

Poverties

Introduction

My aim is to say some of the more obvious things about poverty and while one needs, ultimately, to look at the specifics of concrete societies in the Asia-Pacific region which each are critically different, I will not do this here. I think it is important to say some of these more obvious things because they are often forgotten--or confounded.

The Distribution of Wealth

We need, first of all, to distinguish and keep constantly in mind the distribution of wealth between nations, and the distribution of wealth within nations. There are surely poor nations, but there are also poor people in rich nations and rich people in poor nations. GNP per capita numbers tell us nothing about distributions within nations. Keeping these straight also allows to discriminate two kinds of poverties, what can be called, for convenience sake, 'First World' and 'Third World' poverty. Defining poverty is a necessary first step.

How to Define Poverty?

There are several ways to define poverty. One can think of poverty in terms of resources necessary to maintain a nutritionally adequate diet and shelter--basic needs. Replacing 'resources' with 'income' (used in the strictest sense) gives the substance of the 'poverty line.' It is of some interest to note that this is fairly recent idea, introduced only in 1965. With appropriate adjustments, it can be used trans-nationally and comparatively. So defined, there are hundreds of millions of poor people in the world; but no one, I think, can say how many. Using this definition, there are over 34 million in the United States alone. Recent estimates suggest that perhaps as many as 30 million of these live in a condition which the World Health Organization calls 'silent undernutrition.'

But it is easy to show that US numbers are misleading at best. For example, the USDA 'economy budget' which was the base for the original definition is but one of four which the USDA had defined as nutritionally adequate. Had costlier budgets been used, the number of poor would be increased by perhaps 25%. And we cannot put aside other obvious problems: in the US the non-availability of health care, undercounting of the homeless and noncounting of undocumented aliens, and the unrealistic assumption that only one third of the poverty budget is necessary for housing. Harrington has argued that the undercount alone might account for another 30 million poor in the U.S. and Schwartz and Volgy argue that if realistic assumptions are made about the increasing proportion of the budget needed for non-food costs, 40% of all full-time workers in the United States earned less than it would take to keep them out of poverty!

An alternative conception, first put forward by Peter Townsend, is both 'as absolute as death and as relative as changing living standards.'¹ For Townsend, 'poverty ...is the lack of resources necessary to permit participation in the activities, customs and diets commonly approved by society' (quoted by Harrington, *ibid.*). Townsend was thinking primarily of Britain but his analysis helps us to see things obscured by the 'poverty line.' For example, one can have a TV set and still be poor. Both conventional 'standards of living' and cultural difference need to be included in this measure. Further, poverty, so construed, is more than an income level: it is a condition of life with consequences on every aspect of one's life, including one's self-esteem and mental health. Finally, this conceptualization also allows us to see differences as regards the problem of poverty in the 'First' and 'Third' worlds.

The Cause of Poverty

But before considering these two conditions of poverty, I need first to say something about what causes poverty (in either of these two senses). It is a shibboleth that one must work in order to live. Capitalism, having won at least temporarily the ideological war over how to organize modern economies, has a particular burden in generating poverty. Capitalism is defined in terms of private ownership of the means of production and market-based exchange of commodities, including, critically, the market in labor-power. But what if one is propertyless and there are no jobs, or the only jobs which are available fail to secure resources necessary to secure even physical needs, still less participation in the activities of society? Despite persistent mystification and confusion, the cause of poverty in capitalist society is clear: In the absence of state action, capitalist economies do not produce enough 'good jobs'--jobs which pay enough to bring a family out of poverty. Indeed---and this is the crucial fact--there is every reason to believe that the unimpeded processes of capitalism guarantee that there will be insufficient good work. It is not only Marxism and Keynesian macroeconomics which have discovered this point, the historical record confirms it overwhelmingly. One can contrast Marx's account of the disequilibrium nature of capitalism and its tendency toward crisis and immiseration (especially in Volume 3 of Capital) with the continuous reincarnations in neo-classical economics of Say's so-called "law"-- that supply creates its own demand. Rejection of Say was, of course, the point of departure of Keynes, who would agree with Marx that capitalism can not guarantee full employment, still less equilibrium without poverty.

Capital is mobile; workers are not. It goes where the highest profits can be realized. There are many consequences: structural unemployment and depression, imperialism and then its historical legacy, neo-colonialism, the widening gap between the 'North' and the 'South,' and the relatively recent West/North divide which in the United States has meant de-industrialization and along with unemployment, the creation of millions of badly paid full and part-time jobs in the 'service' economy.

