

A BASIC INCOME FOR EVERYONE

and

THE ABOLITION OF POVERTY

by

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CHAPTER I THE NEED OF A NEW SYSTEM

The world, today, is seething and astir with ideas and concepts of Human Freedom and Human Rights, far in advance of the thinking of as little as thirty years ago, and the initiation, by the President of the United States, of a war against poverty, could well be attributed to a not yet entirely clear recognition of these human rights as being tangibly existent and creating a mandate to establish, for the first time in the world's history, a secure and self-sustaining, yet free and incentive-stimulated people.

In such a community, charity, relief and dole, as correctives of poverty, must disappear, and a system that will furnish income as a response to the inherent rights of the individual, must be found to supplant them. Income secured through established right, would create Independence, and independence is the salient factor of Freedom.

All present methods by which achievement of this goal may be attempted, even if extended to the utmost, will be inadequate and futile, as they have been in the past, and as long as we think in present-day terms, poverty will never be abolished. But if we were to think in more developed and wiser terms, certain inescapable facts would take their true importance. Among them are these major facts;

The Communist principle "From each according to his ability, to each according to his needs" is utterly impractical because the able, stripped of the reward for ability of losing the priceless factor of incentive, would become discouraged to the point where many of them would join the needy. Dictatorship becomes the inevitable result.

The Socialist principle; "Ownership by the workers of the tools of production", by destroying the profit motive, competition and incentive (other than toward political preferment) and replacing them with ~~inherent~~ government ~~mis~~management, would in nowise remove poverty or create so productive a country that poverty could be eliminated. There, too, dictatorship would be inevitable. For anything that socialism might give, the price, Freedom's death, would be too high.

The Capitalist principle: "Private property and Free Enterprise" suffers to the fact that Capitalism (setting aside for the moment it's conspicuous incapacity for abolishing poverty, and it's unscientific ideas of private property) is a mongrel off-spring of privilege and service, our salvation in part, our damnation in part. The Capitalism which consists of the gathering of the wealth into capital to invest in the production of more wealth through industry and service, we should cherish, encourage and enjoy. The capitalism ~~that consists of privately collecting a price~~ *which stems from privilege* ~~for the bounties of nature, which the collector in nowise furnishes,~~ we should abolish, for it's abolition would open the door to a distribution of wealth which would, in turn, abolish poverty.

With regard to Free Enterprise, the word useful should be included. Uninhibited free enterprise could engage in many practices, within the law, but injurious to legitimate business and to the public, such as traffic in the private appropriation of wealth that is publicly created. Freedom of Enterprise should not mean or include freedom to exploit, but Useful Free Enterprise is the incentive-giving, energy-encouraging, creativeness-inspiring and priceless social structure that makes a country great, it's people comfortable, happy and secure. And this, we should sedulously preserve, *and develop,*

There is something we can agree with in each social system. The tenth item in the Communist Manifesto, calls for "Free education for all children in public schools. Abolition of children's factory labor in it's present form," with which we can all freely agree, but we can learn little from them. The Socialists have instituted many things which we use today, such as workmen's compensation, which is simple justice, unemployment insurance which can be badly abused, and many other palliatives (which, with Basic Income, would no longer be required) and with public ownership. Public ownership, in a few cases where service and profit can never be reconciled, such as city water supply and street transportation, might well be continued.

But the comparative superiority of it's results, makes it plain that it is Capitalism, rightly applied and dissociated from privilege, that we must very largely retain and preserve, although it is at the same time manifest and evident that some hitherto untried system must be found and adopted to make capitalism work. A system that cannot be piece-meal, timid, halting, tentative or short of ideal. While ideals in human affairs

are never achieved, none-the-less, an ideal must be set up as a goal, for the nearer it is approached, the nearer we will be to ideal conditions.

In seeking to develop such a system, we can begin with the postulate that this is OUR COUNTRY, and since we all participate in our responsibility to it, to the extent that we can be conscripted to die for it, we should all participate in it's ownership, ~~of the land~~. Logically, we are all stockholders in the common wealth. All of us, from the penniless baby, born ten minutes ago and the most recently admitted immigrant, to the heads of our government and our greatest institutions, logically are STOCKHOLDERS in the ~~land~~ corporation, THE UNITED STATES OF AMERICA, our common heritage.

This common wealth or heritage, is "God-given" in the terms of the religious, and the "bounties of nature" to others. Fortunately, either concept permits the same logical sequence. It consists of the atmosphere which we all breathe, the land on which we all exist, the presence and movement of water, all minerals and sub-terranean deposits such as coal and oil, all natural plants of forest and field and all non-domestic animals, and we partially recognize this common heritage when we make enactments for their conservation and administration.

