



## TOWNSEND PLAN OF Old Age Revolving Pensions

A NATIONAL MOVEMENT FOR  
PERMANENT RECOVERY

**FRIENDS:** The Townsend Plan, about which you have heard so much, has become the daily topic of conversation amongst millions of Americans. This is more than an old age pension proposal, as the Townsend Plan is truly a recovery plan whereby we may all get back to normal and decent standards of living.

The malady afflicting the country today is an almost total loss of buying power on the part of the general public. It is peculiar in that this is the first time in the history of our development as a nation that we did not have new lands, new mines, new forests, and other raw resources to absorb the idle workers, thus assuring a comparatively speedy recovery following our business slumps.

Today there are no more good farm lands unappropriated. The output of the mines is already greater than we can absorb. There is no use to find and open more. Without new domestic and foreign markets our lumbering operations cannot proceed. The supply on hand of the finished product is more than we need with our present buying power.

Over-production on the part of those who turn out the finished product, because they find no ability on the part of the public to buy; under-consumption by the people for exactly the same reason—lack of ability to buy. As a consequence, general business stagnation, enforced idleness; nearly half the population leading a hand-to-mouth existence, unable to produce, unable to subsist without the aid of charity and constantly becoming a greater burden on our government and on the shoulders of those upon whom the load of charity falls.

Our natural resources are as great as ever; there are as many willing hands to do the work; the facilities for turning out the finished products are the best that civilized man has yet produced; there is as much money in existence. Why the stagna-

tion—where is the missing link in the chain of distribution?

The answer is obvious. **MONEY DOES NOT CIRCULATE.** It stagnates in bank vaults and treasuries. The general public that creates all markets do not have access to it, and consequently cannot buy. Banks cannot loan to people who have no security nor to factories that have no market for their goods. Banks lose money. They have no income from loans. Thus the vicious round of stagnation is made complete.

Buying power must be restored to the general public before this deadlock can be broken. Throwing out gigantic scoopsfuls of money from the national treasury into spots where destitution seems most intense is but to temporize with the emergency. A system of circulating money must be set up. Dependable legal machinery must be devised that will keep the money circulating after it is set going. This is a true and natural function of government that has never been called into being. It will have to be done or, like former civilizations, we shall perish.

**THE TOWNSEND PLAN OF OLD AGE REVOLVING PENSIONS** calls upon the national government to assume this function; the function of starting and maintaining the circulation of a large amount of actual money throughout the entire nation, fairly distributed as to population, benefitting all classes alike. It demands the passage of a national law that will permit every **CITIZEN**, male or female, who has attained the age of sixty years or over, and who is not an habitual criminal, to apply for and to receive a pension not to exceed \$200 per month until death, upon the conditions that he take oath to spend for commodities or services the entire amount of the pension within the confines of the United States during the current month in which it is received, and shall refrain from all remunerative or productive labor or occupation.

It provides that persons having an independent net income of \$2,400 per year, or more, are not eligible to receive the pension. In cases where persons otherwise eligible have a net income from other sources of less than \$2,400 per year, they shall be given sufficient from the pension fund to raise their income to \$2,400 per year.

## HOW WOULD WE PAY THE COST?

Simultaneously it demands a law establishing a Federal transaction tax. Leading economists and statisticians state that the annual transactions in this country will sweep up to the 1929 figure of twelve hundred billion dollars a year. Two per cent of that amount will give us the needed income to pay for the pensions. It is, in the new bill supplemented through the imposition of a two per cent tax on all inheritances and gifts in excess of \$500 and a one-tenth per cent increase in present income tax levies. And who would object to paying these equitably imposed taxes as a guarantee for leisure and happiness in old age as well as opportunity and work for the youth of our land?

The Plan stipulates, furthermore, that the recipient must spend, during the month it is received, for commodities and services, not only the entire amount of the pension allotted to him, but also that portion of his own income which completes the total of \$200 per month.

There are ten million three hundred thousand people of the age of sixty and beyond, eight million of whom, at least, might be expected to apply for the pension. Many, eligible as to age, would not apply because of the demand for their continued services in posts of importance. Many of the millions are not citizens. If eight million of those of the required age should apply, it would require the circulation of one billion six hundred million dollars into the channels of trade monthly. This would immediately start a tremendous volume of buying. We have skimped and done without for four years. Retailers would soon be sold out. Wholesalers would be called upon to restock their shelves. They in turn would call upon the manufacturers for a new output. All machinery of production would be started at high speed. Workers would be called to man the machines and to distribute the goods. Jobs would again become plentiful, made so by an intense prosperity and the elimination of the sixty-year-olds from the job-seeking field. Wages would be high; the standard of living advanced to the approximate level of the pay received by the retiring elders.

No argument against the amount demanded for the pension can be advanced that will stand analysis. These elderly people have been instrumental in producing practically all the tangible wealth in evidence

today. They are entitled to the use of a portion of it sufficient to maintain them in comfortable circumstances for the remainder of their lives. **USE OF THE MONEY** is all that they would ask, all that they could have. Passing through their hands, it would supply their needs and return at once to the localities from whence it was collected. This steady flow of money would assure business stability, eliminate fear as a factor against the launching of new works and enterprises, and give assurance of ample opportunity to youth.

Cost and the necessity for raising prices to meet the pension roll would be practically eliminated by the wiping out of the expense of organized charity and much of the expense of criminality. Riches undreamed of would accrue to the Nation through **UTILIZING THE WISDOM AND EXPERIENCE OF THE ELDERS** and their helpful activities in art, science, and sociology. And finally, the true riches of humanity — joy and happiness — would displace those debasing emotions of greed, suspicion, fear, and despair.

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## **Old Age Revolving Pensions, Ltd.**

A non-profit California corporation, the sole purpose of which is the securing of the enactment of this legislation.

### **HOW CAN YOU HELP?**

Organize a Townsend Club in your community. If you do not know the address of your State Office, information can be obtained from:

**WESTERN AREA**—Western Regional Office, The Townsend Plan, Broadway Arcade Bldg., Los Angeles, Cal.

**CENTRAL AREA**—Central Regional Office, The Townsend Plan, 720 N. Michigan Ave., Chicago, Ill.

**EASTERN AREA**—Eastern Regional Office, The Townsend Plan, 386 Fourth Ave., New York, N. Y.

**SOUTHERN AREA**—National Headquarters, The Townsend Plan, 201 Southern Bldg., Wash., D. C.

All matters pertaining to general policy of The Townsend Plan should be directed to

### **NATIONAL HEADQUARTERS**

201 Southern Bldg.  17 Washington, D. C.