly describes the condition of our country today. Unemployment has reached proportions unparalleled; destitution and want are prevalent everywhere; desperate men crowd every relief depot to get a hand-out to keep body and soul together; business is stagnant, factories idle, money stored in vaults finds no profitable outlet, while communism and radicalism rear their ugly heads in this breeding ground of discontent; and this in the richest country in the world. According to the Secretaries of the Peace Conference in Geneva, the United States had 45.8 per cent of all the wealth in the world in 1929. We have the same wealth now, but we are bound hand and foot by our own foolish system and cannot use this great wealth.

The Townsend Old Age Revolving Pensions Plan (which might be designated as a recovery plan) proposes to pay \$200.00 per month to those over sixty years of age wishing to accept the same, provided the pensioner has no habitual criminal record, and on condition that the pensioner discontinue all gainful pursuits and spend the total of \$200.00 per month in the thirty days after its receipt, for the purchase of goods, commodities, travel, amusements, etc., within the United States and on vessels of American registry.

BENEFICIARIES

There are 10,300,000 people in the United States over sixty years of age. It is estimated that approximately 7,500,000 would accept the pension; the remaining number being either ineligible or unwilling to discontinue gainful pursuits. It is estimated that over four million of this number are now gainfully employed. Their retirement would make places for four million young people immediately; and, as it requires one person, in the aggregate, to supply the needs of every person spending \$200.00 per month, this would create jobs for seven million five hundred thousand more people; they, being gainfully employed at good wages, would automatically make places for others to supply their needs; in fact, an ever-widening circle of benefits would be derived by the forced circulation of this vast amount of money monthly. This would create an unprecedented demand for products of farm and factory. It would bring back self-respect to the millions who have been crushed by the loss of their worldly possessions and forced to accept the bitter bread of charity. It would relieve younger people of the expense of caring for their elders, which is, in many instances, an unwilling burden. It would be a tremendous comfort to those elderly people who have become dependent upon their children or public charity. In short, the Townsend Plan is a plain path from the slough of despond in which we are now mired to a higher plane of living than man has ever known before.

The Plan has been referred to as fantastic and impossible of accomplishment. It has been stated that it would be such a tremendous burden on the people as to crush taxpayers and the country at large, although it is generally admitted that, if it could be financed, it would do what is claimed for it; so financing it is the crucial test.

OPPOSITION FIGURES

The Wall Street Journal, Pacific Edition, of December 5, 1934, quotes from the Dow Jones Service to the effect that \$1.00 in a New York bank in October, 1929, moved fast enough to do \$132.70 worth of work in a year, while the same dollar would do only \$22.50 worth of work in October, 1934." It says, "bank funds are simply lying idle." This article further states that, "In October, 1929, in the New York district, deposits were

working at the rate of over 818 billion dollars a year, but deposits on October this year (1934), approximately the same total, were being called upon to do an annual work of slightly over 153 billion dollars. For the rest of the country the figures have dropped to a little over 143 billion dollars from something in excess of 347 billion dollars." Putting these figures together we find that the total money work, or turnover, in and outside of the New York district in 1929 was 1165 billion dollars. A 2 per cent transactions tax on the turn-over would produce nearly 24 billion dollars annually, or enough to pay \$200.00 per month to 10,000,000 pensioners. Don't forget that a 2 per cent transactions tax is only about the amount that many business houses offer as a discount for prompt payment of current bills.

Another interesting conclusion is reached by analyzing the statement that, \$1.00 in a New York bank in October, 1929, moved fast enough to do \$132.70 worth of work in a year, while the same dollar would do only \$22.50 worth of work in October, 1934; **BANK FUNDS ARE SIMPLY LYING IDLE.**" Simple calculation shows that if we attempted to tax \$1.00 lying idle to get \$1.00, the tax would be 100 per cent; if we tax \$22.50 enough to get \$1.00, the tax would be a little over 5 per cent; while, if we tax \$132.70 to get \$1.00, the tax would be only about $\frac{1}{4}$ of 1 per cent. From this it should be clear to all that it is the turn-over that is being taxed, and the greater the turn-over the smaller the tax. Forcing \$1,500,000,000 into circulation monthly should at least result in as great a turn-over in as good times as this country saw in 1929, in which even the cost of financing a pension of \$200.00 per month to ten million people would be less than 2 per cent on business transactions.