This common ownership is not fully recognized or legally established at present. We take for granted the artificial, legislation-created privilege under which some of us can charge the rest of us for benefits that, justly and logically belong to ALL OF US.

We will have abolished poverty when we have arranged that ALL participate in this common heritage.

CHAPTER II A NEW SYSTEM

There is a method of accomplishing this that is surprisingly simple and, while admittedly drastic in many of its results and details, would be fraud-proof, just and equitable. This method would begin with the establishment of a Basic Income for every inhabitant of our country.

Initiation of this Basic Income would require recognition of every individual in our country as a Stockholder, owning at birth, or, if an alien, upon certifying permanent residence, One Share in that immense property, the UNITED STATES OF AMERICA. The Certificate designating ownership of one Share of the UNITED STATES OF AMERICA, would be non-transferable, could not be sold or form the part of any contractual agreement, could not be garnished or subject to lien, and would become annulled and valueless upon the death of the Stockholder.

Our great corporation should then collect in full, the income created by the presence of the Stockholders and, after paying all expenses, city, county, State and National, distribute an equal share of the surplus to each and every Stockholder, irrespective of his wealth, forming a Basic Income for all.

The question naturally arises at once as to whether there could possibly be such a surplus, a question which can best be divided into four major parts:

1. What, precisely, is the source of income created by the presence of the Stockholder?

2. Would this income suffice to meet all expenses of the government, and still furnish income sufficient to be worth distributing?
3. Could governmental waste be curtailed enough to prevent dissipation of too much of the income, before distribution?
4. To what degree would the cost of living be affected?

These questions, and a host of minor ones, will be studied in subsequent chapters, but for the present analysis, it can be assumed that participation in all the bounties of nature, by every individual, is recognized and accepted as a right, and that as each child is born, or each alien qualifies, he receives a Certificate of Ownership of One Share of the UNITED STATES OF AMERICA, certifying that, throughout his life, he is to receive the income earned by that share, an income uniform with that of each other Stockholder, to commence at birth, accruing to his credit, or partially applied, under proper restriction through disinterested channels, to his education. This insurance of support through a course of education would tremendously contribute to his ability to work toward augmentation of his Basic Income.

Retention of the accrual until the legally established coming of age, would prevent exploitation by evil parents, wastefulness by incompetent parents and the bearing of children for gain.

The accrued dividends, or any balance, would be paid to him upon his coming of age, and thereafter he would receive his dividend

on the established day of payment. In the event of crime or misdemeanor, the offender's Basic Income would be subject to judicial disposition.

CHAPTER III EFFECTS OF AUTOMATION

Second to the bounties of nature, and very pertinent to Basic Income, is the development of Automation, which makes goods and comforts available to millions of people to whom these goods and comforts would be denied by the high cost that automation has reduced. While automation has created, and, for a few years to come, may create more employment than it has destroyed, it may soon reach the stage where the level of intelligence, education, aptitude and training required to fill the positions that will not be supplanted, will rise above the normal average of the people, leaving a considerable group below the mental level of the employable, to be added to those already in this classification, creating an ever-widening gap between production and employment.

Another factor, further widening this gap, is the great strides made in farm practices, tremendously increasing the yield, while reducing the number employed, itself a part of automation.

While automation complicates the problem of wealth distribution in one way, it simplifies it in another, for it will, with the abolition of taxation, so contribute to the reduction of the cost of living, as to make a lower Basic Income suffice.

An opinion widely accepted is that full employment, under otherwise unchanged present conditions, will correct our faults of wealth distribution. This opinion is a chimaerical will-of-the-wisp, never possible

of achievement, and the artificial creation of needless jobs or situations will only result in waste that will further devalue our all-too-fast declining dollar. That "the laborer is worthy of his hire" is a most deceptive statement. The laborer is the first and highest cost that the employer strives to get rid of. More and more, the unemployable will increase and wider and wider will be the gap between employment and production, already virtually unrelated.

They would be stockholders in our UNITED STATES, however, entitled to their share or dividend, and however much there might be an inclination to exclude them, it must be kept in mind that competence today, is no measure of income and many incompetents are drenched in unearned income.

CHAPTER IV ANALYSIS OF BASIC INCOME

It is safe to assume that the Basic Income would not be large, but it is also safe to assume that, for reasons that will be developed, it would furnish continuous, though meagre, sustenance for those without ambition or desires, while the more active and ambitious, not content with their Basic Income, could enter professions, go into business, seek employment or trade in the stock market, meeting a demand for services that will never be fully satisfied, and using all the opportunities that are offered by Useful Free Enterprise.