Of course, there is also a second question--often confused with question of why there is poverty: Given unemployment and low-wage employment, one may ask: who will likely be poor? In the United States it will be Native Americans (and Native Hawaiians), Appalachian whites, disproportionate numbers of Black Americans, female headed households and recent immigrants who lack capital and skills.²

This poverty is occurring in one of the wealthiest nations in the world, a nation which was born 'capitalist' and, in consequence, is a fully 'modern' nation with fully developed infrastructures--mass education, communications, social services, etc. This poverty, I will argue, is entirely eliminable, fundamentally a matter of political will and nothing more. This is not true of poverty in the 'Third World.'

Pre-Modern, Pre-Capitalist Poverty

We need some historical perspective. In the pre-capitalist economies of the Asia-Pacific region, the 'economic' problem was always 'solved' locally. This would involve, almost always, forms of subsistence agriculture, a rigid hierarchical system of rule, which included a well-defined gender based division of labor, and kinship networks and varieties of 'gift' exchanges.³ But in pre-capitalist economies, while there certainly were both 'rich' and 'poor,' it is fair to say that there were not poor in either of our senses. Hunger was, to be sure, a continuous threat and famines were devastating, especially in India and China. But hunger was not a consequence of distortions in the income distribution. Constrained by what Braudel called 'a long lasting biological ancien regime,' it was the common fate of the overwhelming majority. Moreover, in precapitalist societies, the poor and rich occupied quite different 'worlds.' In the absence of the modern notion of citizen and of human rights, there is no generally shared set of assumptions about what is necessary to permit participation in the activities and customs of society. Peasants did not expect or hope to eat sumptuously or to adorn themselves with silk, or more generally to share, someday, in the pleasures of 'oligarchic wealth.' Finally, not only would re-distribution of the wealth of Kings and Chiefs have had little effect, but the instrumentalities available for improving the conditions of the many were minimal.

Even if you will agree that there is a sense in which in precapitalist societies, the modern problem of

poverty does not exist, there is, of course, no reason to be nostalgic over such arrangements. Not only were opportunities of all sorts not available, but putting aside those societies which Sahlins has dubbed 'the original affluent' societies, very few people lived very well and most died young--contributing powerfully to constraints on over-population, today a problem enormously exacerbating the problems of poverty, especially in the Third World.⁴ In precapitalist societies, by modern standards most people were merely surviving--and in this sense, of course, they were very poor. It is thus that the poor American may, in some sense, be 'better off' than a peasant of central Mindanao. But the poor American is culturally an American and does not live in central Mindanao. This is not a matter of 'relative deprivation' if that is understood psychologically. On a Townsend-type definition, the American's poverty is relative to American society and is as 'objective' as a definition in terms of physical needs.⁵

Third World Poverty

Perhaps more importantly, it is one of the contradictions of development that as it destroys the conditions for the reproduction of the world of the precapitalist poor, including its culture, it forbids entry in the world of the bourgeoisie. It creates problems of poverty radically unlike the problems of most poor Americans. (There are similarities as regards Native Americans and Native Hawaiians as regards the causes of their condition, and thus of the consequences.)

The argument is familiar. All the classical economists (including Marx), were wrong in supposing that the developed countries of the First World would show, to the undeveloped, 'the image of its own future.' With the exception of Japan and the so-called 'Four Tigers' (to which I return), old social relations were transformed, but unevenly and in distorted ways. Late capitalist development did not produce the modern bourgeois state with a large middle class of wage workers. 'Dependent' development created pockets of wealth and affluence, while it destroyed the conditions for the reproduction of the pre-capitalist poor and created, instead, populations stripped utterly of any access to the means of life. Adding to this, exploding populations also became subject, through mass communication, to images of ways of life which could be captured only in the most superficial ways. While breast-feeding was being undermined by Nestle, Coca Cola became an essential of life. In poor and developing societies, two nations, one affluent and the other destitute, exist side by side.

