

GET the FACTS about the

TOWNSEND PLAN!

INTRODUCED BY

Dr. Francis E. Townsend

ESTABLISHED BY

**General Welfare Act,
H. R. 2**

and Help Rebuild America!

After six long years of vain and futile effort on the part of state and federal government, largely devoted to unintelligent and wholly uncoordinated experiments, there is as yet no indication of any inclusive and effective recovery from the economic downfall of 1929-1932.

Meanwhile, throughout most of this six-year period, there has been growing, under the guidance of Dr. Francis E. Townsend, a popular movement in favor of the Townsend Recovery Plan, which he originated.

It was originally put forth as an Old Age Pension plan and was widely condemned by the unthinking and financial powers, because it seemed to call for a pension of \$200 a month to each person over 60 years of age. It became misrepresented and maligned as just that and nothing else.

The truth is that the Townsend Recovery Plan is a comprehensive, logical, practical plan for the rehabilitation and stabilization of the whole national economic structure. It is the only plan thus far prominently advocated that will save the nation from a premature and politically controlled—and therefore corrupt and dictatorial—lapse into communism on the one hand, or a bloody civil war on the other.

Its aim is purely of social justice and economic security for all worthy people of every age. It is designed to provide opportunity for youth, profitable work for young manhood and womanhood, security for the middle-aged to enjoy the fruits of their own individual labor, and comfort for the aged, which has been denied them under the present system of industrial peonage and financial brigandage, not to mention political banditry.

The plan—embodied in a bill known as H. R. 2—proposes to collect a tax of 2 per cent on all business transactions; to set up a revolving fund with this tax, which shall be divided monthly, pro rata, after administrative costs are paid, among all eligible applicants. Two hundred dollars per month is the maximum payment, as provided by the act.

Eligible applicants are defined as all citizens of the United States, 60 years of age or over, free from criminal record, who will retire from gainful occupation and agree to spend the monthly annuity payments within the borders of the United States within 30 days from the time they receive them for American-made goods.

Restrictions placed upon the spending are such as would prevent the money from being used to support able-bodied sons and daughters in idleness. The money may not be given away, beyond a certain liberal percentage to churches and charities. It must be paid for bona fide goods and services, to the end

that trade shall be stimulated and the employment of labor increased.

The plan proposes to abolish poverty in the United States. It would do so, since it would establish and maintain buying power in every countryside, hamlet, village and city in the country, and require that buying power be used.

It would eventually wipe out all form of political charity, such as community chests, poor farms and poor houses, doles, WPA, FWA, etc., since it would assure continued and even increasing demands for the products of industry, the services of professional people, the means of transportation and communication.

It would simplify the taxation system of the country by substituting a simple direct tax for the complicated and unjust taxation schemes now foisted upon the country by a greedy political hierarchy.

The spending provision in the Recovery Plan would bring immediate benefits to every class of people. The farmers would find a readier market and a better price for food products. Labor would have plenty of work producing goods and rendering services. Salesmen would find more buyers for their wares. Doctors and nurses, dentists and oculists would be busy beyond any previous experience. Merchants would again be heartened by the merry peal of the of the cash register.

Everybody, in the course of making his living, has to sell something—his time, his muscle, his products or his goods. Unemployment, pauperism, the need of relief doles and "made work" have all arisen from the lack of buying power throughout the nation. It is this lack of sustained buying power that the government has failed to cure. In fact, its uncoordinated experiments have defeated themselves, since buying power has declined steadily, so far as a majority of the nation's producers are concerned, ever since 1929. Increased taxation, increased numbers on relief or on low-wage work projects, and a general loss of confidence in the future, have led people to withhold purchasing power, if they had it, and have tremendously cut down the purchasing power of millions, until they have practically none left.

Buying power, and the resultant consumption of goods and services, are not stimulated by the so-called "subsistence wage," since it's evident that those who are now employed are supplying all that is needed for a bare "subsistence" level or standard of living. Some large and universally distributed group or class of people MUST be provided with quick, effective buying power AT ONCE, and THROUGHOUT THE COUNTRY. It could be young people going to school, but is not deemed good for the young people themselves, nor good for

society, that they should have the weakened morals nor the general attitude which such a gift would be likely to give them.

It could be the parents of children. One country in Europe, it is said, pays a bonus to the parents upon the birth of each child. However, we are still individuals and most AMERICAN parents will prefer an opportunity to support their own children rather than accept government gifts, as a price for their human liberty.

But there are the people of 60 years and over. Their days of active usefulness are nearly over. Most of them have done their life's work, have earned a few hours of leisure and repose. Many of them are broken in health and need the services of doctors, dentists, oculists, nurses and so on. Many of them are compelled by financial stringencies to continue working. Their rewards are small, so they cannot have the professional attention which they have well earned during their lifetime of labor.

What could be more appropriate than to make these aged people—of whom every community has its share—the medium through which to distribute the much needed buying power that will soon spread employment, prosperity, opportunity and happiness to every family and individual in the land? It is just what they who have toiled through the heat of the day shall enjoy their reward in the cool of the evening. The nation owes it to them, more especially since the government failed in its duty to protect the sanctity of their possessions in the case of millions who were robbed of their life savings in the wild speculations of 15 to 20 years ago.

The two per cent transaction tax is less than the discount that any merchant would be glad to grant to his customers for cash payment at the time of purchase. Let the purchases made by the elderly people, which now average \$27 a month, jump to \$75 per month, which they would probably be during the first months of operation of the Recovery Act. At once this money would begin to circulate throughout the community, more people would be in position to buy more goods, employ more help and build the new houses and buildings that are badly needed, and pay cash for more of the things they need.

It aims to reward labor and service more liberally and as fully as possible and consistent with the maintenance of what is known as the profit system. Its effect would be to spread profits out to a larger proportion of the people, without greatly reducing the profits of any legitimate enterprise. In other words, the increased consumption of goods and employment of services would extend opportunity for profitable work to the millions who are now, and have long been, almost or wholly without employment or income.

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JOIN THE TOWNSEND Movement and help secure happiness and prosperity for all. No class of people can long enjoy prosperity unless every class of society enjoys it.

We are a rich nation. National resources are sufficient to give not only necessities but even luxuries to all. We simply need a new economic set-up. The Townsend Plan shows the way. The Transactions Tax, forced back into circulation through enforced spending, will bring about National Recovery.

Join a Townsend Club. There is not discrimination against race, color or creed. Write your Congressman at once urging support of the new Bill H. R. 2, embodying the Townsend Plan.

We wish to express our sincere thanks to the business men, friends and members who have so kindly contributed toward this nationwide movement.

Townsend Club No. 2

Hermiston, Oregon