

# Adam Smith and Family Wage

Smith's Deduction: Labourers are Paid Enough to Support Families--

but they weren't

Adam Smith's theories are derived from *deduction*, not based upon observation. A conspicuous instance of this is the way that he tries to answer a very basic economic question: were the *labourers* paid enough to allow them to raise families ? Instead of putting on his hat and going out the door to find out whether *labourers* were in fact receiving a **FAMILY WAGE**, Professor Smith remains in his study and deploys logical *deduction* to answer this question. Like Mycroft Holmes, Sherlock's smarter brother, he doesn't need to visit the scene to figure it all out--

*In Great Britain the wages of labour seem, in the present times, to be evidently more than what is precisely necessary to enable the labourer to bring up a family. In order to satisfy ourselves upon this point it will not be necessary to enter into any tedious or doubtful calculation of what may be the lowest sum upon which it is possible to do this. There are many plain symptoms that the wages of labour are nowhere in this country regulated by this lowest rate which is consistent with common humanity. [ Wealth of Nations page 74 of 1937 Modern Library Edition ]*

That is, labourers are being paid **even more than the minimum** which allows them to raise families. How does Smith know this ? *Elementary, my dear Watson !* Smith deploys **logical deduction**: I. Summer wages are higher than winter wages, even though the labourer has the expense of *fewel* in winter. Therefore, they are being paid more than they really need to survive. *Secondly, the wages of labour do not in Great Britain fluctuate with the price of provisions. . . . the money price of labour remains uniformly the same sometimes for half a century together. If in these places, therefore, the labouring poor can maintain their families in dear years, they must be at their ease in times of moderate plenty, and in affluence in those of extraordinary cheapness. Thirdly . . . If the labouring poor, therefore, can maintain their families in those parts of the kingdom where the price of labour is lowest, they must be in affluence where it is highest. Grain costs more in Scotland so If the labouring poor, therefore, can maintain their families in the one part of the united kingdom, they must be in affluence in the other. Grain costs less than it did in the last century when labour was much cheaper . . . so If the labouring poor, therefore, could bring up their families then, they must be much more at their ease now."* [ WN 74-76 ]

the science of deduction

These *If . . . therefore* arguments take the place of any *scientific* survey of the actual situation of *the labouring poor*. Or even a hap hazard and desultory *unscientific study*. Like Smith asking his butler: *Do you have any kids ? Do I pay you enough ?* Whatever the *logic* of these arguments, they rest upon unproven and very doubtful assumptions. Was *grain* the major expense of *the labouring poor* ? At the time Smith was writing, the **Enclosure Acts** were forcing large numbers of people off the *commons* and out of the rural areas where they had little or no rent to pay and into the cities where **RENT** was a major expense. They no longer had gardens. They had to pay for **COAL** instead of collecting firewood.

Smith argues that, since wages are higher in the summer than in the winter, these wages must be ample. He does not consider alternate assumptions--the probability that those hired for the summer harvest are seasonal labourers who are laid off in the fall. If they fail to survive the winter, it is no problem for the

Farmer, who finds others to take their place. Smith offers no evidence that the same set of labourers are in fact employed year round. Instead he makes an *If . . . therefore* calculation which just assumes it. The *scientific* method--the *INDUCTIVE* method: going to the trouble to collect some facts--would have shown that there were large numbers of individuals who had no jobs and large numbers who were barely surviving and / or failing to survive **EVEN AS SINGLE INDIVIDUALS** on what they were paid, if they did have jobs.

**This lowest rate which is consistent with common humanity** is a humanistic assumption derived from a blindness to *Man's inhumanity to man*--the recognition of what the English were capable of doing to other English, let alone what they did to those of other races and nations. Nothing was more conspicuous in the British Empire circa 1770 than the gross *inhumanity* driven by the pursuit of wealth. This phrase shows Smith's silly faith that **human nature is basically good**. We would not go so far as to let other people starve ! Or even reduce them to a level where they cannot afford to raise families. Even though, on the historical record, we are quite willing to exterminate or enslave them. The famines which killed millions in India and Ireland void any assumption about **common humanity** in the British Empire. The slave plantations of Jamaica and Virginia provide sufficient proof that the British loved money a lot more than they loved their fellow *humans*.

Smith only looks at prevailing wages. That tells you something about those who are employed, but nothing about those who are unemployed. Who are out of a job in London or on their way to America as indentured servants--if they are lucky. They only have to be slaves for 7 years and then they will be *free* ! In fact, a large part of the English population was forced off the land and into the cities in the 18th century and many of these had no choice except to emigrate to America and Australia or other parts of the British Empire--if they could get out of debtors' prison. Not only did they not receive a *family wage* in England, they could not even find a *subsistence wage* sufficient for a healthy single person to survive. But they are not included in Professor Smith's calculations. It is like looking at the walking survivors of a train wreck and **deducing** that the wreck cannot have been that bad--without bothering to check the wreckage for bodies, or the ambulances for the injured.

### A Family Wage

It is typical of *The Wealth of Nations* that it belatedly presents facts which undermine the theory without recognizing the conflict or giving up the theory. Smith does present facts about the actual wages of labour and the expenses of families on pages 76 to 79 without acknowledging that they do not fit his thesis that **labourers are paid enough to support families**:

*In the last century, the most usual day wages of common labour through the greater part of Scotland were sixpence in summer and fivpence in winter. Three shillings a week, the same price very nearly, still continues to be paid in some parts of the Highlands and Western Islands. [ 6 pence a day for a 6 day week = 3 shillings a week ] Through the greater part of the low country the most usual wages of common labour are now eight-pence a day; ten-pence, sometimes a shilling about Edinburgh, in the counties which border upon England, probably on account of that neighbourhood. In 1614, the pay of a foot soldier was the same as in the present times, eight-pence a day. [ WN 76-77 ]*

*Lord Chief Justice Hales, who wrote in the time of Charles II, [ + 1685 ] computes the necessary expence of a labourer's family, consisting of six persons, the father and mother, two children able to do something, and two not able, at ten shillings a week, or **26 pounds a year**. If they cannot earn this by their labour, they must make it up, he supposes, either by begging or*

*stealing. In 1688, Mr. Gregory King . . . computed the ordinary income of labourers and out-servants to be 15 pounds a year to a family of 3.5 persons. [ WN 77 ]*

One shilling a day adds up to 6 shillings a week. Times 52 weeks is 312 shillings or just over **15 pounds a year**. There are 20 shillings in a pound. A shilling = 12 pence. 15 pounds a year was a **Servant Wage**, a subsistence wage for one person--half what a family requires.