I would not call this a transitional mode of production, although in some places at least old ways continue to exist--with sometimes ambiguous consequences. These are, rather, forms of capitalism which simply leave countless numbers out, exactly because development has been distorted. In these situations countless persons are illiterate and usually lack any sort of skills pertinent to a modern economy. There is a wholly inadequate infrastructure as regards schools, medical care, social services, even transportation. And for reasons which are not hard to identify, the most modern state agency is the military and police. The causes of this are well-known. I merely list them here as a reminder:

1. Creation and support of puppet regimes and subversion of even moderate revolutionary movements. The disaster in Somalia is but the most recent instance.
2. A refusal by regimes to offer serious land reform.
3. Export-oriented government policies which reinforced dependence, existing power relations and unfair exchange.
4. Balkanization, as in Katanga and Buganda.
5. Economic control by foreigners through
 - (a) foreign capital investments which export surpluses generated by low-wage workers, often working in extraction industries.
 - (b) Aid tied to specific conditions, e.g., control of wage rates.
 - (c) foreign control of banks and stipulations on conditions of borrowing.
 - (d) production of consumer items which favor the rich few.

This is capitalism with a 'colonialist' face and, tragically, responding in any useful way to the

poverty which is its result will require fundamental structural change. It does not need emphasis that this will be extremely difficult. Looking at the causes gives us a clue to what is required. Among the essentials are land reform and entirely different relations to international capital, led almost necessarily by an active interventionist state. I do not here pretend to offer any sort of political analysis which, in any case, would vary from nation to nation.

But it is critical to acknowledge that the tragic situation of many of these nations is not the consequence of 'historical forces,' but of decisions made, not only by capitalists in London and New York, but by politicians in London and Washington and by Asians and Pacific Islanders in Cambodia, Manila and Papua New Guinea. To be sure, those with the capacity to make decisions of major social importance (like those who lack this capacity) were (and are) constrained by materials at hand and these materials vary with time and place. Japan in 1945 was not the Philippines in 1945. It is thus that understanding the present condition of particular nations and taking the appropriate particular steps toward change requires concrete historical and conjunctural analysis.⁶

East Asian 'Miracles'

It is precisely differences in these historical decisions which explains the 'miracle' of Japan and the Four Tigers. Three points here require some emphasis.

First, not only did Japan already have a large industrial sector, but as Bruce Cummings has argued, 'Dean Acheson and George Kennan masterminded [the] repositioning of Japan in the world system.' The Korean War was its 'Marshall plan.' Korea, Taiwan, Hong Kong and Singapore were similarly critical beneficiaries of 'the great crescent' which would 'contain' Asian communism.

Second, after World War II and prompted by US occupiers, Japan, Korea and Taiwan underwent a land reform, breaking the stranglehold of landed oligarchies.

Third, very strong states, dictatorships in Korea, Taiwan and Singapore, disciplined both conglomerated business and labor, business through subsidies of various sorts, and labor by traditional repressive means. This was a novel form of capitalist development. Alice Amsden summarizes it as follows:

...subsidies in Korea (as in Japan and Taiwan) have been allocated to big business according to principles of reciprocity, in exchange for performance standards...Subsidized firms in Korea have received cheap capital (often at negative real interest rates, the ultimate 'wrong' relative price), but they had to produce, not speculate. They have been allowed to sell in a protected home market, but they have had to raise productivity and quality to increase their share of foreign markets. They have been allowed to import foreign technology, but they have had to begin investing in their own R&D. They have been allowed to exploit Korean labour, but they have had to train it, and in the case of big companies, retain it through economic slumps.⁷

We need to draw three morals from this. First, it is myth of outrageous proportions to suppose that East Asian development is a vindication of free market principles. Second, these nations now suffer 'First World' poverty which is likely to worsen unless it is seriously addressed. Finally, it is extremely unlikely that these 'miracles' can be repeated--even if they can be sustained.⁸

History does not repeat itself. As noted, European industrialization and modernization was not repeated in this century even if the East Asian 'miracles' begin to look more like First World 'democracies.' Moreover, Japan and then the Tigers had opportunities not now available and unlikely to be available again. The Philippines, for example, did not benefit from U.S. involvement there and now turns, perhaps naively, toward Japan. Finally, there are probably distinct limits to the number of wealthy nations which can be admitted to the system of world capitalism. The argument for this is general and pertinent both to distribution between nations presently enmeshed in global capitalism and to distribution within capitalist nations.

