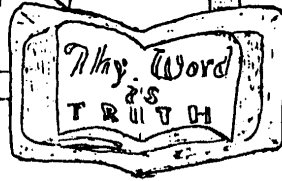


# The PLAIN TRUTH

VOL. II. No. 1



March, 1935

## What is PROPHESED for 1935!

**T**HE Most amazing events of all earth's history are now occurring, just as prophesied in the Bible, in a swift moving panorama before our very eyes!

Startling fulfillment of prophecies occurred last year. Now see what is prophesied for this present year, 1935!

**T**HIS Year, 1935, is destined to witness a startling event, foretold two thousand four hundred years ago!

It will occur, and fill thousands of columns of newspaper and magazine space, in all probability within the next three or four months!

It may prove as disastrous as the depression. It will affect directly nearly all our farmers, and indirectly the whole nation---probably the whole world. It may mean STARVATION to many of our people.

This fulfilled prophecy will be of such significant nature that it should bring every person in the United States to his knees before Almighty God!

### To Follow a Most Significant Fulfillment of Last Year.

This impending occurrence will follow on the heels of a most significant fulfillment of 1934---indeed it will be but the outgrowth and continuation of it.

So let us, first, consider this event that occurred last year---one which very few, even among students of prophecy, have recognized or understood. Very few realize the serious, solemn warning God intends it to give us.

This event was the great drought. Few seem to know its real seriousness, and its WORLD-WIDE extent.

We quote from pages 66 and 67, The World Almanac for 1935:

"The Department of Agriculture reported on Aug. 15 that the entire Northern Hemisphere was in varying degrees in the grip

of the worst drought in history. Across Europe, Asia, and North America the arid path stretched, as wide as the distance from North Mexico to Central Manitoba."

Central European countries, Germany, Czechoslovakia, Poland and Austria reported great loss of grain thru the drought. Also the Danubian countries, including Hungary, Roumania, Yugo-Slavia and Bulgaria. Russia and China fell within the path of the drought.

The annual report of Secretary of Agriculture Wallace stated the drought extended over 75% of the area of the United States.

The Government had to rush emergency relief to the drought-stricken areas, buying starving cattle, and shipping food. The drought directly affected 27,000,000 people in the United States alone. It caused an aggregate loss of five billion dollars. Relief had to be sent to between 300,000 and 400,000 families.

"Sections of fifteen states burned slowly under a merciless sun," says the Literary Digest of Dec. 29th. "Tens of thousands of tons of top soil were swept away by the furnace-like winds that licked the prairies, while men and animals suffocated. . . . Approximately 1,150,000 head of cattle were slaughtered before they died of thirst."

"Livestock throughout the Central West suffered intensely," stated an Associated Press dispatch in daily newspapers last July 24th.

People from the stricken areas have said that the cattle and live stock literally groaned, as they starved from lack of

pasture and water. Pictures of rivers in the Middle-West, good sized rivers, showed them completely dried up, and only an empty river bed left.

### God Knew This Would Happen!

Now bearing in mind that this tragic catastrophe was not local, but WORLD-WIDE ---and that never so far as the records of man can tell us has there ever been anything like it before, consider how accurately God Almighty described this very event TWENTY-FOUR HUNDRED YEARS BEFORE IT HAPPENED!

It forms the real message of the entire Book of Joel. According to the first three verses of the first chapter, the prophecy is for our day. Here it is:

"The field is wasted, the land mourneth; for the corn is wasted: the new wine is dried up, the oil languisheth. . . The harvest of the field is perished. The vine is dried up, and . . . the apple tree, and all the trees of the field are withered. . . The seed is rotten under their clods, the garners are laid desolate, the barns are broken down; for the corn is withered.

"How do the beasts groan! The herds of cattle are perplexed, because they have no pasture; yea, the flocks of sheep are made desolate . . . The beasts of the field cry also unto thee: for the rivers of waters are dried up, and the fire" (the sun's torrid rays) "hath devoured the pastures of the wilderness." (Joel 1:10-12, 15-20).

This prophetic description needs no comment. It sounds like a news dispatch written last August!

### The Solemn Warning For Us

But what is the SIGNIFICANCE of this prophecy, and its terrible fulfillment?

It is a last-minute SOLEMN WARNING to all who are willing to see and to heed ---that the TIME OF GOD'S WRATH---THE LAST PLAGUES---IS AT HAND!

For, when this happens, we are told in this prophecy to DO SOMETHING!

"Sanctify ye a FAST, call a SOLEMN ASSEMBLY, gather the elders and all the inhabitants of the land into the house of the Lord your God, and CRY UNTO THE LORD, 'Alas for the day!' for the DAY OF THE LORD is at hand, and as a destruction from the Almighty shall it come." (Vs. 14,15).

When this world-wide drought appears this prophecy commands us to

"Blow ye the trumpet in Zion, and sound an alarm in my holy mountain! LET ALL THE INHABITANTS OF THE LAND TREMBLE: for the day of the Lord cometh, for it is nigh at hand; a day of darkness and of gloominess, a day of clouds and of thick darkness." (Joel 2:1-2).

The "DAY OF THE LORD" is the time of God's WRATH against the sins of this present world---the LAST PLAGUES. The facts regarding it have been set forth in previous issues of The PLAIN TRUTH, and are partially explained on page 8, this issue. It will be the most terrible time

the people of the world have ever lived through. God is going to show just HOW MUCH He hates SIN! Men will seek death, and be unable to find it! (Rev. 9:6). People will be scorched with terrific heat from the sun, and will gnaw their tongues in pain (Rev. 16:8-10). This time will culminate in the second coming of Christ.

### What Will Happen This Year!

But there is another aspect of this terrible drought, that accompanied it slightly last year, and will come with intensified fury this year! Listen:

"That which the palmerworm hath left hath the locust eaten; and that which the locust hath left hath the cankerworm eaten; and that which the cankerworm hath left hath the caterpillar eaten. . . For a nation is come up upon my land, strong, and without number, whose teeth are as the teeth of a lion, and he hath the check-teeth of a great lion. He hath laid my vine waste, and barked my fig tree: he hath made it clean bare, and cast it away; the branches thereof are made white." (Joel 1:4,6-7).

Last summer, accompanying the drought, vast areas had visitations of grasshoppers, worms, and bugs.

We quote one example, from a United Press dispatch of January 8, 1935: "One central Illinois farmer last year saw an army of bugs on an 80-acre field in a wave that covered the earth. Helpless, he watched his corn disappear, row by row. At night-fall the entire 80 acres was a tangle of stripped stalks!"

And this year, 1935, is destined to see the final and REAL fulfillment of this prophecy of God's great army of a "nation" of bugs!---and probably a recurrence of the drought even worse than last year!

This year, as Joel's prophecy foretells, the bark will be taken, the branches will be left white, the vines, stalks, etc., will be CLEAN BARE.

Last year this host of insects destroyed an estimated half billion dollars' worth of crops. Thru the past winter scientists have discovered billions of bugs sleeping in snow-covered hedgerows. Last summer's drought, they say, is responsible. This coming summer these bugs will have multiplied into such an army of destruction that scientists already are predicting they will cause devastation and waste exceeding the whole industrial depression!

The Weather Bureau at Washington says the subsoil moisture is so depleted that nothing short of unusually heavy rains will prevent drought this summer. We face the probability of a food shortage such as has never been known in American history!

### Only ONE Escape!

We have been trying to tell our readers that THE PRESENT ORDER IS DOOMED! It's final destruction---politically, economically, socially, religiously---is now but a matter of months off!

Your only hope of escape lies in following the instruction of this prophecy. Listen to it: (Continued on page 3)

## The PLAIN TRUTH

Published in conjunction with the RADIO CHURCH OF GOD, broadcast Sunday mornings at 10 o'clock, over KORE, Eugene, Oregon, 1420 kilocycles.

Editor, Herbert W. Armstrong.

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### EDITORIAL

As this issue of The PLAIN TRUTH goes to press Europe is on the brink of WAR.