In fact, Gregory King estimated that more than half of the English people lived in poverty: "849,000 families, containing an average of three and a quarter persons each, and the income of each family was L 10.10.0 per year. " [ from *Colonists in Bondage White Servitude And Convict Labor In America 1607-1776* By Abbot Emerson Smith page 43-44 ] Obviously, *family* is a very doubtful concept in this calculation because the level of income would have been incompatible with intact and durable two parent families. Then as now, families were fragmented by destitution. This standard is really *destitution* rather than *poverty* properly so called. It really means **unable to survive without charity or government dole**. Or begging or stealing. Poverty--**barely getting by**--was the situation of many more who were just above this extreme.

*Colonists in Bondage* further says: "The total amount of poor rates collected in 1685 was L 665,362, a figure equal to a third of the total revenue. These rates steadily increased yet Davenant remarked that despite them many of the poor died yearly from famine. . . . Besides those who were aged, impotent, or infants, there was a large class of able-bodied persons some of whom were willing to work if they could find anything to do. The number of these unemployed cannot be stated with any certainty; contemporary estimates vary from 100,000 to 1,200,000, and thus prove nothing." The English population was about 7 million at this time.

#### blessing the poor

For what it is worth, Adam Smith gives his verbal blessing to adequate wages--to his imaginary assumption of adequate wages: *Is this improvement in the circumstances of the lower ranks of the people to be regarded as an advantage or as an inconveniency to the society? . . . No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable. It is but equity, besides, that they who feed, cloath and lodge the whole body of the people, should have such a share of the produce of their own labour as to be themselves tolerably well fed, cloathed and lodged.* [ WN 78-79 ] This blessing is joined to his unsubstantiated optimism that there has in fact been an *improvement*. Smith neglects to prove his thesis and ignores the evidence that, in England at this time, **the far greater part of the members** of British society were in fact **poor and miserable**.

In a few places the reality of the situation of the *lower ranks of the people* briefly shows through--*It is not uncommon, I have been frequently told, in the Highlands of Scotland for a mother who has borne twenty children not to have two alive. As to the children of soldiers, very few of them, it seems, arrive at the age of thirteen or fourteen. In some places one half the children born die before they are four years of age; in many places before they are seven; and in almost all places before they are nine or ten. This great mortality, however, will every where be found chiefly among the children of the common people, who cannot afford to tend them with the same care as those of better station.* [ WN 79 ]

That hardly squares with the thesis that they are paid enough to raise families. Or that they can reproduce themselves by raising 4 children. The 8 pence a day the soldier received fell far short of anything that could be called a **family wage**, as illustrated by the poor chances his children had of surviving. If he had any. Most of them did not, no legitimate ones, anyway, that they had to provide for.

What pay the soldiers received was commonly spent in bars and brothels. The assumption that they could raise families on what a soldier is paid is absurd. It is equally absurd to assume that labourers could raise a family on a similar wage.

the race of workmen persists, therefore--

Just before this, Smith has argued from *must be* that *A man must always live by his work, and his wages must at least be sufficient to maintain him. They must even upon most occasions be somewhat more; otherwise it would be impossible for him to bring up a family, and the race of such workmen could not last beyond the first generation.*

That is, since *the race of workmen* persists, they must be getting paid enough to raise families. This is another of those *logical deductions . . . But though in disputes with their workmen, masters must generally have the advantage, there is however a certain rate below which it seems impossible to reduce, for any considerable time, the ordinary wages even of the lowest species of labour.* [ WN 67-68 ]

Smith's theory is based upon the theory of Cantillon, a French writer on economy circa 1755, who supposed that "the lowest species of common labourers must everywhere earn at least double their own maintenance, in order that one with another they may be enabled to bring up two children; . . . But one-half the children, it is computed, die before the age of manhood. The poorest labourers, therefore, according to this account, must, one with another, attempt to rear at least four children, in order that two may have an equal chance of living to that age." [ WN 68 ]

a closed situation--

This theory assumes a **CLOSED SITUATION**, such that, once your labourers are used up, you won't get any more unless they are able to breed. The labourer must be paid enough to support 4 children, since 2 of them won't survive childhood. That is what it takes to maintain a labor supply. A *labour* supply, as Smith spelled it.

Professor Smith adopts this as his own theory: **the wages of labourers must be sufficient to enable them to raise families.** He relies upon imagination and deduction in lieu of an inquiry as to how much the labourer is paid in London and Edinburgh and whether he can support a wife and kids with what he is paid. Even a desultory inquiry as to what labourers are being paid versus what rent they have to pay would provide him with some information. He prefers to borrow a theory from an earlier writer which he turns into a dogma via deduction, without attempting to verify his conclusions. It has no claim to be **science**. And, in fact, Smith's optimistic assessment of the situation of English labourers in his time was quite mistaken.

subsistence wages

On page 80 he says: *The wages paid to journeymen and servants of every kind must be such as may enable them . . . to continue the race of journeyman and servants.* Smith does not consider the obvious probability that, since there is a surplus of labour, the employer will pay only enough to support an individual with no family, because he can easily hire another individual to replace him. Is he supposed to adopt some Long View--some long and doubtful view--that he is responsible for paying enough to insure a labor supply to future generations ? More likely he will leave that to Nature, as Mr. Smith does, and worry about his short term revenue. Which is substantially increased when he only has to pay subsistence wages--a wage which allows an individual with no family to survive. So long as there is a surplus of labourers, he need not worry. About 1700, under pressure from employers, Parliament

passed laws restricting English labourers from going to America as indentured servants to insure that England would continue to have an abundance of cheap labour.

At other times, the law facilitated shipping surplus English men and women to America and Australia to relieve the gentry of the *poor rates* by which each parish was supposed to take care of its own indigent. There was a conflict of interest, as there is today, between those who needed a supply of cheap labor to run their enterprises, and those whose incomes were not dependent upon any such enterprise and who resented paying the poor rates and disliked sharing the streets with a swarm of low class labourers--who supported a policy of **get rid of them**.

#### cheap labor

Securing an over abundant supply of cheap labor has been the aim of many laws from 1700 to 2000--laws or lax enforcement of laws. In the 19th century a mass of cheap labour, displaced by war and famine, and desperate enough to work for any wage they could get, was shipped from Ireland and China and Europe to America and Britain. Many thousands of labourers were shipped from India to South Africa, where they suffered from a racial discrimination only somewhat less severe than that inflicted upon the native Africans. We have 12 million Mexican illegals in America right now because the employers want them. Under NAFTA and GATT [= WTO ], owners can move their factories to where cheap labor can be found, as the alternative to bringing the cheap labor here.

It is silly to talk about the *law of supply and demand* without looking at who controls The Law in respect to the supply of labor. The Law allowed masses of half starved Chinese and Irish to be imported into America where they drove down wages by competing with one another. It illustrates how political power determines wages. Then the **Chinese Exclusion Act** was pushed through by the late 19th century labor movement led by Samuel Gompers. He once lost his job in a cigar factory after a gang of Chinese laborers was brought in to replace all the workers.