While there is a stigma and lowered self-esteem or respect, in the receipt of a dole or of charity, and even, on the part of some, a mildly guilty feeling about the acceptance of Social Security checks, there is no trace of a sense of shame in the receipt of dividends.

One would naturally agree that providing an income to everyone, with the poor no longer a problem, sounds most encouraging, and, equally naturally, would ask if it would not involve frightful burdens of taxation. To establish a Basic Income under the present system of taxation would be simply out of the question. To take the earned income of a diligent and capable man and hand part of it to anyone, ^{is} ~~would be~~ a grave and obnoxious injustice, and is not to be considered. But to distribute our national heritage, our common property, would be a different thing from taxation. We therefore arrive at the rather startling conclusion that taxation would be abolished and would be replaced by collection. Collection of the wealth that is created by, and given value by the presence of the public. This could be the only acceptable core, center, reason and basis for Basic Income.

Basic Income would lose all justification if it were not accompanied with this drastic revision of our tax structure, for, if parallel to Basic Income, we retained the Income, Tariff, Sales, personal property, capital gains, gift and inheritance taxes, all of which are arbitrary seizures based on irresponsible opinion and without the support of logic, science or even plain common sense, there would be heated and continuous controversy, and intolerable conflict between the part of the public burdened with taxation and the major part of the recipients of Basic Income, for while there could be no possible objection to the equal distribution of a common heritage, disbursement of funds arbitrarily extorted, could bring most violent and angry disagreement.

With taxation abolished, there remains the question as to whether the yield from our common wealth or heritage, would suffice to meet all county, state and national expenses, and yet yield a surplus for Basic Income. Under present conditions there can be little question that it would not. As an illustration of today's outlay, the UNITED STATES NEWS & WORLD REPORT has stated that Forty billion dollars are annually expended for the relief of poverty. No one would deny that crime, so often the result of human weakness in confrontation with poverty, unemployment and despair, would be greatly reduced by the ending of poverty, the reduction in the importance of employment and the consequent disappearance of the causes of despair. The freeing of industry and service from taxation would create a flooding tide of prosperity that would never ebb, and with the increase of activity would come higher ^{ing} bidding for locational advantage, raising land values and further increasing public revenue.

If we were not habituated to wrong thinking on the subject of taxation, we would have long since recognized that the individual has an unchallengeable right to retain, in full, the income that he (and his capital) has earned, and that there is no defensible reason why our great UNITED STATES should strip him of what he has created.

CHAPTER V QUESTIONS

Establishment of Basic Income, causing, as it would, many drastic changes from our present procedure, though of great benefit in the long run, would engender bitter opposition and arouse many

questions and statements, a few of which can be anticipated.

To the statement "This would mean Nationalization of the Land", the answer is: No more than it is nationalized today. There is no more eagerly maintained fallacy than the belief that "ownership" of the land is fixed and unassailable, yet, by the simple process of failing to pay taxes, it is easy to discover that the land "reverts" (re-assume possession or ownership) to the public. The "taxes" on land would be one hundred percent, but the public would in no sense hold or operate the land.

To the statement, "It means concentrating taxation on one segment of the public", the answer is: The rental paid for a home-site is payment, by the occupant, to the rest of the public for the right to the exclusive use of a part of the public domain. The rental paid for business sites would obviously be included in the cost of doing business, and therefore, would be spread among the public, just as it is now. Land areas can be likened to the seats in a theatre, and nobody complains of the theater owner "concentrating" on theater goers.

To the question "Is it possible to evaluate the bare land separately from the improvements?" The answer is that it is being done very competently, every day, with great exactitude.

To the question "Is it Socialistic?" The answer is that the Socialists have never advocated or adopted it.

To the question "Isn't it Communistic?" The answer is; Quite the contrary. Free useful enterprise would be vigorously stimulated, and Capital, in industry and service, would be encouraged and rewarded.

Adverting now to the four questions posed on pages 5 and 6, (1) What, precisely, is the source of income created by the presence of the people? Everything that is "God-given" or furnished by nature, comprising the land areas, minerals and all natural animal and vegetable growths. Everything that is not the result of human creativeness and effort.

(2) Would this income suffice to meet all the expenses of the government, and still furnish a surplus worth distributing? The interplay of the factors involved is susceptible of widely differing interpretations, and sufficiency would be affected by a great decrease in the cost of production and of public expenditure which could be justifiably expected. For example; Inmates of all public institutions such as old peoples homes, mental hospitals and jails, could be billed for a major part of their Basic Income. Unemployment insurance would be discontinued. Employment would no longer be essential. Social security would be merged into Basic Income as the accumulated funds expired. Tax collection costs of the government would be greatly reduced. Tax reporting costs of the taxpayer would end, Both income and sales no longer being a factor.