The leading news headline in the Portland Oregonian says: "FRANTIC EUROPE RUSHES TO ARMS. Cream of Youth Called to Colors Abroad. Talk of Peace Drowned by Martial Clamor." The news story says "War is talked of everywhere "

Germany has defied and renounced the Versailles Treaty. Germany is rearming at feverish pace. Great Britain, France, and Italy are making frantic efforts to prevent war. But every effort appears to fail. War may come any hour, altho we believe Bible prophecies indicate God will supernaturally hold it back---at least as a world-war---about another eighteen months. Still, it is possible a European war may break ANY HOUR, developing into the world-war prophesied within the eighteen months.

During recent years German scientists and technicians have been secretly straining every energy to produce NEW weapons of destruction that would more than offset the limitations on German army strength imposed by the Versailles treaty. The truth about Hitler's hellish new weapons of destruction has leaked out only within the past two weeks!

Five new weapons, far more terrible than anything yet devised by man, are the product of this fiendish effort. They are:

1st, The Stratosphere rocket, charged with high explosive, poison gas, or germs, shot thru the stratosphere at a height of 12,000 to 20,000 meters. It can be sent up from Berlin, and by radio control from there, caused to drop and explode in New York, London, or Paris!

2nd, The "Z" Ray, a weapon that will pulverize steel girders. When applied, bridges will fall, enemy gun muzzles will melt, airplane motors will disintegrate in midair, radio stations and railway tracks will be pulverized, the sheet armor of attacking tanks will go to pieces! Enemy shells waiting to be fired at a distance will be exploded at the cannon's breech, killing its own men.

3rd, The "All-piercing bullet." It

will pierce armor six inches thick. Hitler is producing 480,000 of these bullets a day.

4th, The rotative gun, a Krupp production. Has five rotating barrels, and fires a thousand rounds a minute. It's efficiency is TWICE that of any weapon used in other armies! Hitler now is constructing 2,000 of them.

5th, The Stange machine gun. Weighs only 18 pounds. Can be carried and handled by one man. Fires 600 rounds a minute. Shoots the "all-piercing" bullet, making it the most deadly infantry weapon ever used.

Press dispatches say Hitler is calling 8,500,000 young men for military training!

The present organized military forces of the nations include 16,210,000 men in the Red Army of Russia; 6,952,213 men in France; 6,405,535 in Italy; 2,177,000 in Japan; 1,141,987 in Great Britain; 1,100,000 in Germany---and only 444,661 in the U.S.!

Since 1914 these nations have increased the number of machine and big guns 500%!

The next world war will end at Armageddon! And it may start ANY HOUR!

The SIGNS God is giving us by which we may KNOW that the last PLAGUES of the "Day of the Lord," and the Second Coming of Christ are at hand, are all HERE NOW! These warning signs include the present luke-warm Christianity, the falling-away from the TRUTH, the world Depression, including unemployment, the many millionaires, etc.; the automobile, airplane, radio; the peace conferences, and proclamations of PEACE! ---And the drought and visitations of grasshoppers and bugs!

Every one of the SIGNS foretold in the Bible are now HERE! And yet we go along unconcerned---ASLEEP! It is time to WAKE UP!

In EVERY ONE of these prophecies, God warns us "Watch ye therefore, and PRAY ALWAYS, that ye may be accounted worthy to ESCAPE all these things that shall come to pass, and to stand before the Son of man!" "Let us NOT SLEEP, as do others, but let us WATCH, and be sober. . . Pray without ceasing." "Therefore also now, saith the Lord, TURN YE even to me with all your heart, and with FASTING, and with weeping, and with mourning: and REND YOUR HEART. . . CRY UNTO THE LORD!"

God has warned us! We are trying to warn our readers! Do not think it is only the OTHER fellow that needs this warning. It is YOU! If YOU fail to heed---if YOU do not get down on your knees in far more DEAD EARNEST, confessing sins and faults, crying out in real earnest to God, taking these things more seriously,---then, God help you! These things are REAL.

### "What is PROPHESED for 1935"

(Continued from page 2)

"Therefore also now, saith the Lord, turn ye even to me with ALL YOUR HEART, and with FASTING, and with weeping, and with mourning: and rend your heart, . . and TURN UNTO THE LORD YOUR GOD." (Joel 2:12,13)

Have YOU done it?---with ALL YOUR HEART? Have you been FASTING AND PRAYING recently? Have you turned to God with WEEPING, rending your heart? Have you acknowledged your luke-warm careless condition? Be honest! WILL you do it? Right NOW?

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# Here's the PLAIN TRUTH about the Townsend Plan!

**N**INETEEN Centuries ago, Jesus of Nazareth foretold this present world-depression.

He described it as a time of "great tribulation, such as was not since the beginning of the world to this time, no, nor ever shall be;" (Mat. 24:21),---when, for the first time, there would be "distress of NATIONS, with PERPLEXITY, . . . men's hearts failing them for fear, and for looking after those things which are coming on the earth." (Luke 21:25,26.)

Never in human history has the world seen such a universal breakdown. Every important nation on earth, save only four,---the United States, Great Britain, France and Japan, has been overthrown in revolution. The financial structure of EVERY NATION has collapsed!

So it is but natural that the time is prolific with the plans and schemes of men for solving this distress!

Out of Russia comes Communism, bringing million after million into its vicious clutch, with its subtle promise of world utopia. A million in the United States are actively lined up with the Red movement!

Out of Italy comes Fascism, and out of Germany Nazziism, each stretching its tentacles into other nations.

Here in the United States President Roosevelt has inaugurated the M.P.A., but two years' trial has failed

**A**t the demand of scores of our readers and radio listeners, we present herewith the PLAIN TRUTH about the Townsend Old Age pension plan.

This has become a heated and controversial issue. Some are willing to FIGHT if the plan is opposed. The editor has been threatened if he dared oppose it!

Our commission, found in II Timothy 4:2, is to PREACH THE WORD OF GOD. The Gospel we are commissioned of God to preach is the Good News of the KINGDOM OF GOD, and Jesus, the coming King of that Kingdom, said "My Kingdom is NOT OF THIS WORLD." He came to call His Church OUT of the world.

Therefore we want it understood the Plain Truth magazine takes no partisan side in this issue, or any other partisan plan for the recovery of this present world. Our interest in the Townsend plan therefore is wholly from the KINGDOM viewpoint. This article views it alone from this, and the prophetic angle---not from a partisan or worldly standpoint.

We herein present a sufficient fundamental analysis of the plan to prove that the Bible prophecies are TRUE! Will the plan accomplish what its sponsors claim? BIBLE PROPHECY TELLS!

In preaching and publishing the TRUTH of the KINGDOM and the WORD OF GOD we always do, and always shall, speak the PLAIN TRUTH, boldly and fearlessly, regardless of whether it pleases or displeases, and regardless of threats or intimidation! We shall not compromise with THE TRUTH!

to restore prosperity, and millions are unemployed, with even more millions suffering privation and want.

And so, everything having failed to end the distress of our people, we now witness the promotion of numerous plans and schemes, each promising the pot of gold at the end of the rainbow. And each finds followers, some ready to defend their favorite plan with emotional fervor.

We have all been promised wealth, luxury, ease, and idleness by Technocracy.

In California Sinclair's Epic plan stirred up a heated political battle.

Will Durant is touring the country lecturing on his plan for restricting the birth of the unfit, and perpetuating only those of the more intellectual classes.

### Townsend Wins the Greatest Following

But of all the plans promising to be a cure-all for every ache and pain of our national distress, and the ushering in of the millennium of peace, security, and economic plenty for all, the Townsend Old Age Revolving Pension plan has captured the public imagination, stirred its emotions, and won the support of millions, as few movements have ever done.

The Townsend plan promises to end every ill. Not only does it promise to end the depression, and put every man back to work, and bring in a new

era of peace and plenty and prosperity, but it promises to solve the national crime problem, clean up the nation's morals, close every poor-house, and make unnecessary every charitable organization!