In the Twentieth Century, after World War II and with the backing of the federal government, organized labor halfway got hold of the law for a while and created an artificial scarcity of labor which drove up union wages. This was facilitated by the drastic curtailment of immigration to America after the first World War. The World Wars created employment while substantially reducing the labor force. The unions were as ready to abuse their power as any association of employers. For a while they occupied a privileged position in America and England at the expense of non union labor and the public generally and at the expense of companies which have been pushed out of business by having to pay union wages while trying to compete with non union companies here and the very cheap labor of Asia and South America.

The actual situation in Adam Smith's England was the opposite of the closed situation that Smith assumes where employers would be dependent upon a limited supply of labourers who must be paid enough to raise more labourers. The employers had the power to move cheap labour to wherever it was needed, or to move their enterprises to where cheap labour was to be found in abundance, just as they do today.

Smith confuses the situation of labourers with that of servants. As the Porter book points out, they had to take some care of their servants because they did not want to be waited on by people in rags. Which wasn't true for labourers sent down into the mines or out into the fields. Especially it wasn't true for the slave labor used in the sugar plantations of the West Indies which the owners back in England never even visited. [ See Adam Hochschild *Bury the Chains* 2005 ]

But even though servants were provided with a decent suit of clothes and good food, it doesn't mean they were paid enough to allow them to raise families. *Lady Bellamy did not allow her servants to*

*marry*. The idyllic presentation of the romance of *Hudson* and *Mrs. Bridges* glosses over the fact that they had to wait until they retired to enter into a companionate marriage. That is, **neither one ever had any children**. And that condition was usually imposed upon servants, as upon rank and file soldiers and sailors below the level of the officers. Getting married and raising children was a privilege reserved for the privileged class, not a right. Now society seems to be returning to that situation in many nations.

Smith does not consider the possibility that the wage paid will be subsistence for a healthy single individual who will be out of a job as soon as he gets sick. A lack of children mandated by economic coercion was and is the common condition of a large part of society. Those who rebel against it, who persist in trying to have families they cannot afford, often pay a heavy price for their reckless defiance of economic realities.

### English Realities

The real situation in England in Adam Smith's time was that the economic refugees of Great Britain and the displaced persons of the Empire migrated or were transported to any place they could find work and they were paid a subsistence wage at best--like the Irish labourers and prostitutes that Smith saw in London, like the Scotsmen and Irishmen, conscripted into the armies and navies of the Empire and sent to India or America or Australia. They were in basically the same situation as the slaves and servants in the Empire and they were not expected to raise families. Their circumstances did not allow them to raise families. Rather, they were used up, discarded and replaced. They received such minimal wages that any change in the economy or any sickness pushed them towards extinction. As is shown by the great famines in Ireland and India where millions living on a bare subsistence on the very edge of starvation were pushed over the edge by even a partial crop failure.

If the slave trade had been stopped, the American and West Indian planters would have had to raise their own slaves to make sure of a steady supply. So they would have had to encourage breeding and provide enough of a subsistence to produce healthy slaves. But the slave trade was not stopped. With the tacit connivance of President Thomas Jefferson it continued long after it was nominally illegal. So the plantation owners worked their slaves as hard as they could on the cheapest rations and then bought more slaves when the first batch was used up. There was a very high mortality rate among the slaves. When they got too old or too sick to work they were pushed off a cliff. [ see *Bury the Chains* ]

In February 1862, after the Civil War began, Captain Nathaniel Gordon was hung for bringing a cargo of slaves from Africa, **the first man in American history to be so punished**, even though slave trading had nominally been a hanging offense for more than 40 years. book: *Hanging Captain Gordon: The Life and Trial of an American Slave Trader* Ron Soodalter 2006.

In fact, the slave trade persisted to the end of the 19th century despite the law. In 1884 General Gordon in Khartoum issued a declaration which re-legalized the slave trade in the Sudan to pacify the Arab slave traders. [ *The White Nile* Alan Moorehead ]

### *the guano pits*

And the Chinese and Indian **COOLIE** system which replaced it was often as bad as outright slavery. See the horrifying little essay in the 9th edition of the Encyclopedia Britannica VI 333 **COOLIE** or *Cooly*: *In 1860 it was calculated that of the 4000 coolies who since the traffic began had been fraudulently consigned to the guano pits of Peru, not one had survived.*

Looked at it in terms of labor cost, raising your own slaves is expensive. When the waves of starving Irish immigrants arrived in New Orleans in the 19th century, the planters hired them to drain the swamps

rather than use their negroes. Because these labourers often died from malaria and other mosquito borne diseases. If your slave died, you were out several hundred dollars. You might even have to pay his medical bills. If the Irishman died, you could replace him with another Irishman. His medical care--if he could get any--was his expense, not yours.

A la Smith's deduction, you could argue that, since *the race* of soldiers and sailors persists, they must be receiving a family wage sufficient to raise up little soldiers and sailors. But anyone with some knowledge of history knows this isn't true. Conquered nations and impoverished races and marginalized classes provide an endless supply of surplus men who are readily conscripted or recruited for cannon fodder in the endless wars of the empire. In the 21st century, the refugee camps provide a steady supply of child soldiers and suicide bombers for the war lords. The 8 pence a day which soldiers were paid in Adam Smith's time--2/3ds of a shilling--did not come close to being a family wage.

one shilling a day

A modern book does what Smith did not condescend to do--calculate wages versus expenses: *In the Georgian age, rock-bottom wages for males were about a shilling a day, but a man fully employed all the weeks of the year--and most were not--would not have been able to support a family on such a sum. For that, earnings in the region of some L30-L40 a year would be required.* [ Roy Porter *English Society in the Eighteenth Century* 1990 xv ] One shilling a day would come out to L 15 a year. Enough for a healthy single person to survive but only half what a family requires. Of course, the women worked too. They were usually forced to work. But try being a mother when you have to put in a 13 hour day in the factory. And both parents would have to work full time--a 6 day week of 13 hour days--to come close to the sum needed to raise a family. That is even assuming that the woman was paid as much as the man, which she often was not. It basically resembles the modern situation where people try to raise a family on two subsistence wage incomes--which is what the minimum wage provides. It leaves the woman with no time for raising children. If there are any children born to such families, they are very likely to become the neglected and delinquent children who fill our prisons.

Other contemporary writers present a very different picture of Adam Smith's England-- "Lord Macaulay, in his *History of England*, says of this period, with little exaggeration, that *the price of the necessaries of life, of shoes, of ale, of oatmeal, rose fast. The labourer found that the bit of metal which, when he received it, was called a shilling, would hardly, when he purchased a pot of beer or a loaf of rye bread, go as far as sixpence.*" [ 1890 Encyclopedia Britannica, VI 410b article on **corn laws**. ] Smith blandly assumes that wages were free to adjust for *inflation*. Macaulay, as quoted above, indicates that the shilling had lost half its value. So the wages of 1760 may have been nominally higher than those of 1660, but to measure the buying power of wages you have to look at a *market basket* of prices, not just grain, which was much higher before the **corn laws** were changed. *RENT* could become a major expense, as it is today.