SAVINGS EFFECTED

A feature that should not be lost sight of is that crime in this country costs from thirteen to sixteen billion dollars per annum, largely the result of unemployment, which is the kindergarten of crime. Under the Townsend Plan opportunity would be available for all who wished, to work for a livelihood.

It has been officially stated that the employment of 300,000 men in the CCC camps has already had a marked effect on the reduction of crime in some localities. If that be so, can it not be fairly claimed that the elimination of unemployment, as would take place under the Townsend plan, would reduce the cost of crime one-half, or seven billion dollars annually.

Charity and charitable institutions cost about eight billion dollars annually. This would be largely eliminated by the Townsend Plan.

Federal, state, and municipal pensions cost, at the present time, about 750 million dollars per annum. As no pensioner receiving \$200.00 per month would be entitled to another pension, this would make an estimated saving of 500 million dollars annually.

These savings would aggregate 16 billion dollars. This saving alone would provide sufficient funds to take care of seven million pensioners at \$200.00 per month.

It is said that somebody must pay the bill, which is quite true. Who pays the cost of crime, charitable institutions, and pensions at the present time? The tax payer pays it! This transactions tax would relieve the tax payer of this great burden and would place it on business transactions which could not be unloaded onto the tax payer or passed down to the ultimate consumer. How could this 2% transactions tax on sales of real estate, mining properties, railroad tickets, and steamship tickets be passed down to the man who buys a loaf of bread?

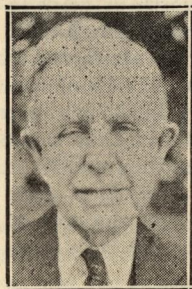
The Townsend Plan has grown faster than any movement, either religious, civic, political, or military, since its inception about a year ago. Paraphrasing the immortal words of our great martyred President Lincoln, it is a movement "of the people, by the people, and for the people," who refuse longer to have a bare subsistence in a land with natural resources and facilities for providing every one of its citizens with not only the necessities of life but every luxury.

JOHN STEVEN Mc GROARTY

POET LAUREATE OF CALIFORNIA

Congressman, Who Introduced the Townsend Bill

WE HAD been listening to speeches, reading articles in newspapers and magazines, poring over the works of the economists, hearkening to the loiterers in public parks, and all to no avail. What is the matter with the world and what to do about it remained a mystery to us. Then, we heard a voice in the Synagogue, but whether it came from the back seats where the sinners congregate or the high seats which the saints occupy, we were unable to tell. It was probably from somewhere in between that the voice came. It was the voice of a doctor of medicine, although it was not of medicine that he spoke. Dr. F. E. Townsend speaking from under a rafter down near the sea. And this is what he was saying:



JOHN STEVEN
McGROARTY

"To help cure the economic ills that afflict our own country let us adopt a system that will retire men from work at the age of 60 years, giving to each person so retired a pension of \$200 a month, but on one condition only—that each person so pensioned must spend the money as soon as he gets it. . . . Trade and commerce would boom and no depression could occur as long as several billions of dollars of money reached the channels of trade through the pensions each month. The old folks, no longer paralyzed with the fear of the poorhouse and dread of having to receive charity, would enrich the world with artistry and their acquired wisdom.

Insane asylums would no longer be filled to overflowing, the prisons would lose half their inmates, and the happiness of the world be increased immeasurably."

Now, do you know, this seemed like a ray of light and wisdom to us as we listened. There seemed to be so much more sense in it than what Spengler, Ortega and all those so-called smart fellows have been saying.

The white-collar man, the artisan and other classes of men, are not wanted after they are even forty-five years of age. They are ditched by employers just when they are most capable and useful. And it is a great have no chance.

Would not the suggestion made by Dr. Townsend be a way out? We, ourself, have not the knowledge to answer. But, it is something for all who sit in the Synagogue to think about.—L. A. Times Magazine of November 19, 1933.

Official Townsend Weekly

The only publication authorized by national headquarters, and carrying authentic official information concerning the Townsend Plan and its national progress.