#### What Townsends Promise

We quote briefly a few of its claims from the January 7th issue of "National Old Age Pension News," the official weekly of the promoters of this plan:

"There is a way out. . . It is the Townsend way. . . It sets about to create a prosperity which can be seen, felt, and handled by everyone. . . Unemployment will be a thing of the past. The depression will fade into the realm of the forgotten. Prosperity, real prosperity, clothed in actual, visible and veritable materials, will be here, for all to see, for all to feel, for all to handle. The nation will shout for joy. Peace and contentment will reign in the land."

An editorial in this same issue says, in part:

"There was Moses, Jesus, Washington, Lincoln. All of them became channels for ideas that saved humanity in dire need. In our day, in a world suffering from its debauch of lust---the late war---the saving grace finds its expression in the reception of the thinking of one man, Dr. Townsend."

Thus the religious angle is injected into Townsend propaganda; Dr. Townsend is elevated to a height equal to the Son of God. As Jesus was a channel for SAVING humanity in dire need, in His day, so Dr. Townsend becomes the Hope and saviour of the suffering world today! Saving grace, today, comes by Dr. Townsend and his thinking!

An active Townsend supporter and worker said, "This plan is OUR ONLY HOPE!"

In the January 28 issue of the paper, under its new name, "Townsend Weekly," the plan is presented as a FAITH. Readers are asked to subscribe to a creed of faith, ending with the following:

"I BELIEVE: I am ready right NOW: THEREFORE: I will let Nothing at any time shake this Belief."

On the front page of this official paper, in large 12-point type, appears the following:

"We believe Dr. Townsend's perception of such an idea is not an accident but rather an answer to the prayers of tens of millions of organized children of God lost in a wilderness of doubt."

We pause to say right here, that when a man-made scheme and the thinking of a human man becomes our only HOPE---when that man is held up as a leader and placed in the same class with Jesus Christ the Son of the Living God---when that human man and his thinking is called SAVING GRACE for this day---when he and his plan is offered to a suffering and helpless and perplexed people as GOD'S PLAN, and this man is looked to as our Deliverer---then the time has come for every faithful minister of Jesus Christ to rise up fearlessly---regardless of threat and intimidation, and to denounce this type of propaganda as blasphemy---as setting before the people a false god---and the leaders of this move-

ment as false prophets who are DECEIVING the people, and who are not speaking according to the Word of God.

#### What the Townsend Plan Is

Briefly, here is what the Townsend plan, as placed before Congress in the McGroarty bill, proposes:

Pay to every U.S. citizen at age 60 and over \$200 per month, provided that he discontinue all gainful occupation and agree to spend the entire sum in the United States within 30 days of receipt. To finance the plan, a tax of 2% would be levied "on the gross dollar value of each business and/or financial transaction done within the United States." The president would be empowered to make a 50% increase or decrease, and no more than that, in the 2% tax rate. The tax would be in addition to all other federal taxes. Sec. IV. limits expenditure of pensions for "charity, church, and fraternal organizations" to 15%. Sec. VI reads: "All salaries for individual services are hereby exempted from the tax provisions of this act."

#### IS the Townsend Plan of God?

Between ten and thirty millions of people have swung enthusiastically behind the banner of this Townsend plan.

Church people and professing Christians by the hundreds of thousands are looking hopefully to this plan. Many seem to be accepting the claim that this plan offers "our only HOPE."

Some have written in asking us to pray that this plan will be adopted. Others say they are praying it will never be adopted. Some go so far as to say, as official Townsend literature intimates, that this plan is of God---that it is God's way of delivering His people out of the present world-chaos!

Old folks by millions have been led to pin their faith and their hope of deliverance upon the Townsend plan.

People are stirred and aroused to an emotional pitch as they have seldom been moved. Men are willing to FIGHT if any dares disagree with their ideas. Here in Lane County, Oregon, a state representative has been recalled because he voted in committee against the Townsend plan, altho he voted FOR a recommendation to Congress for the passage of some adequate old-age pension plan "Townsend plan or otherwise."

But IS this plan of God? IS God going to bring about peace on earth, good will toward men, and universal prosperity, thru this plan? IS it the great economic cure---all its sponsors and paid organizers claim? Or is it only filling millions of good people past 60 with idle hopes and dreams of new automobiles, fine new clothes, perhaps a new home, luxurious ease and independence for life? Is it a true HOPE, or a false, empty, cruel delusion?

There is only one source from which we may KNOW what is GOING to happen! And that is the SURE WORD OF PROPHECY!

God, and God alone, knows the end from the beginning! IF this is God's plan, we shall learn of it in the BIBLE. In the Bible prophecies, and in them alone, will we

learn whether this, or any other plan is soon to usher in a golden era of material prosperity, dispelling the clouds of distress.

#### What the BIBLE Prophecies!

So let us look, now, to that remarkable prophecy of Jesus, foretelling this present world-distress of nations. Let us see how He said it would end, and whether man-made plans will solve it.

Jesus had been showing His disciples the buildings of the Temple in Jerusalem. He had told them the Temple would be destroyed. They believed this destruction would be at the end of the age. And so they said to Him:

"Tell us, when shall these things be? and what shall be the sign of thy coming, and of the end of the world?" The Greek word for "world" is "aionos," which means "Age."

Jesus' answer is recorded in the 24 chapter of Matthew, the 13th of Mark, and the 21st of Luke. Each writer gives us certain phases of what He said. We need to study the accounts in both Matthew 24 and Luke 21 to understand the present world depression, or tribulation. For this is not merely another "depression." There have been many depressions, but never a world-collapse like the present.

According to Mat. 24:21 Jesus described the present world trouble as follows:

"For then shall be GREAT TRIBULATION, such as was not since the beginning of the world to this time, no, nor ever shall be."

Almost the same words are described in a prophecy in the book of Daniel:

"And there shall be a time of trouble such as never was since there was a nation even to that same time: and at that time THY people shall be delivered, every one that shall be found written in the book. And many of them that sleep in the dust of the earth shall awake, some to everlasting life, and some to shame and everlasting contempt." (Dan. 12:1,2).

This prophecy in Daniel says the resurrection from the dead will occur AT THE TIME of this unprecedented world-trouble, not after it has ended and the world is once more in prosperity and peace. That means the Resurrection must come BEFORE THIS PRESENT TROUBLE ENDS! And that means there will be no man-made solution of the present tribulation!

#### What Will END the Depression?

Now WHEN is the time of the Resurrection? What else will occur at that time? We find it in II Thes. 5:16: "The Lord Himself shall descend from heaven with a shout, with the voice of the archangel, and with the trump of God: and the dead in Christ shall rise first." And in I. Cor. 15:52, "at the last trump . . . the dead shall be raised."

So the present time of trouble and distress will continue until the Resurrection, which is the time of the second coming of Christ! Therefore the present trouble will not end until Christ comes to

rule, and reign over the nations of the earth with a rod of iron!

But let us confirm this by still more prophecies. Matthew's account of this tribulation says, "Immediately after the tribulation of those days shall the sun be darkened, and the moon shall not give her light, and the stars shall fall from heaven, and the powers of the heavens shall be shaken." (Mat. 24:29).

Now let us turn to Luke's account of this same prophecy. What will be the condition of the earth at the time when the sun and moon are dark and the stars fall?

"And there shall be signs in the sun, and in the moon, and in the stars; and upon the earth DISTRESS OF NATIONS, with PERPLEXITY, the sea and the waves roaring; men's hearts failing them for fear, and for looking after those things which are coming on the earth." (Luke 21:25,26).

In Matthew's version, Jesus says the present tribulation carries UNTIL the sun and moon are dark, and the stars fall.

Luke's account tells us, in verse 24, that this event will occur at the END of the "Times of the Gentiles," (a prophetic time allotted by God to the Gentile nations, of 2520 years. It began in 604-605 B.C. It began to end in 1917 with the delivery of Jerusalem from the Gentile Turk and will end fully, probably the latter part of NEXT YEAR, 1936). And at that time, probably the fall of next year, the nations will STILL be in distress, and their leaders in PERPLEXITY, just as they are now---and at that time men's hearts will be failing them for FEAR of the things that are coming on the earth.