The article on **corn laws** continues: "The wages of labour would have followed the advance in the prices of commodities had they been left free, but they were kept down by statute to the 3 or 4 pence per day at which they stood, when the pound sterling contained one-fourth more silver, and silver itself was much more valuable,--a refinement of cruelty, for which an excuse is hardly to be found in the prevailing ignorance of principles of political economy, great as that was. [ The great production of the silver mines of the Americas led to a decrease in the value of silver in Europe. ]

"The feudal system was breaking up; a wage-earning population was rapidly increasing both on the farms and in the towns; but the spirit of feudalism remained, and the iron collar of serfdom was rivetted round the necks of the labourers by these statutes many generations after they had become nominally

freemen. . . . Mr. M'Cullough, to whose researches on this subject every subsequent writer must be much indebted, found from a comparison of the prices of corn and wages of labour in the reign of Henry VII and the latter part of the reign of Elizabeth, that in the former period a labourer could earn a quarter of wheat in 20, a quarter of rye in 12, and a quarter of barley in 9 days; whereas, in the latter period, to earn a quarter of wheat required 48, a quarter of rye 32, and a quarter of barley 29 days labour. " [ 1890 Encyclopedia Britannica, VI 409 article on **corn laws**. a *quarter* = 8 bushels; 1 bushel = 8 gallons ] Roy Porter [ p. 96 ] continues the calculation through the period when Adam Smith's *Wealth of Nations* was published: *price inflation was outstripping wages. Wheat had cost 34 s. a quarter in 1780; it was up to 58 s. in 1790 and 128 s. by 1800.*

Smith proceeds on the bland assumption that, whatever the wage, it must have been enough. He assumes some Natural Law of Wages such that they have to be sufficient to maintain the families of those who work for wages. He persists in this assumption and ignores all the evidence of famines and mass migrations of desperate people. You could further assume that they must all receive good health care. Or anything else you like. But it would not be true.

### Starving and Stealing

"London swarmed with destitute people, living from hand to mouth and consoling themselves with cheap gin. Workhouses were full, Bridewell and other prisons overflowed, idle and diseased wanderers infested the land. *There are few, if any, nations or countries where the poor . . . are in a more scandalous nasty condition, than in England,* reported Henry Fielding in the middle of the 18th century. *Compared to these people,* wrote Benjamin Franklin of rural workers in 1771, *every Indian is a gentleman; and the effect of this kind of civil society seems only to be the depressing of multitudes below the savage state that a few may be raised above it.* [ *Colonists in Bondage* 46 ]

In 1753, Henry Fielding published *A Proposal for making an effectual Provision for the Poor, for amending their Morals, and for rendering them useful Members of the Society* based upon his experience as a magistrate. It gives a picture of the condition of the English poor despite the money spent on them under the *Poor Laws* of England. *That the poor are a very great burden and even a nuisance to the kingdom, that the laws for relieving their distress and restraining their vices have not answered their purposes, and that they are at present very ill provided for and much worse governed are truths which every man will acknowledge. Every person who hath any property must feel the weight of that tax which is levied for the use of the poor; and every person who hath any understanding must see how absurdly it is applied. So very useless, indeed, is the heavy tax, and so wretched its disposition, that it is a question whether the poor or rich are actually more dissatisfied; since the plunder of the one serves so little to the real advantage of the other. For while a million yearly is raised among the rich many of the poor are starved; many more languish in want and misery; of the rest, numbers are found begging or pilfering in the streets to-day, and to-morrow are locked up in jails and bridewells. If we were to make a progress through the outskirts of the metropolis, and look into the habitations of the poor, we should there behold such pictures of human misery as must move the compassion of every heart that deserves the name of human. What indeed must be his composition who could see whole families in want of every necessary of life, oppressed with hunger, cold, nakedness, and filth, and with disease the certain consequence of all these ! The sufferings indeed of the poor are less known than their misdeeds; and therefore we are less apt to pity them. They starve, and freeze, and rot among themselves; but they beg, and steal, and rob among their betters. There is not a parish in the liberty of Westminster which doth not swarm all day with beggars and all night with thieves.* [ Westminster was the district of London where Fielding had been a magistrate. from article on **Poor Laws** Encyclopedia Britannica 9th edition XIX 470 ]



"We talked of the state of the poor in London. --Johnson: *Saunders Welch, the Justice, who was once High-Constable of Holborn, and had the best opportunities of knowing the state of the poor, told me, that I under-rated the number, when I computed that twenty a week, that is, above a thousand a year, died of hunger, not absolutely of immediate hunger; but of the wasting and other diseases which are the consequences of hunger. This happens only in so large a place as London, where people are not known. What we are told about the great sums got by begging is not true: the trade is overstocked. And, you may depend upon it, there are many who cannot get work. A particular kind of manufacture fails: those who have been used to work at it, can, for some time, work at nothing else. You meet a man begging; you charge him with idleness: he says, "I am willing to labour. Will You give me work ? " "I cannot." Why, then you have no right to charge me with idleness.*" [ *The Life of Samuel Johnson* by James Boswell Modern Library 434 conversation of Sunday October 10th 1779 ] Adam Smith frequently visited London and belonged to the same social circle as Johnson and Boswell. But his attitude towards the under class tended to complacency--like many prosperous people then and now. And this attitude infects his supposedly objective calculations as to how well off they were.

Adam Smith himself, aged 40, resigned his position as a professor at the University of Glasgow in 1736 to accompany Henry Scott, the young Duke of Buccleuch on a two and a half year tour of Europe. For this Smith was given a life time pension of L 300 a year--10 times a family wage--although Smith had no family. A few years later, through the Duke's patronage, he was appointed to an *easy money* sinecure as a Commissioner of Customs, where he strolled in when he felt like it and received a substantial salary for enforcing the trade restrictions which he deplors in *The Wealth of Nations*.

In his 4 page introduction to *The Wealth of Nations*, Adam Smith states without any evidence his bias in favor of *civilized* versus *savage nations*: *the savage nations of hunters and fishers . . . are so miserably poor, that from mere want, they are frequently reduced, or, at least, think themselves reduced, to the necessity sometimes of directly destroying, and sometimes of abandoning their infants, their old people, and those afflicted with lingering diseases, to perish with hunger, or to be devoured by wild beasts. . . . Among civilized and thriving nations, on the contrary, though a great number of people do not labour at all, many of whom consume the produce of ten times, frequently of a hundred times more labour than the greater part of those who work; yet the produce of the whole labour of the society is so great, that all are often abundantly supplied, and a workman, even of the lowest and poorest order, if he is frugal and industrious, may enjoy a greater share of the necessaries and conveniencies of life than it is possible for any savage to acquire. "* [ WN lviii ]

But the evils Smith describes as characteristic of *savage nations* were conspicuous in the British Empire in Smith's time, though his theory prevented him from observing them. *Directly destroying . . . their infants* by abortion has become the foundation of the modern *civilized* economy.