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ORGANIZATION PLAN

SINCE this Old Age Revolving Plan was proposed by Dr. Townsend the latter part of January, 1934, hundreds of thousands of citizens in this and surrounding territory have voluntarily signed petitions of endorsement directed to the California senators and congressmen. This work has all been done by volunteers, none of whom have received pay for the work done. Other workers have been as generous in offering their services for office work. Stenographers, typists, bookkeepers, mailing clerks—all have been splendid in their unselfish devotion to an idea which has brought them hope. These people are inviting all communities and states to join with them in a like service to the end that all the senators and congressmen from every state in the Union may have presented to them at the earliest possible date a solid front of voters demanding the passage of the legislation embodied in our bill for the Old Age Revolving Pensions. Only through public demand will any plan be adopted.

All this splendid enthusiasm and interchange of ideas was bound to produce results beneficial to our cause. New plans and proposals are cropping up daily and all of them are listened to avidly, for almost daily something of value is culled from these suggestions that works to our advantage.

One of the latest and best of these proposals is that we form Townsend Clubs in every community of a thousand souls or more. These clubs to be formed by an organizer empowered to act for the O. A. R. P. under a systematic plan that will be followed by all who engage in the work. The following pages will relate the manner in which these clubs are to be formed and give details of the duties required of them.

Once formed and operating it will be found that these clubs will vitally stimulate each other to energetic activity by setting up a friendly rivalry in which each club will endeavor to out-do the others in securing the greatest number of voters on the petition signature sheets, selling propaganda booklets and securing subscriptions to the national magazine.

These neighborhood clubs will fill a long needed want in all neighborhoods where they are formed. They should serve to bring the neighbors together in a spirit of friendship and helpfulness too often lacking in our busy humdrum lives. Social intercourse will be found productive of new and warm friendships among neighbors who before had hardly known of the existence of each other. What new happiness and joy in living may be in store for all of us who thus try to cultivate our neighbor's good will in promoting a common cause for the benefit of all!

Friends, let us lay aside the pursuit of wealth for awhile and devote ourselves to the cause of justice and fraternity. The pursuit of wealth has brought us to the verge of national disaster and has so impoverished us in those qualities of the spirit which we designate by such terms as honor, friendship, charity and loyalty that as a people we find ourselves almost bankrupt of these qualities. A new era has dawned for the world. We can make it an era of peace and good will to men if we substitute for the pursuit of wealth the pursuit of justice in an equitable distribution of all this great wealth we now have the means of creating. To neglect to do so and to go on in the old way is to court fratricidal strife and spiritual and national disintegration. The following pages tell us what to do and how best to do it.

YOU CAN HELP BY ORGANIZING A TOWNSEND CLUB

If you want to help spread the idea of the Townsend Old Age Revolving Pensions Plan over the United States as quickly as possible, decide upon four energetic, intelligent, live-wire neighbors who will help you to form the first working group of five members dedicating themselves to the task of organizing the citizens of your neighborhood into a TOWNSEND CLUB.

The TOWNSEND CLUB is organized for the single purpose of planning uniform action to bring the Townsend Plan of Old Age Revolving Pensions to a successful conclusion by an actual Act of Congress.

The following steps are to be taken:

FIRST—Interest a few of your closest friends who welcome the Townsend Plan, and with their help arrange to have a meeting of as large dimensions as possible. At this meeting temporary Officers should be selected. Send to Headquarters for a copy of form No. 61 and organization blanks.

SECOND—At your meeting notify your audience that each and everyone present can become a member of your Club by donating 25c a year to the cause. Also inform your audience that this donation not only entitles them to active membership in the Club, but also entitles them to the regular booklet entitled "Old Age Revolving Pensions" which sells everywhere at 25c.

THIRD—When you have 100 members or more, select the permanent Officers for your Club and forward form No. 61, to this Headquarters, along with your remittance for the total number of members. In other words, please forward immediately the above mentioned form No. 61 and your check to cover the total number of members at 25c per member. If your membership is 100 you forward \$25.00. If your membership is 150, you forward \$37.50. In case of enthusiasts unable to contribute, please accept them as associate members without donation. Immediately upon receipt of your remittance at headquarters we will forward the Secretary of your Club the following supplies:

1. A booklet for each member of your Club. If \$25.00 has been remitted, we will forward you 100 books. If more, an additional supply will be sent so that each member who has made a donation will have a booklet.
2. A permit for your Club, making you a recognized Townsend Club.
3. A weekly Bulletin issued by the Townsend Club Division of National Headquarters, giving you the news of the Townsend Plan each and every week.
4. Fifty (50) single petitions for each 100 members of your Club.
5. One full year's subscription to the official publication of the Townsend Plan.