The Limits of Capitalist Growth

The argument derives from Roy Harrod's distinction between 'oligarchic wealth' and 'democratic' wealth. Democratic wealth comprises command over resources which are potentially available to everyone. It is, in Fred Hirsch's account, 'output amenable to continued increase in productivity per unit of labor input.'⁹ It can rise with increases in productivity and is not zero-sum. Obvious examples include satisfaction of physical needs, but it includes all sorts of other goods and services not subject to 'social limits.' Oligarchic wealth (positional goods in Hirsch's account), by contrast, has social limits and is possible for the few but never for all. Oligarchic wealth requires 'command over the services and products of more than one man's labor,' is scarce either absolutely or in some socially imposed sense or is subject to congestion when extended to many users.¹⁰ Obvious examples include beach houses, servants and yachts--which 'meet their full purpose only when considerable amounts of personal service are devoted to their upkeep' (p. 24) The generalized pursuit of oligarchic wealth is an inevitable consequence of capitalism and we see it happening most dramatically in socialist societies now 'experimenting' with 'reform.'

Adam Smith established the idea that 'pursuit by individuals in an uncoordinated way of their own interests could yet serve the interests of all and that the poor man in the rich community could live better than native kings.' But, unfortunately, as Hirsch puts the main idea:

There is an 'adding up' problem. Opportunities for economic advance, as they present themselves serially to one person after another, do not constitute equivalent opportunities for economic advance by all. What each one can achieve, all cannot (p. 4).

For each of us the scramble is rational since individually we never confront 'the distinction between what is available as result of getting ahead of others and what is available from a general advance shared by all' (p. 10) More than a distributional issue is here involved. Wider participation affects not only what one gets from winning the game, but the nature of the game itself. To take one obvious example, because education is an instrumental good, it is a shock to young college graduates to discover that they may well end up in a dead-end, lowpaying job. Giovanni Arrighi extends the argument to nations.

States pursuing national wealth in a capitalist world economy face an 'adding up' problem similar to, and in many ways more serious than, the one faced by individuals when they pursue personal wealth in a national economy. Opportunities for economic advance, as they present themselves serially to one state after another, do not constitute equivalent opportunities for economic advancement for all states. The wealth of the West is analogous to Harrod's oligarchic wealth. It cannot be generalized because it is based on relational processes of exploitation and relational processes of exclusion that presuppose the continually reproduced relative deprivation of the majority of the world population.¹¹

Arrighi is correct to say that the adding up problem is worse between nations than between individuals in nations. And the primary reason is perfectly clear. The remedy for both is to abandon the principle of uncoordinated individual action and replace it with some sort of collective approach. As Hirsch says: 'Only a collective approach ...can offer individuals the guidance necessary to achieve a solution they themselves would prefer' (p. 10). States have the mechanisms for this: the international economy does not.

For the rich nations, this should be obvious. Indeed, it is precisely the operative principle (sometimes reluctantly acknowledged) of Japan and of many European states. Steps toward a European Community are, of course, acknowledgements of this principle. Although the idea of 'a collective approach' is very general and thus encompasses a very large range of concrete solutions, from democratic socialism to the welfare state to the Korean alternative, since our concern here is poverty, it is critical to see that, for rich

nations at least, poverty can be eliminated wholly within the basic existing structures of the modern capitalist state.

Eliminating Poverty in Rich Nations

Some elementary facts are here pertinent.

1. 'In northern Europe minimum wages are often more than 80% of average wages while in the U.S. they are less than one-third of average wages' (Lester Thurow). At the current minimum wage, a full-time worker with a family of four is officially impoverished.

In Germany the cost of an hour of manufacturing labor, including benefits is \$24.36; in the U.S. is it \$15.39. The average number of hours worked per year in Germany is 1499; in the US 1847 (New York Times 5/26/92).

84% of all jobs in the U.S. the last decade have been in the service sector. 2,792,000 were in retail trade; the average wage was \$9,063, \$1327 below the poverty wage (House Ways and Means Committee, March, 1987).

Women took 84.3% of these jobs. In 1975 there were 37,474,000 women in the civilian labor force; the projection for 1995 is 59,886,000 (ibid.).

Some 10,100,000 workers lost jobs in the US between 1981 and 1986 due to plant closings or relocations, slack work or abolishment of shift. 1 in 10 of these found only part-time work and 40% of those who found full-time jobs took pay cuts (ibid.).

Nearly 20% of the employed are part-time workers (ibid.).