### *Civilized and Savage*

In working out his theories, Smith ignores the realities of London's east end. And he ignores the famines of the British Empire. The lifestyle of *uncivilized* tribes was less than idyllic, especially after the English invaded and occupied their nations, and took their land. But it is simply Ignorance to claim, as Adam Smith does, that they were worse off than the lower class of the empire. As Franklin's statement shows, the opposite was true. Of course they also became increasingly degraded and impoverished as armed and rapacious *civilization* advanced and rolled over them. They wound up in America's equivalent of London's east end.

Look how easily Smith brushes past the basic question as to what effect it had upon *the lowest and poorest order* when *a great number of people do not labour at all, many of whom consume the produce of ten times, frequently of a hundred times more labour than the greater part of those who work*. It may be an over simplification to say that **THE LUXURIES OF THE RICH ARE TAKEN FROM THE NECESSITIES OF THE POOR**, but, as Franklin's common sense observation suggests, there is a relationship between the wealth of the few and the poverty of the many. Which Smith glosses over with his gratuitous assumption that there is plenty to go around in the *civilized* British Empire, where *all are often abundantly supplied*. [ More often, **NOT**. ] The luxuries of the idle Dukes, who were Smith's patrons, were produced on estates worked by labourers who were lucky to be still employed, whatever the wage. Estates from which *the lowest and poorest order* had been evicted were common in England in Adam Smith's time. The Duke of Sutherland cleared 15,000 tenants off his estate between 1811 and 1820 in the Highlands of Scotland to make way for deer forests and grouse moors. The 19th century English landlords staked their Irish tenants to one way tickets to America as the cheapest way to get rid of them. *The Great Hunger* by Cecil Woodham-Smith graphically describes the wretched situation of the Irish peasants which led to the Irish Famine of the 1840s.

And it wasn't just a lack of money which afflicted the *lowest and poorest order*. The situation of the lowest class is almost invariably accompanied by degradation. There is a violence which comes from the top down and which falls the heaviest upon those at the bottom. Alcoholism, drug addiction and rampant crime are characteristic of slums. Life was *nasty, brutish and short* for those stuck in the slums of Paris and London. There is obviously something fundamentally wrong with the human race. And, whatever it is, there is a lethal concentration of it at the lowest levels of society and a further concentration in the inner city slums of our *great cities*--our gigantic over grown cities.

#### *drained into the cities*

English poverty was promoted in the period from 1600-1800 by the transition from a feudal to a commercial to an industrial economy-- *the dissolution of the monasteries and cessation of their charities, the disbanding of the private armies of feudal lords, the enclosing of arable land for sheep pastures or for large-scale cultivation, the rise of commerce and the decline of the guilds, the adoption of labor-saving machinery. . . . many thousands of the poor were dislodged from their ancestral habitations and occupations, and turned out to wander in the world. . . . They drained into the towns and cities. These were centuries in which London grew with enormous rapidity.* [ *Colonists in Bondage* 44-45 ]

Those who are trying to survive on the margins of society are sometimes benefited by great changes--the outbreak of a great war or the industrial revolution may bring them employment. But many of them are left out. And many of those employed are killed in wars or coal mine cave ins or industrial accidents. Men died in droves working on canals and railroads. Some 1300 Chinese labourers were killed in accidents when the railroad was blasted through the Sierras. Some 2000 laborers, mostly Irish, died building the right of way across southern Pennsylvania which later became the Pennsylvania Turnpike. In Butte Montana the miners were dead before they reached 50 from *Miner's Consumption*.

*Drained into the towns and cities*, times 100, still describes the basic characteristic of modern society, where the economy relentlessly pushes people out of the boarded up small towns and deserted rural areas and into sprawling Mega Cities choked by traffic and blanketed by a brown cloud of air pollution, where rents keep rising. That fact alone is a major indictment of the modern economy, whoever or whatever is responsible for it. Giant harvesters, owned by the Agri Business in which prosperous people

invest, have displaced the farmers who used to live there and the workers they employed. The income from farming goes to people who rarely even visit a farm. Those who *worked for a living* have been displaced by those who *own for a living*--who *reap where they did not sow* and conceal that reality by the fiction that their money **works** for them.

### *Enclosure Acts*

The *Enclosure Acts* deprived the rural poor of the *Commons* land which had allowed them to survive on the minimal wages they were paid. "Enclosure further reduced independence by depriving labourers of customary access to common land, which had helped them eke out a living from firing, grazing, nuts and berries, and the odd rabbit. The Revd Richard Warner, touring the southern counties, mused, *Time was when these commons enabled the poor man to support his family, and bring up his children. Here he could turn out his cow and pony, feed his flock of geese, and keep his pig. But the enclosures have deprived him of these advantages.* . . . As Cobbett vividly described, the southern rural proletariat was becoming demoralized. Not only were they afflicted in the midst of plenty, but even when they were in employment they could not command a living wage. The Revd David Davies wrote in 1795, *In visiting the labouring families of my parish . . . I could not but observe with concern their mean and distressed condition. . . Yet I could not impute the wretchedness I saw either to sloth or wastefulness.* " [ Porter 94-95 ]

Smith and Malthus: 2 roads to the same conclusion--

Adam Smith's unscientific optimism about how well off the labouring class is in civilized society was soon replaced by the pessimism of Malthus who theorized that the lower class invariably multiplies to the point of starvation.

That gloomy prognosis greatly influenced Charles Darwin's theory of **Survival of the Fittest** via *evolution*. Herbert Spencer further developed the ideology of *Social Darwinism* when he gave his lectures in America in the late 19th century. It justified all the **Capitalists** who paid subsistence wages to their workers. [ See *Letter to the Bishops* page 66 = *The Unjust Society* page 9 ]

Both Adam Smith's optimistic doctrine and Herbert Spencer's pessimistic doctrine arrive at the same practical conclusion: you don't have to do anything about the poor. I. *You don't have to worry about them, the System of Natural Liberty--the Free Market System-- will take care of them--has become* II. *It is no use worrying about them--nature has doomed them--no use trying to interfere.*

The modern assumption is that the government can take care of all of us. And we seem to have just about pushed that theory to the limit. More and more of us depend upon the minimum subsistence provided by the government. But in many places it is no longer passing the **stress test**.

### American Opportunity

In America in 1776, because of the rapid expansion of the colonies, labourers were paid two shillings a day, twice what they received in England. And, because of cheaper provisions and the abundance of cheap land, they could raise families. Much of the labor of colonial America was done by slaves and indentured servants and apprentices. But when individuals from these last two categories finally became independent of their masters, they could get high enough wages to support a family. In America, a laborer could support a family. There was so much opportunity in a rapidly expanding economy that half grown children could also find ways to make money and contribute to family income.