In order that each Club may have, after inauguration, some income to "carry on," we will furnish them with O.A.R.P. buttons at 7½c a button (in quantities of 20 or more). We will also furnish them with single copies of the Official Publication at 3c a copy. Orders must be for 20 or more copies. Clubs will retail the buttons at 10c each, and the Official Publication at 5c each. Club will be entitled to take subscriptions for six months or over for the Official Publication. Subscriptions for one year are \$2.00; subscriptions for six months are \$1.00. Each Club will be allowed to retain a commission of 25 per cent on all such subscriptions forwarded. In this way each Club can be self-supporting.

We have tried to make this plain to you, and we are getting ready to welcome you. Read the rules carefully to avoid confusion, and then send to Headquarters for Form No. 61 and also your Organization and Order Blank.

REMEMBER: *The more Townsend Clubs and the stronger the Townsend Clubs, the nearer we move toward our goal—the making of the Townsend Old Age Revolving Pensions Plan an actual Act of Congress.*

National Headquarters—Townsend Club Div.

OLD AGE REVOLVING PENSIONS, LTD.

ARCADE BUILDING

LOS ANGELES, CALIF.

A PETITION FAVORING LEGISLATION FOR THE
TOWNSEND PLAN OF

Old Age Revolving Pensions

A National Plan For Recovery and Permanent Prosperity

TO THE HONORABLE _____

District _____, State of _____

The undersigned legal voters of your district request you to introduce in the Congress of the United States at your earliest opportunity the following bills and use your utmost effort to obtain their passage into law:

FIRST: A bill obligating the government of the United States to pay every citizen of said government whose record is free of criminality and who has attained the age of sixty years, a monthly pension of \$200 until the end of his life upon the sole condition that he agree, under oath, to spend the entire amount of the pension within the confines of the United States during the current month in which it is received.

SECOND: A bill creating a National Transactions Tax calculated at a rate sufficiently high to produce the revenue necessary to meet the requirements of Bill No. 1.

It is obvious that the passage of these acts and the beginning of their operation will discharge the Nation's obligation to a class of her citizens deserving this reward for past services and at the same time place immediate buying power in the hands of the general public, thus stimulating every avenue of commerce and trade. A quick cure for this depression and a sure prevention of recurring ones.

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Name _____ Address _____

City _____ State _____

Detach along this line. Mail this Page to Your Congressman.

What The Townsend Plan Proposes

FIRST, the immediate restoration of prosperity to all the people. It is recognized by all that the reason for our depression and financial distress is not a lack of wealth but due solely to a lack of any system whereby money and credit can be obtained continually by the people as needed. To cure this condition we propose to use simple and time-tried means and to avoid experimental "isms" and "ologies."

It is recognized by all that to pension the soldiers and navy men for services to their government in time of need is just, even though that service was but for a year or for a few months, if during the time of service they were in any way incapacitated.

The Townsend Plan proposes to enlarge upon that principle and recognize and reward every good citizen for a long life of service to his country by pensioning him, or her, at the age of sixty. It is proposed to make this pension adequate to not only do the pensioner some good but the country as well. The Plan demands a pension of \$200 per month to be paid to all citizens whose lives have been free of habitual criminality, if they wish to apply for it, providing they agree under oath to retire from any paid position, giving up their place to a younger individual, and agreeing to spend the entire amount of the pension within a period of thirty days from the time of its receipt. The aggregate of these pensions will thus be forced into circulation and supply the lack of money and credit which is our chief affliction.

A demand will be made upon Congress that a law be passed immediately permitting all citizens, native or naturalized, to apply for and to receive the pension on the above terms, without strings attached, other than that they agree to spend the full amount within thirty days for commodities or for services.

It is proposed that a sum of money up to two billions of dollars, if necessary, be appropriated from the national treasury with which to make the first pension roll payment. With such a large sum placed in immediate circulation through the hands of the old folks, there can be no question but that industries and businesses of all kinds will receive a tremendous and immediate revival. The turn-over of two billions of dollars during thirty days would probably represent transactions in the amount of ten or twelve billions. Added to the three and one-half billions of business now being done per month, plus the new credit which would be released from the banks simultaneously as a result of restored confidence, and it can be readily seen that no difficulty will be encountered in collecting from the sellers of the nation the entire amount needed to continue the pensions roll on a tax rate as low as two percent. Commodity prices will, of course, advance to the extent necessary to raise the tax. But competition will still prevail and the increased profits that business will enjoy, due to the increased volume of business, should prevent any undue inflation to commodity costs.