'In 1979 CEO's made twenty-nine times the income of average manufacturing worker. By 1985 the multiple was forty. By 1988, Business Week said the total compensation of the average CEO in its annual survey has risen to ninety-three times the earnings of the average factory worker' (Kevin Phillips, The Politics of Rich and Poor, p. 180).

2. In 1989 [the citizens of the United States] paid less taxes as a percentage of GNP (about 30%) than the citizens of any other industrialized country (Robert Reich, 'The Real Economy,' Atlantic Monthly, Feb, 1991).

During World War II, the maximum income tax rate was 91%. Under Reagan it went from 70% to 28%--the lowest in the industrial world. In 1952, 32.1% of federal tax receipts came from corporate taxes, by 1983, 6.2% (Phillips, p. 78).

Germans pay \$2.75 tax on a gallon of gasoline; Americans pay 14 cents (Time Magazine).

Adding together tax expenditures and other direct outlays by the Federal government, households with incomes under \$10,000 collected a total of \$5,690 in benefits; households with incomes over \$100,000 collected \$9,280 (Neil Howe and Phillip Longman, 'The Next New Deal,' Atlantic Monthly, April 1992).

Direct entitlements comprise over 45% of the budget. 'One half (at least \$400 billion) of all

entitlements went to households with incomes over \$30,000. One quarter..went to households with incomes over \$50,000 (*ibid.*).

'..while 18 million Americans earning less than \$15,000 at full-time, year-round jobs 'contributed' their FICA dollars, a CEO and spouse could retire and expect to receive more than \$24,000 annually in tax-sheltered Social Security and Medicare benefits...'*(ibid.)*.

Federal spending on infrastructure, nondefense research and development and education has steadily dropped from 1980 onward: From 1.14 percent of the GNP to .75 in infrastructure, from .51 to .37 in education and from .42 to .31 in nondefense R&D (Reich, p. 46).

3. By 1989, the top 1 percent (834,000 households) was worth about \$5.7 trillion--more than the bottom 90 percent (84 million households)' (*NYT* 4/26/92).

The first set of figures is meant to suggest that it is sheer nonsense to hold that 'American workers have simply priced themselves out of the market.' If the U.S. is not competitive, we must look elsewhere for the causes. Casino capitalism is the more likely culprit. Kevin Phillips, surely no Marxist, gets nearer to the truth in noticing that 'the reorientation of federal policy from 1981 to 1988 enormously affected entrepreneurialism, investment, speculation and the creation and distribution of U.S. wealth and income...'(p. 74).

The second set of figures is meant to suggest that the problem is not in creating wealth, but in perverse re-distributive policies. Not only are Americans the least taxed of all industrial societies and not only do we spend lavishly on interest payments on the national debt--now some 12%, more than the total of 'all Federal spending for education, science, law enforcement, transportation, housing, food stamps and welfare' (*New York Times* 1/3/93)-- and not only do we support socially wasteful defense projects, Star Wars is but one obvious instance, but instead of using our resources to feed people or to put them to work, we engage in welfare for the rich!

As Perlo writes: 'A modest tax reform, restoring the rates of 1979...would bring ...\$82 billion, which would finance a great part of the much needed outlays for housing, health, education, environment and infrastructure...(Victor Perlo, *NYT* 12/1/91). Even a conservative estimate would suggest that alternative policies would generate more than sufficient resources to rebuild this economy. Reich suggests that \$200 billion annually would suffice and that such policies could yield for the 1990's some \$2 trillion!

Here it is important to distinguish 'the welfare state' and 'the charity state'--a pair of terms I owe to Donald Dodd. Both are capitalist states, but the role of government is radically different between them. In the welfare state, government acts in cooperation with private capital and labor to maintain conditions for economic prosperity. It creates jobs and does not merely transfer incomes. 'Welfare' is but a safety net ensuring the workforce against poverty and disaster. In the 'charity state,' by contrast, the state acts only to keep people dependent on welfare. Welfare states can do well or badly in responding to the changing problems and needs. But even a well-functioning charity state is an insult. Perhaps one need not add that the US is a poorly functioning charity state.

What finally of the last fact? In an influential book, the philosopher John Rawls argued that allocating efficiently requires incentives which, presumably, requires inequalities of income.¹² Fair enough. But he also argued that justice allowed for inequalities only if such inequalities put the person in the worst off position in a better position than he would be were he in a condition of equality. The amount of justifiable inequality then becomes an empirical question. There has never been a society with the inequalities of the United States. It challenges rationality itself to suppose that there could be a plausible

justification for it. Nor is there anything inevitable about it. It is a challenge only to our political will. ¹³

Peter T. Manicas
Liberal Studies and Sociology

Notes

1. Michael Harrington, The New American Poverty (New York: Penquin, 1984), p. 74. This remains the best single account of poverty in America.