Smith states that in America "The labour of each child, before it can leave their house, is computed to be worth a hundred pounds clear gain to them. A young widow with four or five young children, who among the middling or inferior ranks of people in Europe, would have so little chance for a second husband, is there frequently courted as a sort of fortune." [ WN 70 ] And people in America tended to marry young and have lots of children. [ WN 74-75 ] Smith contrasts this with the common practice of the exposure and drowning of unwanted children in China [ WN 72 ] because of a mature and stagnant economy, he says. The rapid expansion of the British Empire to all parts of the world produced all sorts of economic opportunities while the curtailment of the ancient empire of China had the reverse effect.

### Able to Marry

When Nicholas Cresswell visited America, hoping to find a farm he could afford, he saw that there were opportunities here to raise a family: *they increase much faster than they do in England, indeed they marry much sooner. Perhaps one reason may be, in England they cannot maintain a family with so much ease as they do in America . . . here with the least spark of industry, they may support a family of small children.* [ page 271 of the *Journal of Nicholas Cresswell, 1774-1777* ] But he was a patriotic Englishman and he was forced to return to England when the rebellion broke out and the *Committee of Safety* came after him. Back in England working on his father's farm at Edale, binding corn and shearing sheep, he wrote: *my Brother Richard and his wife came to see my Father for the first time since his marriage . . . There is no provision made for them either by her friends or his own that I can learn. what strange infatuation can induce people to be so cursed foolish to marry without knowing how they are to subsist afterwards.* [ entry for October 4th 1777 page 283 ] It appears that Nicholas had no good alternative to being dependent upon his father and working on the family farm because there were few opportunities in England like those he saw in America, which he had to give up because he would not go along with the rebellion. The same thing was true in Ireland where a man often had to wait to get married until his father died and he inherited the family farm. A similar story of shrinking opportunities has repeated itself in America over the past 250 years, where the number of independent small farmers has steadily decreased, farms get larger and larger, and farm land increasingly belongs to Corporations and those who own stock in them.

America was *the land of opportunity* for millions of immigrants, even if that opportunity came at the expense of the natives who were pushed off their ancestral lands to make way for the newcomers. And it was at the expense of an under class of former slaves whose opportunities were severely limited by racial discrimination. But now Americans find themselves at the mercy of forces which take away their opportunities to work and raise families.

We like to regale ourselves with the stories of those who have succeeded in America while we ignore those who failed. The newspaper puts the lottery winner on the front page and ignores all those who lost money to make up the purse. He proves that *any one can win !* But the question is whether any one willing to work can find the opportunity to make a living and raise a family. The answer to that in most places and most times, including our own, is **No**. Which leads to the next question: *Why not ? What can we do about it ?*

Many of the young people in America can only find part time or subsistence wage jobs and have no realistic chance of starting families of their own any time soon. And of course it is 10 times worse in Asia and Africa and Central and South America, where total corruption and structural violence erode the very foundations of economic life. From which desperate young men try to emigrate, often risking their lives in the attempt.

### Family Wage versus Subsistence Wage

A family wage must be triple the subsistence wage. There has been a steady decrease in the number of *family wage* jobs in the American economy in the last 50 years. In the 1960s men began working two jobs to support families. In the modern era, stay at home mothers are effectively banned. Women have to work at full time permanent jobs, delay child-bearing as long as possible, and strictly limit the number of children they have in order to have children at all. Many wait too long and go through life childless as a result. Even among modern, halfway prosperous, two income families, when both parents have to work, it means few or no children. A Pew Research Center poll of 2008 says that the percentage of American women who did not have children by their early 40s was double what it was in 1976. The lifestyle which forces couples to delay having children until they are in their 30s is based upon contraception backed by abortion. It is a basic reason for the modern epidemic of abortion in America.

The basic question about any society is how much opportunity it provides for the average man to raise a family. Not how much opportunity it provides for speculators to make a profit. At times the U.S. has been a society where most men could find the opportunity to raise a family. But *has been* describes it. Those opportunities steadily eroded in the last part of the 20th century and they continue to erode. [ See *Pricey House / No Kids* and *The Unjust Economy* for more about it. ]

A sensible definition of a *family wage* is that it is enough to allow a man to support his wife and children working no more than 40 hours a week. If he has to work two jobs to make ends meet he will have little time with his family. My father was home for dinner and he was home on the week ends and we saw a lot of him growing up. My mother never had to work at a job outside the home to earn wages, and she was always there for us. Back in the 1950s, there were a lot of families who lived well enough on one income. That modest lifestyle now requires two incomes, that is, it requires the women to have full time jobs outside the home.

A major factor is the runaway inflation in the housing market driven by the speculators. Some of these speculators are big investment banks. Others are hedge funds investing the pension funds of public employees. Some of them are individuals *flipping houses* who see no evil in making money at the expense of families looking for homes. Doesn't everybody do it ? The end result of all this speculation in real estate, this *engrossing* and *forestalling* as they used to call it, is that wives have to work to help make the mortgage payment.

If his wife has to work, how will they raise a family ? Even taking care of one baby is a full time job, when it is done right. Raising several children, and giving them all the attention they want and need, takes all of a woman's time and she needs helpers as well. She needs the chance to get out of the house. But today's woman only gets *relief* from working at home by working outside the home for wages. This supposedly represents progress. More like regress. An economy which prevents women from devoting their time and energy to their children is a bad economy, however much *wealth* it possesses. Children need **amateur** child care: the full attention of mothers who really **love** them. That is what allows us to develop our full potential. Child care centers staffed by so-called **professionals**--people who get paid--are no substitute.

In America today, even before the current recession, *family wage* jobs have largely disappeared and we are left with *subsistence wage* jobs which barely allow a single person to pay the high rents that now prevail. And that is a fundamental issue which measures the difference between a good economy and a bad economy, between a decent society and an indecent society--whether men can find *family wage* jobs or not.

*Inequality of income* is a false issue. We all suffer from *inequality of income*. Bill Gates and Warren Buffet suffer from *inequality of income* because they have less income than Carlos Slim, the world's richest man. And he lost 1.6 billion several years ago in a market downturn. *Pobrecito* ! And none of us demand *equality* with the can collector. We all want *equality* with the rich man. How is that going to work ? It isn't.

If I eat steak while my neighbor eats hamburger that isn't the same thing as if he starves to death because of my excessive consumption. The real issue is whether we have enough to live on as single individuals and the much more important question is whether we can raise families. The test of a good society is whether the average income worker can raise a family by honest work--whether he can find a **FAMILY WAGE**. Whether he owns his home. Whether his wife has to work also to help pay the mortgage. That is the measure of improvement, not how many own cell phones or TVs.

The issue of *Inequality of income* in Europe and America is a **trivial pursuit** distraction from the attempt to understand the vast misery of Latin America and Asia and *liberated* Africa produced by the violence and corruption of privileged elites ruling destitute masses. And they are aided and abetted by unscrupulous international investors. It is a distraction from the attempt to understand why half the young people in Spain and Italy are still stuck living at home with their parents, with no realistic prospect of ever having a home and family of their own. How did that happen ?