(3) Could government waste be curtailed enough to prevent dissipation of the major part of the public income before distribution? It could at least be expected that, as dissipation of income would lessen the potential dividend of each stockholder, there would be a general and country-wide watchfulness. That special interest and pressure groups would continue to operate, would, of course, have to be expected.

While conscientious administration might be no more likely, there would at least be the consolation that the funds were not stripped from useful citizens to a greater degree than from all the rest.

(4) To what degree would the cost of living be affected? The cost of living would be affected in the following ways; There would be no taxes. The wealth, from public property, now going into private hands, would pay the government expenses and the dividends. ~~The~~ Long Beach, California, city-owned oil, alone, pays all municipal expenses. In Alberta, Canada, mineral rights pay the government expenses and a dividend to the citizens.)

Freed from taxation, the lowered cost of production, would, through competition, be passed on to the consumer. Freed of taxation, incomes would be left in the hands of the earner, for him to spend or invest.

Freed of taxation the cost of building and operating dwellings, apartments and hotels, would be reduced to the point where extended building of them would, through competition, very considerably reduce house or room rent.

It might not be too optimistic to think that with Basic Income, the cost of living would cease to be a problem.

These changed conditions would indicate that a very low Basic Income, as though in the order of a few hundred dollars a year, would suffice, considering that a married couple would be receiving two Basic Incomes, with each junior member, whether through education allotment or through coming of age, adding an additional one, and though a few

hundred dollars would appear ridiculously inadequate today, under the conditions here outlined, with lowered cost of living, a very different ratio would be established.

It must be remembered that our goal should solely be to abolish poverty and dire want, leaving so much to be desired that most of the people would see the value of study and preparation for the many service activities that constantly call for more personnel, like teaching, nursing, catering, etcetera.

CHAPTER VI GOVERNMENT'S PROPER FUNCTION

Realizing that it has been long and clearly demonstrated that government has no place in business, and that the Socialist's placing of the "tools of production" in the hands of the workers would result in dismal failure and breakdown, as it has in Communist countries, we are impelled to regard as very wise, the statement of Sir Daniel Hall:

If the State does not assume it's proper function as a landlord, it will more and more assume it's improper function as an industrialist.

The Government, as a landlord, would be in the position of present-day landlords. The source of it's revenue would require a minimum of management and could be neither increased or diminished by competence or the lack of competence. A landlord can be a congenital idiot or a senile dotard (as many are), yet his income will be in nowise affected, and while it would be unkind and, perhaps, a

bit exaggerated, to so describe our governing body, insofar as our tax structure is concerned, there is little evidence that would lift them from that classification.

The reason that the public collection of the Land Rental is the only proper channel for the distribution of our common wealth and the only proper source of government revenue, is that the logic and the justice of such a procedure is unassailable. No economist ^{has ever succeeded} in formula-
 ting an argument to refute the fact that Land Value is People Value, a value created solely by the presence of the people, and the only value so created.

Manifestly, as land rental is created by the people as a whole, it is only proper that all of it should be collected by their representatives to meet their common needs.

The removal of the burden of taxation from industry would result, through competition, and if the normal play of supply and demand were not meddled with, governmentally, in lower prices to consumers, higher wages to employees and higher dividends to stockholders in private corporations. The degree to which this would increase the bidding for favorable location and roomier working quarters, could range through a wide zone of conjecture, but, as land is limited and human desires are unlimited, it is safe to assume that it would substantially advance the public revenue.

Eliminating the purchase of land, replacing it with the assumption of the land rental payment, combined with the lower cost of material, through abolition of the innumerable taxes now paid at every stage of it's

production, would cause an enormous outburst of home and commercial construction, only constrained by the cost of hand labor that would still be involved, but made far easier because the capital diverted to the purchase of a site, would be available for construction. Again tending to raise the value of the land and the consequent public revenue.

IN CONCLUSION

In this study, a principle is presented, based on an incontestable fact. EVERY INHABITANT OF THE UNITED STATES IS AN EQUAL OWNER OF THE UNITED STATES.* (The day may come when this can be said of every inhabitant of the world). If the principle is recognized, and if it is in conflict with common practice, common practice must give way to the principle.

This will require a tremendous amount of thought and study, and if it were to be found that the wealth contributed by nature did not suffice to meet all the legitimate costs of maintaining our country and at the same time yielding a Basic Income, at least the establishment of public collection of public revenue would cause reduction in the tax burden of those who contribute usefully to our country's welfare, and cause reduction in the costs of living and home building to the point where the abolition of poverty could become a solvable problem.