#### Terrible PLAGUES to Follow!

So the SURE WORD of prophecy does not offer much hope of basking in the sunshine of restored peace and restored prosperity BEFORE the end of the Gentile times, probably the Fall of next year, or before the second Coming of Christ, which follows.

Instead conditions described at that time are undoubtedly far worse than the present. And when the sun and moon become dark, and the stars fall (an event that has NOT yet occurred, as some erroneously teach,) these mighty supernatural signs will strike frightful TERROR into the minds and hearts of all who do not know the Lord, and who are trusting in the devices and schemes of men, instead of trusting in the Lord!

So many, today, say that because several million people are in favor of the Townsend plan, it CANNOT BE WRONG! That is the slogan of a prominent cigarette "Millions can't be wrong!" But millions can be, and usually are, wrong. God's Word says the MANY are going the broad popular way that leads to DESTRUCTION, but only the FEW find the strait and narrow way that leads to LIFE. How many of the millions who are so strongly "FOR" this plan really know and understand what it is, and how it would work? Very, very few. They are only taking the word of the Townsend paid and professional organizers. Most people believe in it because they WANT what it PROMISES!

But, what will happen to the MILLIONS who boast they cannot be wrong? Here is the terrific picture---at the time of these supernatural heavenly signs---probably the Fall of NEXT YEAR!----

"The sun became black . . . and the moon became as blood; and the stars of heaven fell unto the earth . . . And the heaven departed as a scroll when it is rolled together; and every mountain and island were moved out of their places. And the kings of the earth, and the great men, and the rich men, and the chief captains, and the mighty men, and every bondman (slave), and every free man, hid themselves in the dens and in the rocks of the mountains; and said to the mountains and rocks, Fall on us, and hide us from the face of Him that sitteth on the throne, and from the WRATH OF THE LAMB; for the GREAT DAY OF HIS WRATH is come; and who shall be able to stand?" (Rev. 6:12-17).

Now the picture is becoming clear! The present world-distress, or tribulation, carries until the end of the Times of the Gentiles, probably the Fall of next year, when these great heavenly signs will occur, striking terror into the hearts of the unprepared. And then it is announced, "The great day of HIS WRATH is come!"

And what is this great DAY OF HIS WRATH? It is the terrible DAY OF THE LORD!

"The day of the Lord . . . is a DAY OF WRATH, a day of trouble and distress, a day of wasteness and desolation, a day of darkness and gloominess, a day of clouds and thick darkness, . . . and I will bring distress upon men, that they may walk like blind men, because they have sinned against the Lord." (Zeph. 1:14-17).

The "Day of the Lord," is a time, soon to come, immediately following these supernatural heavenly signs,---a time you hear little about. Yet the Bible is full of it! It is NOT the thousand years of peace---but a time of PLAGUES sent supernaturally by the Lord. It is NOT the tribulation, but immediately FOLLOWS the Tribulation.

"The sun shall be turned into darkness, and the moon into blood, BEFORE the great and terrible day of the Lord come." (Joel 2:31). Our text in Rev. 6:12-17 shows this Day of the Lord following these heavenly signs. Matthew 24:29 says the heavenly signs follow immediately AFTER the Tribulation. The heavenly signs, then, climax the END of the present Tribulation period, and also USHER IN the Day of the Lord.

Other texts describing the Day of the Lord are Joel 2:2; Isa. 13:6; Amos 5:18. The LAST PLAGUES come during this Day of the Lord. It will be a time of far worse trouble than the present.

#### What Good Will Money Do?

And suppose this Townsend plan WOULD bring about all the prosperity its promoters claim, and more. What would it be worth to you a year or two from now, when the Day of the Lord is upon us?

Listen! "Neither their silver, nor their gold shall be able to deliver them

in the Day of the LORD'S WRATH, (Zeph. 1:18).

Listen again! "For the Day of the Lord of hosts shall be upon everyone that is proud and lofty, . . . In that day a man shall cast his idols of gold and silver . . . to the moles and to the bats." (Isa. 2:12,20).

Now this is not to say that money is evil or its possession a sin. God DESIRES us to have enough money, and to PROSPER (III John 2). It is merely to emphasize that spiritual things are now far more important, and that money shall not be able to deliver any from GOD'S WRATH.

The RIGHT use of \$200 a month would not be a sin, but a blessing. But what will it avail us if we look for it NOW, thru HUMAN means, thru our present corrupt civilization that is reeling on its last legs, tottering on the brink of its final destruction? It is a FALSE HOPE.

The world is not going to be delivered out of this present trouble by leaders among men. Instead, the present tribulation will merge into the far more terrible DAY OF THE LORD!

#### Raising Up FALSE Hopes!

The Bible foretells all these modern frantic efforts toward peace and the restoration of prosperity, and their outcome!

The original Greek word translated "distress" in Luke 21:25, quoted above, is "sunocha", and means men joining themselves together to protect their property. It includes such efforts as the League of Nations, disarmament conferences, consolidations of business, etc.

The word translated "perplexity" is "aporia," which means being poor, out of work, having no money. This is a description of conditions as this depression emerges into the terrible Day of the Lord! It is a perfect description of PRESENT conditions! So we may be sure conditions will not change or improve.

Paul tells us the people will be misled and deceived by those plans for PEACE and PROSPERITY, just before the Day of the Lord! Listen! "For yourselves know perfectly that the Day of the Lord so cometh as a thief in the night. For WHEN they shall say, PEACE, and SAFETY, then sudden destruction cometh upon them as travail upon a woman with child; and THEY SHALL NOT ESCAPE. But YE, brethren, are not in darkness, that that day should overtake you as a thief." (I Thes. 5:2-4).

What does this warning prophecy mean to you? IT WAS WRITTEN FOR US OF THE PRESENT GENERATION. Will we understand, and heed it? If we have eyes to see, it tells us the people of the world will begin to proclaim that they have found a way out. This must be in a time of distress, for there is no need of announcing plans that will bring Peace, and Safety, when we already have it!

Paul says the people of the world will be fooled by these false prophets. But those whom Paul calls BROTHERS---those in the Lord who have received the Holy Spirit, and understand their Bibles---are



not in darkness, but UNDERSTAND the times, and well know that God Almighty Himself has the ONE AND ONLY WAY OUT for His people! And Paul says:

"Therefore let us not sleep, as do others, BUT LET US WATCH, AND BE SOBER." (Verse 6). Those are serious days! They are times that are trying men's souls! and he that endureth unto the END shall be saved!

Jesus warned us time after time of the FALSE PROPHETS that would arise at this very end-time, to mislead and deceive the people. Not all of them appearing as religious leaders. Satan will use men to lead God's children into following worldly plans and ways, if they will let him. And so we have false prophets prophesying Peace, and Safety, and wealth, and plenty!

Not that it would be a sin for you to have \$200 a-month, or to be made prosperous. Not at all! We are merely saying that the Townsend plan is not GOD'S PLAN, but a man-made plan, that God's Word has foredoomed to FAILURE! The Townsend hope is a FALSE hope. Almighty God offers us a real and a TRUE Hope. Let us be willing to trust HIM, and HE will deliver us!

IF the Townsend plan were of God, it would not FORBID anyone who receives the pension to spend more than 15% for the advancement of the LORD'S WORK, while permitting anyone to spend all of the \$200 a month on booze, or underworld debauchery if he chose!

Thru the prophet Jeremiah, the Lord enlightens us thus:

"They have healed also the hurt of my people SLIGHTLY, saying PEACE, PEACE, when there is no peace!" (Jer. 6:14).

The present distress has been alleviated SLIGHTLY, and now they are crying that this plan or that plan will bring us PEACE, PEACE---when there is no peace! Be not deceived. God is not mocked!