*Inequality of income* is invoked by demagogues to appeal to the notion that we can arrive at a just society by appropriating the wealth of the 1 per cent who are ridiculously rich. None of the rest of us have to give up anything. The 99 per cent of us who are righteous but not rich can just vote to transfer the funds of the 1 per cent who are rich but not righteous. An easy solution based upon an easy assumption that most of us really believe in **equality** and that there is some simple mechanism whereby poverty can be ended at the expense of the rich. Do American Negroes believe in **equality of income** as between themselves and other American Negroes ? Despite the rhetoric about *brothers* and *sisters*, there is scant evidence for the existence of any such belief. Like the rest of us, they are interested in redistributing the income of other people, not their own income.

What if the only effective way to end poverty is to take the surplus of the 60 per cent of us who are above the poverty line and transfer it to those who are below that line ? Are you still enthused about doing it ? Probably not, if you are already above the line. You may have noticed that no one ever has enough money. Except for a couple of billionaires who gave half their wealth to charity. Let us do the same and then we will be free to criticize them for not giving the rest away.

The question isn't just how much you have but **how you got it** and **what you are doing with it**. For every one who earns a fair return by providing useful goods and honest services to others, there are 99 who do something else. Who get hold of a berth in the bureaucracy and take a nap. Who charge double what the service is worth. Who pursue wealth without work. They make money off short selling and currency manipulation and *high frequency trading*. They engage in Vulture Capitalism and Vampire Capitalism. Many of them have what is essentially a gambling addiction.

Now the believers in *Capitalism* have to admit to the predominance of **Crony Capitalism** in the American economy--Capitalism which is dependent upon and intertwined with crooked government. As if there were any other kind of capitalism or any other kind of government. What else is the *Military Industrial Complex* ? In theory, the fellow with an unlicensed burrito cart might represent natural and free and independent *capitalism*, so long as he doesn't start paying off the cop with free burritos, but that is about all there is which fits the *free enterprise* myth.

If the gamblers were just going into the tavern and cheating one another, we could shrug it off and let them go to it. But they get the farmer inside and take his crop money. What is worse are the speculators who drive up the price of the homes we need to raise families. They truly are very harmful social parasites and at least half of the population is now included in their number, one way or another. If they don't do it directly, they do it via *hedge funds* etc. Below that level, they aren't honest either, but they are limited to swiping your battery or your hub caps. Which are a lot cheaper to replace.

a ceiling on wealth ?

Is putting a ceiling on wealth necessary to put a floor under poverty ? If so, who can be trusted to do it ? The revolutionaries ? A popularly elected government ? Gaunt and ragged revolutionaries coming in from the hills have a keener appetite for luxuries than any jaded aristocrat. They are soon living in the mansions of those they displaced. Popular elections are determined by the amount of money spent and day to day government is shaped and reshaped by those who know how to use their money to buy influence.

The faith in free enterprise claims that rich men invest their money in enterprises which provide goods and services and employment for the rest of us. In one case out of 100, it might be true--or half true. .

what they do with the money

That phony claim raises the question as to what people do with their money and how it affects society. A man who invests in a coal mine where the rest of us can get good wages while trying to avoid black lung, is, relatively at least, a public benefactor. Even if you die at age 40, you have a chance to raise some kids.

And then there is *investment of capital* which does not necessarily hurt the rest of us, even when it doesn't do us much good. One very rich man paid \$ 45 million for a painting of the artist's homosexual lover. And he is welcome to it as far as I am concerned, even if he keeps it in his house where the public never sees it--especially if he does that.

Whereas *Investing* in houses tends to double and triple the price a family has to pay for the home they need. That is obviously a much more pernicious use of wealth in its effect on others.

A rich man who spent \$ 34 million on a super size **yacht**, revived the ship yard which employs some 200 people. And it also means long term employment for those who serve on the **yacht**. It may be somewhat servile labor, but serving sherry to painted ladies while cruising in the Caribbean is not so bad. At least it beats coal mining in respect to breathing fresh air.

Other luxuries of the rich come at the expense of the poor. When the Duke of Sutherland evicted thousands of tenants to create a hunting preserve for himself and his aristocratic guests, he took their livelihood away and also their homes.

justice or charity

If my family lives in a 10 room house while your family lives in a 6 room house, is that a great injustice ? Obviously some further inquiry is mandated. If my family lives in a 20 room house and your family has no house at all, that implies an injustice or at least a lack of charity. But it still has to be asked what has prevented you from acquiring a house and why I am responsible.

If wealth is accrued by honest work and by the production of useful goods and services, the presumption is that it is justly acquired, even if it substantially exceeds what others have. But most of the world's wealth is distributed by coercion and corruption and privilege. The good jobs go to those who know somebody. The government bureaucracy has become a privileged class. Despite Civil Service, there is still a spoils system by which political power translates into government employment at the expense of those who are excluded from it.

The spectacle found everywhere in the world of a small class of people who live in gross and extravagant luxury while the large mass live in the most wretched poverty, has the appearance on its face of gross injustice. And it is not hard to discover how much force and fraud there is in this situation, how little of the wealth flows to honest labor. We live in a **Rip Off Society**. But the assumption that there is some mechanical way to remedy this situation, which does not require a renewal of social morality, is an illusion. A good society requires good people. It is tempting to dream of escaping via space ship from this dying planet. The real possibility is to escape to that inner space which is created by the Spirit and in which a real community can be built.

In the Disney portrait of nature, for every buck there is a doe, and for every Jack there is a Jill. The reality is that surplus males and females who don't raise families are commonly found among animals.

But it is the peculiarity of human society that it takes what is found in nature and makes it much better or else makes it 10 times worse. In nature, animals sometimes have an abundance of food and sometimes starve. In human society we control our own food supply by farming, stock raising, and fishing boats and nets etc. We have green houses, storage towers full of surplus grain and man made fish ponds. But we also have un natural famines that kill millions, brought about by imperial governments and absentee landlords or wars and sieges and naval blockades.

Millions of surplus men are used up in war, or exploited for cheap labor, or left on the stoops of slums with just enough money for a pint of cheap wine. Surplus women are sent to convents or they become servants and clerks and prostitutes. Sometimes they can get enough welfare to try and raise kids without a father in the crime-ridden slums of our giant cities.

### Paradise Lost

For most of the world, throughout most of its history, the prospect of a society in which they were able to make a good living and raise a family looked like utopia. It would be utopia in many parts of the world today, if they could achieve a society in which the violence had stopped and water and electricity were reliably supplied. A society in which there is a minimum of food and shelter looks like utopia to those who don't have it. But we should not forget that America was once a place in which the majority of the common people could make a living and raise a family. Why is that situation being so relentlessly eroded in modern times ? Why has paradise been lost ?