The buying power of the entire nation being thus suddenly restored (there will be no poverty-stricken region left, the old being found everywhere) and the glut of the labor market relieved, there should be an immediate rise in wages to a point comparable to the retirement pay of the aged, at least. Thus a high state of prosperity will be made general and fully stabilized.

When this is done it will become perfectly fair as well as opportune to say to all the people, "Now, all being amply able to do so, it is only fair to exact that all shall pay their proportionate share of the taxation necessary to maintain our national prosperity." Hence the transactions-sales tax that none can escape paying. You will pay in proportion to your ability to buy.

A booklet fully describing this plan of Old Age Revolving Pensions—for National Recovery and Permanent Prosperity—will be mailed free to Senators or Representatives—either National or State upon personal request. Address Old Age Revolving Pensions, Arcade Building, Los Angeles, Calif.

Townsend Old Age Revolving Pension Plan

By HARRY L. BRAS

Editor, Centralia Daily Chronicle, Centralia, Wash.

THE STUDY OF HUMAN RELATIONSHIPS is both interesting and instructive. Civilization had its beginnings in a desire to elevate the human race from a barbaric to a higher social status. It is an inherent quality of human beings to alleviate the sufferings of their own race, to care for the mentally deficient, the lame, the halt and the blind. As civilization advanced into broader fields of human activities, the social status of the people became more and more involved. Civilization has not as yet made an earnest endeavor to solve the problems of social inequality. In the early settlement of this country social problems were not as complex as they are today but there has grown up in the past few years a social condition of inequality, made so largely by failure on the part of the people to make proper economic adjustments to correct the evils that have become intolerable to the working classes. Wealth has gradually drifted away from those that are justly entitled to it into the hands of the few.

THE TOWNSEND PLAN OF OLD AGE REVOLVING PENSIONS proposes an attempt to make these adjustments. The fear of poverty and the poor house, of destitution and of a pauper's grave in their declining years have caused people of all ages to spend much of their lives in an endeavor to accumulate money against the time when they will need it. Instead of life being a pleasure to them it has become a dread. Instead of the body and mind being permitted to function normally, the body becomes crippled and bent, the mind becomes cramped and the spiritual values, the noble impulses and manifestations are lost. That is not what the Great Creator intended as the destiny of the human race. It is said that money is the root of all evil. That depends on what uses are made of it. The Townsend plan restores peace and happiness to the human race.

A LARGE PERCENTAGE OF THE CRIMES against society is caused from a lack of money. While it is not our intention to touch on the economic values of the Townsend plan, yet both the humanitarian and the economic values are so closely connected that it is quite impossible to entirely separate them in this discussion. The most valuable feature of the revolving pensions plan is that it is not tinctured with charity. While the result of its operations is to abolish poverty its main effort is to give an adequate reward to all classes of people over the age of 60 years for approximately 40 years of continuous and loyal service in behalf of their country. They are the ones that have made this country what it is today. From the struggles of the farmers who tilled the soil, of the miners who have dug deep into the earth to supply the metals of commerce, of the wage earners in our factories who prepare the food and the clothing and the shelter for humanity, come the wealth of the nation. It is to them that credit must be given for the material wealth of the nation and its importance among the nations of the earth. It is to them that the rewards must be given in the name of justice.

IF CIVILIZATION MEANS ANYTHING its efforts must be toward ameliorating the sufferings of the people. It should aim to banish fear from the hearts of humanity; it means that provisions must be made so that aged people may not end their days in the poor house or in miserable surroundings. It is a travesty on our vaunted Christian civilization that no humanitarian effort has ever been made to prevent aged people from suffering the humiliation due to poverty. In this land of plenty there should be no such thing as hunger and want. When the flesh begins to fail, when the mind refuses to function, when the blood begins to chill and the body, tired of the eternal strife, wants to go to its final resting place, the aged people should be "sustained and soothed by an unflinching trust, and approach their graves like one who wraps the drapery of his couch about him and lies down to pleasant dreams."

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PLEASE MAKE SAME TO YOUR
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READ THE TOWNSEND
CLUB PLAN ON PAGE 16.