The present trouble is the breakdown and utter collapse of man's efforts to rule and govern himself INDEPENDENT of God! It is the final failure of man's way! God is letting MAN learn his lesson. No man-made plan will restore peace and plenty! God is teaching us a painful, but a profitable lesson---that we must TURN TO HIM!

### The One TRUE Hope!

Well, you will say, can you blame people for wanting to find a way out? Can you blame people for wanting enough to eat and to wear?

Oh, let us not lose our heads in this time of crisis with such foolish arguments. Let us not be deceived by clever propaganda that appeals to emotions and passions and prejudices.

Of course it is not wrong to want enough to eat and to wear! God well knows your need in this present hour. God PROMISES you that He will supply your every NEED. (Phil. 4:19). Well then, some will resentfully ask, WHY DOESN'T HE? Why? Well, HAVE YOU ASKED HIM? Have you TRUSTED Him and Him ALONE? Have you SURREND-

ERED wholly to Him? Have you come all the way OUT of the world, and its ways, and its interests and plans, according to II Cor. 6:14-17? God is willing and able to keep His promises. The question is WHY ARE YOU NOT CONFORMING TO THE CONDITIONS? You need to search your OWN heart for your answer!

Yes, God Himself well knows the need of this whole helpless world! And God Himself has planned the way out---and the ONLY way that is going to lead out! We could have that way RIGHT NOW, if the people were willing, and would surrender to God! But they will not! So we must continue to suffer a while longer, until we have been taught a lesson! God's way is not the Townsend way---it is the way of God's KINGDOM---the way of CHRIST!

After describing the present world distress of nations in his great prophecy, Jesus says, "So likewise ye, when ye see THESE things" (that began in 1929) "come to pass, KNOW YE that the Kingdom of GOD is NIGH AT HAND!" (Luke 21:31).

The present world order is DOOMED! These very last minute frantic efforts to save the ship before it sinks sounds the DEATH-KNELL of the present order. The present world order is SATAN'S kingdom. The Bible tells us Satan is king of this world. He is now furious! He is now attempting to DECEIVE all whom he can into pinning their FAITH in some man-made plan or scheme to restore this present world order that is ruled by Satan. He is thus lining up MILLIONS of unsuspecting people who do not understand ON HIS SIDE!

On whose side will YOU be, when these terrific heavenly signs occur? Where will YOU be lined up WHEN JESUS COMES? Will you be lined up behind some plan or scheme endeavoring to restore and build up this present world order of Satan, or will you be ON THE LORD'S SIDE?

Choose ye THIS DAY whom ye will serve!

### Bringing in the KINGDOM!

When these present conditions occur we are to KNOW that the Kingdom of God is NIGH AT HAND!

In that marvelous prophecy of King Nebuchadnezzar's dream image, given in the second chapter of Daniel, we are told that in the days of these present Gentile kings, or kingdoms, "shall the God of heaven set up a kingdom, which shall never be destroyed. . . and it shall break in pieces and CONSUME all these kingdoms, and it shall stand forever!" (Dan. 2:44).

Notice, now, when Christ comes, and He is coming SOON, He and His Kingdom shall break in pieces and consume all the present earth kingdoms, or governments! (See also verses 34-35). Do you want to be ON THEIR side, affiliated with their plans and schemes for restoring what God is tearing down?

But do not think there is no hope! Here is the wonderful truth that should bring a shout of joy to the lips of all who love the Lord! It is in the prophecy in the 7th of Daniel, where, thru the

vision of the four "beasts" God gives us a revelation of the course of the Gentile governments that have ruled the world beginning with Nebuchadnezzar's Chaldean Empire, until at the second coming of Jesus Christ, He establishes the Kingdom of God, smashing to pieces all the present governments, and RULING the nations of earth with a rod of iron! Here it is:

"And the kingdom (of the present world) and dominion, and greatness of the kingdom under the whole heaven shall be given to the people of the SAINTS of the Most High, whose Kingdom is an everlasting kingdom, and ALL DOMINIONS shall serve and obey Him" (Christ). (Dan. 7:26).

And speaking of the present governments, the 18th verse says: "But the SAINTS of the Most High shall take the kingdom, and possess the kingdom for ever, even for ever and ever."

Jesus does not say, "He that helps in plans and schemes to restore peace and plenty in this world, and to save this present world from its complete breakdown shall come into great luxuries and material comforts." Instead He says: "My kingdom is not of THIS world," (John 18:36), and "He that OVERCOMETH" (sin, worldliness) "and keepeth my works unto the end, to HIM will I give power over the nations; and he shall RULE them with a rod of iron." (Rev. 2:26-27).

Christ is coming to RULE. And He says to you: "REPENT. Behold I stand at the door and knock: if any man hear my voice and open the door I will come in to him, , , , To him that overcometh will I grant to sit with me in my throne." (Rev. 3:19-21).

He "hast made us unto our God kings and priests, and we shall REIGN on the earth." (Rev. 5:10). Praise God!

God Himself has a plan for bringing PEACE and PROSPERITY upon the earth. According to His plan, He is going to send Jesus Christ once again to earth, whom the heavens have received UNTIL the "TIMES OF RESTITUTION OF ALL THINGS." When He comes, He will come with ALMIGHTY POWER, as the King of kings and the Lord of lords to reign and to rule. While He is in the "far country"---heaven---(Luke 19:12-27) we are all having our chance to qualify for His kingdom. Some are now living a life that will fit them to rule over ten cities. Others over five. Most are not qualifying to rule over ANY---they are too busy trying to save this present doomed world! Some of the real saints will be PRIESTS, or true ministers, and thru them the earth will become FULL OF THE KNOWLEDGE OF THE LORD (Isa. 11:9) when He comes. Praise God for His wonderful Plan that WILL end poverty, and sickness, and all suffering, and all strife!

At that time, when Christ sets up the eternal KINGDOM OF GOD, "He shall judge among the nations, and shall rebuke many people: and they shall beat their swords into plowshares and their spears into pruninghooks: nation shall not lift up sword against nation, neither shall they learn war any more." (Isa. 2:4,5). What a wonderful time that will be! THAT

is our HOPE---and the ONLY hope! "For the MOUTH OF THE LORD HATH SPOKEN IT!" (Micah 4:1-4).

### What IS the Church?

So few seem to understand God's great Plan! Very few seem to understand what the CHURCH is, and its object and purpose.

The Church is NOT the Kingdom! The Church is the "saints" and the saints, or the Church, will take over and possess the kingdoms or governments of this world AT CHRIST'S COMING.

"Church" means "called-out ones."

Christ never instructed His Church to go out into the world, take part in its affairs and reform it. The Scriptures teach that Satan is the King and the Prince of this world. (John 12:31; 14:30; 16:11). And so Jesus said, "My kingdom is not of this world," (John 18:36). And He has called us to "come out from among them and be SEPARATE, saith the Lord." (II Cor. 6:17). Jesus' last prayer for His Church was "They are not OF the world, even as I am not of the world." (John 17:16). Instead of reforming the present evil world, which is Satan's kingdom, and which is now DOOMED, Christ calls us to a life of SEPARATION from the world, its plans, and its ways. He is calling us to prepare, thru Christian living, to be kings and priests with Him in HIS kingdom, which shall soon SMASH the present systems to pieces!

"If my kingdom were of this world, then would my servants fight," said Jesus, (John 18:36). He did not send us to fight in this world's affairs. He set us an example, and He took no part in the government or plans, or ways of the world. His Kingdom is NOT of this world, but at the time of His coming, John in vision, hears it proclaimed, "The kingdoms of this world are become the kingdoms of our Lord, and of his Christ; and he shall reign for ever and ever." (Rev. 11:15).

True, Jesus taught us to "render unto Caesar the things which are Caesar's." But He did not say "go and JOIN Caesar, and take part in the management of his kingdom." The taxes BELONG to the state. So PAY them! But also render unto God the things which are GOD'S, and YOU belong to HIM, for He has bought you with a price---so come out from among THEM, and be ye separate! Yes, we realize this is far from the popular church teaching of this day. This may seem radical. But THIS IS THE WORD OF GOD---the word you shall be JUDGED by, in the judgment!