One basic reason is the human habit of grabbing more and more as time goes by, at the expense of *widows and orphans* or anyone else that can be taken advantage of. It is astonishing how rapidly what seemed to be the limitless wealth of the American continent has been claimed and fenced and then wound up in the grasp of fewer and fewer owners. In a very short historical span we went from being a nation of small farmers to being a nation of giant agricultural corporations, where farm income goes to stock holders who do no farm work. They *own for a living*.

The predatory power of surplus money generated by everything except honest work is a corrosive acid which eats away the foundation of any economy built by honest work.
---



## the habit of luxury

Another basic reason is the growth of the habit of luxury. Yesterday's luxuries are today's necessities. When I was growing up, we had one second hand car for the whole family. We almost never dined in restaurants. We were unacquainted with steak and shrimp and lobster, and knew little of fine wines. But we owned our home, the meat loaf was good and we had a rich family life.

Originally the labor movement pursued the utopia of a family wage for all workers. But more and more the successful government backed unions pursued extravagant wages and benefits for their own senior members at the expense of everyone else, including other workers. It isn't just the *greed* of the rich that impoverishes the rest of us. That *love of money* which is *the root of all evil* permeates all levels of society as Jeremiah 6.13 states: *For from the least to the greatest of them, every one is greedy for unjust gain.*

The original **anti family** ideology of the Women's Liberation Movement, which re-emerged in the late 1960s, disguised that agenda behind the call for Careers for Women. But their success is mainly due to the fact that their agenda coincided with a major movement in American life towards *more money / fewer children* by pushing women out of the home and into the job market. In the short run, pushing women into the job market doubles family income. But, since it effectively doubles the labor supply, it leads to cutting wages in half. Now it takes two pay checks to buy a house, which has doubled and tripled in price because of that and because of all the speculators and *flippers* in the housing market.

## Destruction of the Civil Rights Movement

In the 1960s, the American Civil Rights Movement generated a major national push to end discrimination against Negroes in employment. But, in the late 1960s, the eruption of **Black Power** and riots in 200 American cities eroded the broad white / black coalition which had successfully pushed for an end to discrimination in public accommodations, voting rights, housing and employment. Gratuitous anti semitism by slightly insane black rabble rousers alienated the major financial supporters of the Movement. Gangs which had adopted black nationalist ideologies terrorized black residents of the inner city, while still dealing drugs.

The opportunities created by the Civil Rights Movement plus the riots and the predatory armed gangs produced an exodus of both white and black from the inner city. Everyone able to get out, got out, leaving the helpless and the hopeless behind at the mercy of the criminals. The exodus deprived the inner city of those who might have helped, but they put their own families first to escape the violence and the crime.

What happened to Detroit is emblematic. In June 1963 Detroit had a giant inter racial march. In July 1967 Detroit had a giant riot which left it looking like it had been bombed. Then the politics of black racial spite completed the process of destruction. What was once America's major manufacturing city is now half abandoned, boarded up and broke. The businesses left and took the jobs with them.

The Vietnam War diverted the funds which were going into the War on Poverty. The white activists who were pushed out of the Civil Rights Movement, moved on to the anti Vietnam War movement. The Vietnam War provided jobs of a sort in the army for many Negro men.

The reappearance of the radical feminist movement in the late 1960s diverted the demand for corporations to hire Negroes into the demand to promote women. It allowed them to escape the pressure to hire blacks. *Hiring a blond* could take the place of *hiring a black*. Government bureaucracies which already had a disproportionate number of female employees adopted **Affirmative**

**Action** policies which increased the disparity. In the recent depression, men were laid off disproportionately. Unemployment among Negro men is as bad as it was before *affirmative action* came along.

#### power versus prosperity

The growth of American power has led to the erosion of American prosperity. Power costs money. It costs millions to run for the Senate and it costs trillions to maintain the position of the World's Great Empire. America has client states all over the world and some 800 military bases on various continents, it has to sacrifice the interests of American workers to its extravagant global out reach. If we don't bribe half the nations on the planet--especially their military establishments--they will no longer give us that half-hearted and treacherous loyalty upon which our precarious imperial power depends. And that matters a lot to those who occupy the highest positions of power in the American empire. And they persuade the rabble to identify with that power in lieu of more tangible rewards. They give you a flag to wave instead of a family wage job.

**Social Justice** requires that we create societies in which the right to have a family is a common right. Instead we create societies in which only a minority have the chance at a decent family life. The rest must remain single or make the desperate attempt to raise children under conditions which lead to disaster. In the crime infested slums of our great cities, women without husbands try to raise children on welfare, if they can get it, in spite of the new feminist / *conservative* coalition. The fathers are on the street or in prison. They find employment in the drug trade if they find it at all. The number of families headed by single women is proportional to the number of men working at subsistence wage jobs or stuck in prison, often because they tried to make a living in an outlaw trade which was the only **family wage** they could find.

#### A Question of *Systems*

Is there an Ideal **SYSTEM** of Economy ? Adam Smith believed there was. Karl Marx believed there was. But there is no mechanical and amoral *system*, whether so-called *Capitalism* or so-called *Socialism*, which can be an effective antidote to that historical and perennial and universal conglomeration of **MILITARISM**, **CORRUPTION** and **PRIVILEGE** which produces wealth without work for the few and poverty for most others.

Can you trust the government ? No. Can you trust the corporations ? No. Can you trust **NATURE** ? No. Can you trust **HISTORY** ? No. Can you trust **THE PEOPLE** ? No. Can you trust yourself ? Probably not. So whom can you trust ? You can trust whoever is trustworthy. Whoever is good enough to trust. You can trust honest and hard-working people--if you can find any. The others you cannot trust. You can't trust the notion that there is some **SYSTEM** which can operate independently of the good or bad character of those who belong to it.

I don't exactly believe any more in what was called *Nonviolence*. ( I have even less faith in violence. ) There is good reason to be disillusioned with what happened in America in the 1960s and disillusioned with what Gandhi accomplished in India--what he failed to accomplish. I have no faith that *the masses*, aka **the people**, have the moral and spiritual capacity to carry out the *revolution*, or the **accelerated moral evolution** which is so obviously needed. It has to be a revolution which does not depend upon rifles and *the masses* are not going to help, not until they quit *the masses* in favor of becoming moral individuals--moral Green Berets, as it were, who can act on their own instead of just clumping along with the crowd.

A just society requires that people be just. Since most of them are not, the only realistic way to build a just society is by building a small society--a **community** in the real sense of the word--around those who will adhere to standards of justice, while finding ways to keep their distance from the rest. Don't buy stolen merchandise. Don't let rip off artists work on your car. Don't pursue *wealth without work* or give any countenance to those who do. We urgently need to find a road to a Moral Society. A family friendly society. Which requires a morally independent economy . We need an alternative society with the Courage to defy the unjust *world* which surrounds it.

*Terry Sullivan* September 1st 2015