Manhatten Beach Cal.

Ida M. Tarbell

Dear Madam Reef Care

June 12th 1935

I read your article in the July number of the Pictorial Review on old age pensions and insurance with a great deal of interest and concern. Your first question "What happens to men grown old in the service of industry" will add, also woman, with or without children, without a providor, of good character, by misfortune or otherwise, in any walk of life, becomes dependent by no act of thier own, What should happen to them? Many of us grow old and will appreciate security when we are too old or feeble if without means to make it possible. One paragraph in your article impressed me especially in view of the efforts put forth in a new plan for National recovery and incidentally to assist those who need and are entitled to aid, first. "The committee on economic security which recently reported to the President declared that approximately one half of our people over sixty five years of age are dependent. If it takes a Federal law to take care of them let us have it." I am mailing you the one and only recovery and pension plan combined yet offered to insure the desired results, if adopted and made a National law, safe, sound, and workable, for the following

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...sons. All current expenses both local and National, for all government expenditures, both local and National, all debts and refunding of debts could be met by a tax on each and every transaction the per cent to be determined by a commission chosen by Congress and approved by the President not to centralize government but to simplify, avoid duplication, insure uniformity, expedite the cancellation of obligations regularly, the Federal government to delegate authority to the several states to assess and collect equitable taxes in accordance with the methods of the Post Office Department. The other plan proposed by Dr F. E. Townsend is a revolving recovery fund collected on every transaction to pay every aged person over 60 years of age, of good character who refrains from gainful employment the sum of $200 per month if spent every month, if without income or if with some income, enough more to make $200 if expended. The plan in detail in the papers I send you. A partial review of the financial condition in these United States and a proposed plan to overcome the depression which has lasted nearly six years follow. A great increase in our National debt with a prospect of a continued deficit and increase of our debt. All of our municipal county

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[illegible] budgets in a deplorable condition, due
to many contributing factors, unemployment, under
consumption, contracted currency, unequal exchange
with foreign countries, millions on relief, large
sums of money applied for by public officials for
public improvements without any regard for economy
or repayment, vast sums of money paid for administering
the numerous federal commissions for experimentation,
the chain banks maintaining the same rate of interest
on mortgages as during the days of prosperity of 7 %
while lowering the rate on savings account to ½ and 2 %,
steadily advancing property taxes with many new ways
of taxation including sales tax, thousands of homes
foreclosed with all property equalities frozen,
living costs high until recently, business demoralized.
The revolving transaction tax is the most equitable
because it distributes the tax over all, on each
transaction according to the amount of the same,
not reducing the cost to a large purchaser, the
revolving feature enabling the same money to cancel
many obligations, compelling the recipients of the
pensions to spend their sums in thirty days prevents
hoarding and will be the means of calling out all
idle money in vaults, buried or under your
pillow, therefore making money a circulating

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medium of exchange as it is supposed to be, not a commodity to speculate in, or to contract by hoarding until its purchasing power has increased by scarcity. Another good feature of the Townsend plan is to take all dependent persons out of employment over 60 who are honest, and giving their positions to young men and women and the middle aged many who now have no prospects for the future. There are as you state many large corporations with high ideals and humanitarian provision set up a pension plans to provide security for those who have served them well in youth by giving them a pension in old age but why should the Nation not have a universal plan of social security who have lived an honorable life a citizen of any color, size, traits or belief. I read your articles many years ago concerning John D. Rockefeller and the Standard Oil Co. and as my cousin had charge of his oil interests in the Republic of Mexico for 35 years and could appreciate the history of the rise of that monopoly and also have another Cousin, Professor of Economics in Columbia University, thought I might offer some thought that others may formulate some plan of recovery

Very Respectfully S.D. Ellsworth

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