The Townsend way is not GOD'S way. There IS a way out---that is true, but it is NOT the Townsend way---it is GOD'S WAY---and God's way is to send Jesus Christ very soon again to earth, to completely demolish all present governments, and to set up a new world super-government, ruled by the Son of God. He is calling you and me OUT of the present world, and to prepare to assist in ruling the coming PERFECT state! There is NO OTHER WAY!

And the warning of the Bible is, "WATCH!" and "PRAY!" "BE YE ALSO READY!"

A Plain Analysis of the  
Townsend Plan

Perhaps it should not be necessary, after receiving knowledge of the SURE WORD of prophecy, to make an analysis of the Townsend plan itself.

Yet many of our readers want to see such an analysis. Few thoroughly understand just what the plan is, and how it would work out, in action.

So, as briefly as consistent with a thorough analysis, we now examine the plan itself.

Faulty analyses and erroneous conclusions respecting such problems come in two ways: 1st, basing conclusions upon only PART of the facts; and 2nd, basing many arguments upon an ASSUMPTION. People become misled, in such a problem, by confusing their minds with a bewildering complexity of minor arguments, losing sight altogether of the MAJOR FUNDAMENTALS.

To UNDERSTAND such a problem, the mind must be freed from confusion by the haze of branch arguments. Keep the mind on the TRUNK of the tree.

Inability, or failure, to do this has confused and misled many on this Townsend plan.

The MERITS  
of the Plan!

The plan is not without its merits, in the worldly sense, at least.

It has STIRRED UP and aroused the people out of their lethargy and indifference. It has

brought many to see the seriousness of the present world trouble. It has made millions realize that every plan of man so far tried has failed to solve this tribulation. God wants people to realize that and turn to HIM.

It has firmly established the American people in the desirability, and need, of an adequate plan for assuring old-age independence for all. The PRINCIPLE of insuring old age independence is opposed, surely, by none.

All are in favor of insuring old age independence. But the issue of the Townsend plan is something altogether different. The issue is whether this PARTICULAR PLAN is one that, 1st, will solve the national depression, cure all our ills and bring prosperity to all; and 2nd, whether this particular plan is good for the old people themselves.

But the radical Townsend partisans are not at all interested in the general idea of caring for the older people. They present this particular plan as a national CURE-ALL. They insist on the Townsend plan or NOTHING. They present this plan as our national saviour---our only HOPE!

To oppose this particular plan become blasphemy to its partisans, and so they are ready to FIGHT.

Where the Pension Money Must  
Come From

For the purpose of this analysis we assume that 10 million would apply for the pension, as most Townsend advocates do. In practise, less than 10 million would apply, since 830,800 past 60 have sufficient income without the pension. No one KNOWS how many actually would apply. The difference is only relative. 10 million GOULD apply. If the plan will work, it must succeed in case 10 million did apply! So we use this figure to simplify our problem.

Now remember it is not proposed to supply this 24 billion dollars a year by simply printing and coining that much extra money. This 24 billion must come from someplace. Where will it come from?

The Bill itself, as introduced in Congress, says it shall come from a TAX on all transactions, wages and salaries

only being exempted. In other words the money being transacted, which means being SPENT, must be TAXED to the extent of 24 billions of dollars a year.

Now how much money is in circulation in the U.S., being "transacted" enough times to raise this vast sum of 24 billions?

At present, less than 45 billion dollars! That is the amount of money all

The BASIC Facts

Total population, U.S., (1930)	122,755,046
" " (1935 est.)	125,000,000
No. gainfully occupied, (1930)	48,829,920
" " (1935 est.)	40,000,000
Average income per worker (1934)	\$1,114
Total U.S. income (1934)	\$44,568,000,000
Annual cost Townsend plan,	24,000,000,000
Number past 60 yrs. of age,	10,385,000
Gainfully employed (1930), . . .	4,155,495
" " (1935 est.)	3,000,000
No. past 60 with sufficient income to be independent, who would not need pension, (based on life-ins. records)	830,800

of us, combined, in the whole U.S., are earning, producing, and receiving as income.

Can ONE man pay to another man money he does not earn or produce, or receive as income? Of course he cannot. You can only pay to another money you have to pay with.

Then can FOUR men combine together to pay one man a sum of money, except out of what they have actually received as income? The answer is still no.

Then can 40 million people gainfully occupied in the United States combine to pay to 10 million old folks the sum of 24 billion dollars a year, except out of the 45 billion dollars which they produce and earn as income? The answer still is NO!

What money is to be taxed to produce this 24 billion? Why, the money that is earned and produced by the 40 million who are gainfully employed---the 45 billions that is in circulation. This 45 billion dollars must be taxed enough times to raise 24 billion a year, as it changes hands in "transactions."

Never mind, just yet, what KIND of a tax, or whether the tax is 2% or 50%. Let us get the basic PRINCIPLES clearly

in mind. Let us keep in mind this fundamental PRINCIPLE, which all the trick confusing arguments that might be used can never overthrow: Every cent collected by this tax, to be given to old people to spend, regardless of what kind of tax, or how much tax, MUST BE COLLECTED OUT OF THE \$44,568,000 WHICH IS BEING CIRCULATED, OR TRANSACTED, and which represents the total COMBINED amount of money produced and being circulated, or transacted, by all of the people of the United States!

We cannot escape that basic fundamental fact, no matter how confused our minds may become over the intricacies of "transactions," and arguments about stimulating circulation by spending, etc. etc.

There is only one way that the 24 billion pension money can be collected out of a larger sum than the present 44½ billions of national income, and that is to INCREASE THE AMOUNT OF MONEY ACTUALLY EARNED AND PRODUCED. This can be done in only two ways: (a), inflation, and (b), by actually earning and producing more on the PRODUCING end, and not on the SPENDING end!

#### No EXTRA Money Put in Circulation

Right here is where many become confused. Here is where there is much loose thinking. Townsend propagandists have led millions to suppose that the 24 billion dollars pension money would be just 24 billion dollars EXTRA income being spent. They picture the tremendous stimulus to business, when this much ADDED income is put into circulation. They paint a very beautiful picture of industry's wheels turning around to produce enough to supply all this ADDED expenditure, and every idle man being immediately put to work, and this makes prosperity for all.

But this is one of the "jokers" in their argument that is misleading people.

When we consider such huge sums, and so many millions of people we become confused. Let us think clearly by reducing the numbers.

The national income of \$44,568,000,000 per year averages \$3,714,000,000 per month. The Townsend plan would pay out to old people \$2,000,000,000 per month to spend.

Consider a successful business man, earning \$3,714 per month. He gives his wife a monthly allowance of \$2,000 to spend. She spends it all, and he spends all of his. Now, according to Townsend arithmetic, his act of giving his wife \$2,000 monthly out of his income ADDS that much to what they both spend, so they both together now spend \$5,714 per month! Surely any fourth grade arithmetic student can figure that they still have only the total \$3,714 to spend. If he gives his wife \$2,000 of it to spend, then he has left only \$1,714 to spend for himself.

And that is exactly what would happen under the Townsend plan! The 40 million who earn and produce the money would be taxed 2 billion a month out of the 3 billion 714 million they now earn. If they thus give over to the old folks 2 billion

out of it each month to spend, then they have left for themselves and their wives, and children and dependents, only \$1,714,000,000 per month.

It means giving the 10 million old people 54% of all our national income to spend. This leaves for the OTHER 115 million people only 46% of the national income to spend!

Some people believe, as Mr. Townsend is now trying to convince the nation, that money can be earned and produced by simply SPENDING IT! But the hard, cold facts are that when anyone SPENDS money, that money first had to be earned and produced! Money is merely a medium of exchange. It represents merely a definite amount of goods or services PRODUCED.

As long as all the people combined are only earning and producing goods and services to the amount of 44½ billions a year (at present prices and valuations), they must pay this 24 billion OUT OF the 44½ billion, regardless of what FORM of tax is employed.

