

# HOW TO ABOLISH POVERTY

## CHAPTER I

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### EQUALITY OF OPPORTUNITY FOR ALL AND SPECIAL PRIVILEGE FOR NONE.

**A**LL suggestions for permanent improvement of social and industrial conditions fall under one of three classes, viz.: Socialism, Regulation and the Abolition of Privilege.

Socialism is unsound for the reasons hereinafter set forth. Regulation has been tried for fifty years, and has completely failed. The abolition of privilege remains the most promising remedy.

#### **Special Privilege The Great Evil**

The important privileges to be abolished are the right to hold land out of use and to receive the land values created by the community, the possession by certain trusts of advantages denied to competitors in transportation, and the ownership of essential natural resources and patents, acquired not for use but to prevent competition; the partial and absolute monopolies such as railroads and public utilities, and the advantages in making party nominations possessed by political organizations through the control of patron-

age. These advantages and privileges must be abolished, and competition restored, and monopolies must be publicly owned.

#### A Workable Democratic Program

1. The government should condemn a portion of the natural resources owned by the Steel, Oil and Anthracite Coal Trusts, and acquired not for use but to prevent competition, and lease the same to competitors of the trusts on moderate royalties, conditioned upon forfeiture for non-use; and guarantee equality of transportation service by the public ownership of certain transportation facilities, viz: The Chicago stockyards; one important railroad from New York to Chicago, tapping the anthracite coal regions; one oil pipe line from an important oil field to an important market or shipping centre.
2. Reduction of excessive rates extorted by the Power Trust by public competition, and ultimate public ownership; instead of by regulation.
3. All patents to be made open to use by anybody, on paying to the owner of patent a moderate royalty to be fixed by the government.
4. Laws to open to employment of labor and capital the idle land, the natural and abundant source of employment. Ultimately land values must be taken in taxation by the community which creates them.
5. Civil Service Laws removing all patronage from party leaders and organizations.
6. Limitation of excessive fortunes by income and inheritance taxes.
7. Tariff schedules to be fixed by an Expert Commis-

sion in accordance with general principles established by Congress.

**8. Maintain the gold standard.**

These measures, by opening idle land to use, by restoring competition in trust controlled industries, and lessening the cost of services now rendered by monopolies, would greatly reduce the prices of services and commodities, create jobs for the unemployed, and thus increase the purchasing power of the people, and in the end secure an equitable distribution of the wealth annually produced.

**Poverty, Insecurity and The Land Question**

Our problem is how to establish industrial conditions under which the average normal man may be able to own his own home or farm, and always be sure of a permanent job at wages sufficient to maintain himself and his family in reasonable comfort, without the necessity of eking out the family income by forcing his little children to work in our mills, or driving the housewife to sweat-shop labor.

Nearly one half of the farmers in the United States are now tenants, and of the remainder a majority are carrying heavy mortgages. It is said that in the last eight years nearly 800,000 farmers have lost their farms by foreclosure, and have had to become tenants or farm laborers, or have migrated to the city to swell the already overcrowded labor market.

Our fathers believed that the establishment of political democracy would prevent class inequalities that existed in the old world nations, where the government was administered by the privileged nobility. For a

long time the vast opportunities existing in America in the form of natural resources, farming and urban land, mines, water powers and timber tracts, which were open to labor and capital almost without cost, obscured the fact that political democracy, the right to vote, would not of itself insure an equitable division of the product of labor and capital. As we have grown in age we have commenced to reproduce upon this continent the ominous condition of great wealth on the one hand and extreme poverty on the other, which has characterized so far every civilization in the old world. Every ten years the census shows an increasing percentage of men who are tenants upon the farms, or who do not own their own homes in the cities.

The task of providing for over 10,000,000 unemployed is taxing the resources both of state and national governments.

#### **Panics and Monopolies**

Every twenty years at least, we have a great financial panic which ruins many business men, and inflicts great hardships upon the poor. On the other hand vast fortunes have piled up in the hands of a few, and our great natural resources, such as coal, iron, copper and other mineral deposits, and our stores of oil, our vast timber tracts and our water powers, and large holdings of farm and city lands, have gravitated steadily into the hands of a smaller percentage of our people.

No one seriously denies the substantial accuracy of these facts. Every thoughtful man must admit that they threaten the liberties and perhaps the life of this Republic. Liberty, and such an inequality in the dis-

tribution of wealth as is in itself the evidence of economic injustice, cannot permanently endure together.

### **War and Prosperity**

The first question that confronts us is, can this problem be solved ?

The war has given us an illustration of the fact that under conditions which provide for the employment at high wages of everybody willing to work, it is possible to vastly increase the production of wealth. It is estimated that in one way or another we raised and spent during the war more than thirty billions of dollars for war purposes. During that same time there was never in this country greater prosperity, nor was the average person working for wages ever better paid or surer of a job. It is probable that the total amount of wealth in this country, even after the vast destruction of wealth occasioned by the war, is as large as before our entrance into the war. If such a result is possible of achievement in war times, it certainly is possible in peace times.

### **Plenty for All**

If, in addition to this achievement, we had available for the production of wealth the millions of men whom we had withdrawn from productive energy and put into our Army and Navy, it seems entirely within the bounds of reason to assume that the total production of wealth could be so tremendously increased that, if equitably distributed, it would be sufficient to enable every normal family to live in reasonable comfort.

## Land, Labor and Capital

The primary factors of production are land and labor. Capital is that part of the wealth resulting from the application of labor to land which is not consumed but set apart for increasing the production of further wealth.

There is no lack of either of these factors. Although almost all of the tillable or usable land in America is now in private hands, a very large part, perhaps one third, is held out of use for speculation or to sustain monopoly or privilege, and is not devoted to the production of wealth. This land is situated in every part of the United States. There are millions of acres of such land in New York State alone. Mr. Brisbane occasionally refers to the fact that Texas is as large as Germany, and could if intensively developed support as large a population.

There is therefore sufficient land. There is sufficient labor, and sufficient capital. Indeed, in hard times our problem is how to utilize the apparently surplus labor, and at such times our banks are fairly flooded with capital, which the owners are either afraid or lack opportunity to invest.

These facts are proof that if we can intelligently arrange our system of production and distribution, there is enough for all. The problem that we seek to solve is therefore one that can be solved. Our task is to increase the production and secure the more equitable distribution of wealth.