2. While specific historical considerations are required to explain these patterns, the critical structural variable is the relation between opportunities being presented by an economy at the time groups enter it and the resources available to them. The twenty-four million 'old immigrants' came to the US when it was taking off as an industrial power. Those with skills or capital were instant successes. Those who were illiterate and lacked skills or capital still could find jobs which allowed them to rear families. One or two generations later, they were 'middle class' Americans.

Black Americans, locked into southern agriculture from the Civil War to World War II found the situation very different. Even given racism, many, of course, found work in manufacturing, but as Harrington writes, 'when the blacks were driven out of the Southern fields, there was no growing industrial sector to absorb them' (p. 134). This has been enormously exacerbated by more recent changes in the economy and by immigration from Mexico and Latin America. The LA riots are grim testimony to this.

The 'feminization' of poverty results from the fact that women, already expected to do unpaid domestic work, are now forced into the work place, get the lowest paid jobs, are the sex which gets pregnant and are then abandoned or divorced. 48% of all mothers work outside the home. 46.1% of the poor are female-headed families. Fully 20% of America's poor are children. In the past two decades the divorce rate has doubled. 45% of all women getting AFDC benefits seek first benefits after a divorce or separation; 30% are unmarried. The US leads all developed nations in teenage pregnancies, 96 per thousand as compared to the England, 45, Canada, 44, France, 43, Sweden, 35 and the Netherlands, 14.

3. See, for example, Eugene Ogan and Terence Wesley-Smith, 'Papua New Guinea: Changing Relations of Production,' in Albert B. Robillard (ed.), Social Change in the Pacific Islands (London: Kegan Paul International, 1992).

4. In the present view, overpopulation in the modern world is not an independent variable, but is itself the product--real and artificial--of structural change and social policy. This was not always so.

Despite the near annihilations in the Americas of indigenous peoples (here including Hawaii) and despite continuing very high infant mortality, famine, chronic undernourishment and virulent epidemics in the remainder of the world, world population seems to have doubled between the 1300 and 1800 (Fernand Braudel, Capitalism and Material Life: 1400-1800, New York: Harper, 1973.) Given that population doubled in China as well as in Europe (including those parts which were not part of emerging modernity), the usual explanations, advances in hygiene, drinking water systems, etc. will not suffice. Braudel argues that since between 80% and 90% of the world's people 'lived from the land and nothing else,' changes in climate provide the best general answer. After 1800, however, capitalist development, and all that is involved with this, including, of course, advances in the capacity to control disease, becomes a critical cause of exploding population growth. The conditions of this development in the Third World (below) are, then, the key factors which have much to do with overpopulation.

5. In addition, then, to precapitalist poverty, 'First' and 'Third-world' poverty, one could distinguish 'Second-World' poverty. These are, relatively, poor nations, and although there is much greater equality, compared to many people in First World societies, few live very well.

6. See my sketch of some of these same themes with special reference to India in 'Explanation,

Generalization and Marxist Theory vis-a-vis Third World Development,' in Diptendra Banerjee (ed.), Marxian Theory and the Third World (New Delhi: Sage, 1985).

7. Alice H. Amsden, 'Third World Industrialization: "Global Fordism" or a New Model?' New Left Review, 182 (August 1990).

8. See Ravi Arvind Palat, 'The Myth of an Impending Pacific Century,' ms.

9. Fred Hirsch, The Social Limits of Growth (Cambridge, Ma.: 1976), p. 27.

10. The social limits of growth are not to be identified with ecological limits to growth, not considered in this paper.

11. Giovanni Arrighi, 'World Income Inequalities and the Future of Socialism,' New Left Review 189 (Sept/Oct 1991), p. 57.

12. See John Rawls, A Theory of Justice (Cambridge, Ma.: Harvard University Press, 1971). Rawls knows that there is a difference between wealth and income and he held that a society could be perfectly just and socialist. That is, money generated from ownership could be seen as tax, to be collected or not, and if collected, to be redistributed in various ways in satisfaction of social goods.

13. This essay, to be sure, takes no steps toward the requisite political analysis.