Let us picture it plainly and simply another way.

There are 125 million people in the United States. 40 million of them are now earning and producing ALL THE MONEY that the entire 125 million are spending. It is proposed to pay to 10 million who shall be PROHIBITED from working or earning anything, 24 billion a year to spend. That means that FOUR gainfully occupied persons must COMBINE TOGETHER to pay to ONE old person, unemployed, out of their combined incomes, \$200 per month, or \$2,400 a year. These four combined earn \$371.40 per month, or \$4,456.80 per year. If their \$371.40 per month is taxed enough, or enough times, to collect out of it \$200 for one old person, these four producers and earners have left, BETWEEN THEM, only \$171.40, or an average of \$42.85 each, out of which their entire family must live. And since this \$200 is collected by tax OUT OF the \$371.40, as it is transacted or circulated, it is not \$200 EXTRA put into circulation at all.

Instead, it means that each of 10 million old people would have \$200 per month each to spend, but the other 115 million Americans would have an average of only \$15 each to spend! And much as we want to see the older people given independence, this would hardly seem a fair division of our national income!

Fallacy number one in the Townsend promoters' analysis of their plan is their ASSUMPTION that it means EXTRA money put into circulation, whereas the plan itself proposes to collect this money from those who have it, by a tax, and give it to another class of people to spend. It would NOT mean extra money in circulation, but merely a new and very uneven division of the nation's income! Therefore all their beautiful explanations of how this would stimulate trade and work as a cure-all for our every ill, and bring in national prosperity, vanish into thin air. They amount to nothing but a pretty argument to deceive millions! We shall do well to look to GOD, not Mr.

Townsend, as our Deliverer.

### What KIND of a Tax?

Thus, if prices remain at present levels, and valuations are not inflated, it would require a tax of exactly 54% to finance the Townsend old age pensions!

IF the proposal were a tax on each CONSUMER DOLLAR SPENT, then the tax on that dollar would have to be 54%!

The strange fact is that any Townsend organizer will readily admit that!

"But," he will quickly assure you, "you need not bother your head about that. There will be no 54% tax. The bill itself provides for only a 2% tax, which can never be increased to more than a 3% tax."

"Yes," you persist, "but it would require a 54% tax on our present national income to raise this 2 billion dollars a month. If the tax is only 2%, how, then, will the plan raise the 2 billion a month?"

"Well," he explains, "you see we do not propose to raise it with a SALES TAX. The plan calls for a 2% TRANSACTION TAX. The value of transactions is many times that of sales. Transactions amount to at least one trillion, two hundred billion dollars a year. A 2% tax on that figure will raise the 24 billion a year---and still THE TAX IS ONLY 2%!"

There is the Townsend explanation! It is like a magician showing you that a 54% tax is, after all, only a 2% tax!

### Here's the "CATCH" in the Plan!

But right here is "joker," or catch number two in their plan, that is being used to trick and deceive millions of honest people.

The whole delusion is wrapped up in that trick expression "TRANSACTION TAX." Most people do not grasp the difference between a "sales tax," and a "transaction tax."

Thus the people are led to believe that thru some mystic working of things, this plan will raise this vast sum of money, and still only cost YOU 2% of your consumer dollar---2% of what income you spend!

Two vital errors creep into their arguments at this point.

1. They ASSUME that "transactions" equal at least 27 times the value of national income or total "sales," meaning consumer dollars spent. They base this on an isolated Dow-Jones news service report from New York, stating that IN NEW YORK CITY a dollar changed hands 132.7 times in 1929, and 22.5 times last year. Now the fact is that money turns over much more rapidly in New York City than any other spot in America! They assume that each dollar would change hands at least the 27 times a year that would be required to raise the 24 billion dollars. The truth is, that for the nation as a whole, a dollar is not working nearly that rapidly, and so "transactions" do not amount to anywhere near the tremendous sum

which Townsend organizers so optimistically ASSUME. Consequently their plan would, after all, fall far short of raising the total of 24 billion dollars a year.

2. Even if total transactions did reach the staggering figure they so carelessly ASSUME, and would therefore actually produce the entire 24 billion a year for pensions, still it would cost YOU the full 54% of your consumer dollar spent!

### Difference Between "Sales" and "Transactions" Tax

To understand this, let us understand the vast DIFFERENCE between a 2% SALES tax and a 2% TRANSACTIONS tax.

A 2% sales tax would cost YOU only a straight 2% on each consumer dollar spent---no more.

But a 2% TRANSACTIONS tax would tax this SAME CONSUMER DOLLAR many times. Total "transactions" includes the total number of times this same dollar changes hands. Thus a 2% "transactions tax" would put a 2% tax on this same consumer dollar MANY TIMES. If the dollar changes hands 27 times a year, it will be taxed 2% each of those 27 times, or a total of 54%.

And so,---understand this---a 2% "transactions tax" would ADD another 2% to the ultimate consumer dollar every time a transaction is made!

In other words, the "trick" is, that instead of taxing the ultimate consumer a straight 54%, which would never win a single supporter for the plan, they propose to tax this dollar 27 different times at the rate of ONLY 2% each time. Thus they can shout "ONLY 2% tax", and few people seem to realize that in practise it would mean a 2% tax 27 times over on each dollar!

### How it Would Actually Work

Still, it is a fact that no one dollar would, at any one time, be taxed more than 2%. And so many cannot see how that would put a 54% tax on their dollar. Ah, the answer is another term that few people understand---INFLATION.

Here is how it would work out.

The producer of raw materials would find he was paying a 2% tax every time he "transacted" any money in his business. He is human, and it is always "business" to pass these rising costs on to the next fellow.

So the factory finds at once that it is paying a higher price for raw materials, PLUS a 2% tax on the purchase transaction. Every check the factory writes is a "transaction" between the factory and the bank, and costs 2% of the total amount. And so, unless they could manage to avoid any "transaction" with the bank in handling company payrolls, which would probably be impossible, they would be paying a 2% tax on all wages and salaries paid out. On every other item of cost of operating the business, the factory pays a 2% tax. So the factory soon learns it is paying 2% here, and 2% there. And everybody who knows the first A.B.C.'s about business

knows that every big business corporation, every factory, every business concern, always passes on every increase in cost or expense, BY INCREASING THE COST OF ITS GOODS.

And so the wholesalers would soon find that the cost of manufactured products was rapidly advancing. And on top of the higher price for goods, the jobber would have to pay the 2% transactions tax. And the jobber, like everybody else, would find that he paid a 2% tax on every single transaction in conducting his business. If his salesman bought a rail road or bus ticket, or five gallons of gas, they would have to add a 2% tax. When the salesman paid a hotel bill, they would pay another 2% tax. The jobber, too, would find he was taxed 2% here, and 2% there, many times a day in the conduct of his business. So what would he do? RAISE THE PRICE TO THE RETAILER sufficient to cover all his higher costs and all these many 2% taxes!

And now the retail store, in turn, discovers that prices have greatly advanced! And on top of this higher price for goods, he pays his 2% tax on the transaction with the wholesale house. When he pays his rent, he must add 2% to the amount. When he pays his light and water bill, another 2% is added to his expenses. Likewise another 2% when he buys wrapping paper, pays his advertising bill, or whatever transactions become necessary in the conduct of his business. What is he going to do? If he pays this rapidly increasing price for goods, plus all the many 2% transaction taxes in conducting his business, and still sells you, the consumer, the goods at the old price, he would "go broke" and fail in his business in a very short while. So he finds he must RAISE THE PRICES to the CONSUMER!

And in the meantime, this retailer, and all his clerks, and all the business men and all their employes begin to find that everything they buy for themselves and families, as consumers, is going up, so the business men must draw larger salaries or take bigger profits, and the clerks and employes and laboring men all must have bigger salaries or wages---and this adds still more to the constantly rising prices!

Round and round it would go, in this vicious circle. Each time around every item of cost in conducting business would rise, and this would cause a still bigger rise next time.

Now if each consumer just "TOOK IT," and paid this accumulation of 2% transaction taxes which have come to him in the form of rising prices, what would happen would be this: As soon as this inflation became stabilized, he would be paying, in the form of increased consumer prices and the 2% tax on everything he spends, an actual total tax of 54%. In other words, his dollar would now buy just a little less than HALF what it did before. In that case the ten million old folks would find their \$200 would buy a little less than, than \$100 a month would buy now. The man who now supports a

family on \$75 a month would find that his \$75 was buying as much then as \$35 a month would buy now, at present prices. It would be exactly the same thing to him as having his wages cut from \$75 to \$35 a month.

Actually, however, it would not work out that way in practise. For as the laboring men found their dollar buying only half as much, they would strike for double pay,---and GET IT! Business men, likewise, finding their consumer dollar buying only half as much, would increase their own incomes from their businesses, and the whole thing would be passed right on again in the form of still higher prices. And so in a few months everybody discovers that their still higher wages, and salaries and incomes are buying only half as much because prices have again doubled. And so again they would demand increased wages, salaries, and incomes---and again up would go prices---and again would come the demand for higher wages, salaries and incomes, and this still again would increase prices.

It would be a constant race to try to run away from these constantly rising prices ---but the prices would keep right on rising. AND WE WOULD NEVER BE ABLE TO RUN AWAY FROM THE HARD, COLD, STERN FACT THAT A 2% TRANSACTION TAX (assuming transactions are sufficient to raise the 24 billion a year for the Townsend plan) would BE COSTING EVERY CONSUMER AT LEAST 54%!

What is the difference, whether we pay out a straight 54% tax in the first place and get it over with, or whether we pay a 2% transaction tax 27 times over, and thus increase our wages or income, while we increase prices at the same rate?

Now where would this mad frenzy of inflation---or constantly rising prices---end up? Who can tell? You say this would never be possible in the United States? It would be INEVITABLE if the Townsend plan were adopted! In Germany a few years ago they did this very thing---until finally the people carried bushel baskets full of money to the store to buy a loaf of bread!

And when prices went up to the place where a loaf of bread cost \$2.70, and a pair of shoes cost \$100, and an automobile costs \$20,000 and up, WHERE WOULD OUR OLD PEOPLE BE, who are limited to a bare \$200 a month, and have given up, some of them, good jobs to get it? How much would their \$200 be worth, at such prices? Who, after all, would be the "goat," and suffer the most?

#### Conclusion

Finally, in conclusion, let us say the above picture is based on the ASSUMPTION of the Townsend propagandists that "transactions are sufficient to raise 2 billion a month on a 2% tax. Actually transactions are not anywhere near that great. So what actually would happen would be that the plan would fall far short of raising the \$200 a month for each old person. Just what "transactions amount to for the NATION, no one knows! Perhaps the plan would raise \$75 or \$100 a month for each old person. Its operation, then, would cause inflation proportionately

smaller than that pictured above. But if the plan in operation produced, at first, \$100 per month for each old person, then it would tax each consumer a total of at least 27%, thru rising prices and the 2% transaction tax on the consumer dollar.

And beyond question laboring men would strike for a 25% or 30% increase in wages, business men would take out larger salaries and it would be passed on in constantly rising prices. This would soon inflate things to the extent that the 2% transaction tax would produce the full \$200 for each pension receiver. Eventually, it would bring us to the same calamity pictured on the preceding page.

Of course this terrific inflation would stimulate production more or less. The only way the country can have more to SPEND is to PRODUCE more. A certain increase in production would occur---but not even a fraction enough to carry this tremendous pension.

People fail to take INFLATION into consideration. We think of the time of prosperity we had in 1929. True, nearly everybody HAD more money. But people forget that PRICES WERE HIGHER, so a dollar did not go as far. One dollar, today, will buy approximately the same amount of goods or services that \$1.50 would buy in 1929.

MOST of the stimulation to business that would follow adoption of the Townsend plan would be merely INFLATION. True, there would be more money, but prices would advance just 54% FASTER than incomes. These are facts that Townsend propagandists never tell you about!

And so, finally, we summarize this analysis by saying that the entire 24 billions dollars a year required to finance the Townsend plan MUST come OUT OF the 44½ billion dollars being earned and produced by the 40 million people gainfully employed, unless this 44½ billion dollar income figure can be increased. That means, regardless of HOW we assess it, a 54% tax on what is now being produced and earned. Inflation would increase the amount of DOLLARS of national income, but not the amount of goods and services, for prices would advance as rapidly as the dollars increased. This stimulus of inflation would make a SLIGHT increase in actual production but it would be comparatively small that it would not begin to offset the terrific TAX of the Townsend plan on the people. The Townsend plan would plunge the nation into a frenzy of inflation similar to the German experience. It would cost this nation 54% of all it earns and produces. It would not help the old folks, because rising prices would shrink their \$200 a month down to at least \$7.50 a month in what it would buy. The Townsend plan would benefit nothing and nobody. It would prove the most costly bit of experimenting this nation ever indulged in.

Perhaps some can see, now, why most men trained in understanding economics and business conditions have proclaimed the Townsend plan "fantastic," a "pipe dream," and an "air castle."

Perhaps we can see why the plans of men cannot solve the present trouble.

(A BOOKLET, BY THE EDITOR, ON THE CAUSE OF THE DEPRESSION SENT FREE ON REQUEST.)

### The True CAUSE of Present Conditions

We have said that we cannot reduce the actual tax of the Townsend plan below 54%, EXCEPT BY INCREASING PRODUCTION. Many will not understand that. Have we not been producing MORE, already, than we could consume?

Ah, this brings us to the root cause of this whole trouble.

Townsend propagandists say the trouble is not under-production, or over-production by UNDER-consumption. But they are only part right.

The real trouble is neither. It is UNEQUAL DISTRIBUTION of the PROCEEDS of production---or, of income and wealth!

And if we go back of THAT cause, to the one central cause back of ALL our ills and woes, it is, simply the NATURE in man! Human nature is above all, SELFISH. It is the exact antithesis of GOD'S LAW, which is LOVE---love AWAY from self---love, first, to God, and secondly to neighbor. Transgression of that great law is SIN. And so another way of stating the great central truth is that SIN is the cause of all our troubles. SIN is man's one and only enemy!

Man---selfish man---sinning man---man in defiance of God's law of love toward others, has ever been seeking to bring in the millenium. The Communists are trying to bring in the millenium thru communism. The Italians thru Fascism. The Germans thru Nazziism. We have tried to bring it in thru the machine. Men and nations have tried to usher it in thru war. Mr. Townsend now promises to bring it in thru his plan.

Almighty God will bring it in---and He alone, by the OVERTHROW of all present systems. If it were not for selfishness, and greed, we should have no economic problem now. Plenty has been produced for all, if it were equitably distributed. And we could produce even several times that much.

The Gentile sun is sinking rapidly. This age is about done. Every human institution has COLLAPSED. It is the collapse of man's way, independent of and in defiance of God. The SELFISH way is the WRONG way. God is permitting man to demonstrate that to himself.

Soon Jesus Christ, clothed with almighty power, will return, and set up a NEW system and order of things, under the KINGDOM OF GOD. Then will come the millenium.

"This is the covenant I will make with them after those days, saith the Lord; I will put MY LAWS into their hearts, and in their minds will I write them." (Heb. 10:16).

ONLY those who surrender to God, and to His law, and who repent bitterly of their sins---the transgression of His law, the root of which is selfishness---shall enter into the Kingdom of God, and enjoy its wonderful PEACE, CONTENTMENT, HAPPINESS, and running-over JOY for all eternity.

Man has tried about all the solutions he can think of. All have failed. One remedy the world has never tried, and is unwilling to try now---JESUS CHRIST! No, the majority will still prefer to try the Townsend, or some other plan. A little later millions will be willing to try Huey Long's plan. But in GOD, not in man, is our hope!