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THE GREAT AMERICAN MYTH

People in the United States, by and large, are firmly convinced of the superiority of what we call "The American Way of Life." Ours is the greatest country on earth, a land of freedom and opportunity, a beacon for poor and oppressed people the world over. So strong is the appeal of America that dictators the world over must erect walls, as the Communists did in Berlin, to keep the people they oppress in and the truth about America out. The collapse of the Berlin Wall in November 1989 is seen as providing proof of the superiority of our way of life. According to Robert Heilbroner, for example,

Less than seventy-five years after it officially began, the contest between capitalism and socialism is over: capitalism has won. The Soviet Union, China, and Eastern Europe have given us the clearest possible proof that capitalism organizes the material affairs of humankind more satisfactorily than socialism. (Heilbroner 1990:98)

Clearly, the sun of Freedom and Capitalism is rising, driving out the dark night of Control and Communism—or is it? Do capitalism and the "American Way of Life" really provide freedom, abundance, and opportunity for all, or is the "American Way of Life" merely an ideological veil for a much darker reality? Does our belief in the "American Way of Life" provide a realistic basis for our personal lives and domestic and foreign policies? Or is it, in fact, a "Great American Myth," designed to prevent us from coming to grips with the real conditions of our existence?

To address these questions, we must examine empirically the real conditions of life in the United States and the rest of the world. We must also draw upon the insights of the "science of myth," Anthropology.

Other nations also have their myths. Europeans, I suspect, by and large subscribe to a Great European Myth, similar to our Great American Myth, probably less extreme and more humane version, but no less pernicious. The Japanese have their myths and debates about *Nihonjinron*. These myths must be addressed by Europeans and Japanese; my concern is the critical examination of the Great American Myth.

Anthropology began as a professional discipline by challenging the myths about "savage" and "primitive" peoples that were used to justify colonial rule. Both the general public and scholars believed that "savages" were not only disgusting in their personal habits, they were mentally and physically inferior as human beings—if they were human at all! Given their rude, subhuman status, it was only proper that "savages" should be eliminated or ruled by White Civilization. The Myth of the Savage thus served to legitimate the extermination of the American Indian, the African slave trade, and other forms of oppression by which Europeans established their colonial rule over the remainder of our species.

Anthropology stripped this Myth of the Savage of its scientific respectability. By actually living with native peoples and attempting to understand them in their own terms, anthropologists developed a new understanding of non-Western peoples. No longer can non-Western peoples be seen as lower forms of humanity, inferior to their conquerors. All humans, Western and non-Western, must be seen as fully and equally human. Ideas of superior and inferior peoples, cultures, or races are based on prejudice, not science.

This insight, which forms the foundation of modern anthropological science, is incompatible with colonial rule. If non-Western peoples are as human as we, they should be treated as human beings, and not plundered, enslaved, or exterminated.

White rule has not disappeared. New forms of oppression have replaced old ones, and new myths have incorporated the mystifying functions of the old. Accordingly, anthropology must examine these new myths critically and scientifically. Anthropology, which began by de-mystifying the Myth of the Savage, must now turn its attention to the Great American Myth.

For our purposes, the Great American Myth has three aspects, the Myth of Americanism, the Myth of Backwardness, and the Myth of Anti-Communism. Taken together, these myths serve to legitimate the status quo at home and U.S. foreign policy abroad.

The fundamental political belief of Americanism is that ours is a free country, a land of abundance and almost limitless opportunity. People in other countries may be poor, exploited, and oppressed, but not in America. Anybody can make it in America if they are willing to work hard. Of course, there are those who are unwilling to work: bums, hippies, welfare cheaters. There are also those government bureaucrats who would rather lead lives of security, "sucking on the public teat," than take their chances in the real world. These bureaucrats want to run other people's lives through government regulations and tax their wealth away. These and other "do-gooders" try to arrange things to give the advantages to the unworthy, letting welfare mothers cheat and setting criminals free.

The Myth of Backwardness holds that the rest of the world would like to be like America but is not as advanced as America. Consequently, there is still poverty in the world, but Americans are generous and try to help when they can. Through international aid programs such as CARE, Americans help people in foreign countries help themselves (and become like Americans). Unfortunately, these things take time, and many foreigners, envious of America and spurred on by Communist propaganda, turn to anti-American terrorism. Such terrorism is perhaps the most visible threat to American freedom.

The primary enemy of freedom, however, is Communism. The Myth of Anti-Communism is that Communists want to destroy freedom and establish a totalitarian, slave-like state. Communists create unrest among the world's underprivileged by blaming America for the world's problems and promising security and wealth in a Communist state. When Communists take power, however, they establish totalitarian police states, such as the Soviet Union. The real goal of the Communists is world domination, and to accomplish this they must destroy American freedom.

In the face of this Communist threat, the United States must be strong and protect itself from Communist aggression and subversion. This unfortunately entails maintaining a strong nuclear arsenal and intervening in foreign countries to prevent Communist takeovers. It also entails some measures to prevent idealistic Americans from "selling out" to the Communists.

American men must be strong and, at times, ruthless—worthy of the respect and admiration of our women. Men must be men, and women must be women. American men are not intellectuals, but they know the difference between right and wrong and good and evil. In the worlds of John Wayne and Sylvester Stallone, white men are good, Indians are bad; cops are good, robbers bad; and Americans are good, communists evil.

Such, in broad outlines, is the self-image of America in the modern world. This self-image underlies our foreign policy. It underlies much of the everyday thought and behavior of the average American. This self-image image, however, ignores or obscures vital segments of reality. It ignores the actual class structure of the United States. It ignores the actual distribution of wealth and poverty in the United States. It obscures the real nature of the sex/gender system in the U.S. It obscures the actual cause of world poverty and economic underdevelopment. It obscures the actual economic roots of

United States foreign policy. It obscures the real roots of the arms race. To form a clear picture of the United States and its role in the modern world we must examine each of these in turn.

1.1. THE CLASS STRUCTURE OF THE UNITED STATES.

Many, if not most, Americans believe that the United States is a land of opportunity, that anyone who is willing to work hard can "make it" here. The rich should not be criticized, because they worked for what they have. The poor need not be pitied, because their condition is a result of their own decisions; they have only themselves to blame for their poverty.

This belief is deeply rooted in the American character. To the extent that it encourages individuals to take responsibility for their own lives and for their own decisions, it promotes a healthy approach to life. But there are less healthy aspects to this belief. It encourages complacency among those who have been able to use the system to their advantage and callousness towards those who are less fortunate.

A few years ago, a welfare mother named Laura committed suicide after killing her three children in Long Beach. A local religious leader observed that, "Laura and her kids are the victims of a sick society." This observation prompted a number of letters to the local newspaper:

But, all in all, I don't think the system really "failed" Laura.... Laura opted for a third child. Women do have choices. Poor Laura just never made the right choices.... (Referring to a friend on welfare that won't speak to her anymore) That she chose her lifestyle, as we chose ours, never occurs to her. She prefers to be a victim.... It's tough to see someone I care for living on the droppings of an affluent society. But that was her choice. (Another letter:) I am sick and tired of looking at my paycheck and knowing that part of it is to support people like Laura. People like Laura breed a society of welfare recipients. And we are to feel sorry? It is people like Laura who have made this society sick. (Another letter:) "society is not responsible. Their mother is." (Press Telegram 1986:B10)

At a superficial level, the Great American Myth does appear to reflect reality. We all know some wealthy people who are hard working and some poor people who are lazy. As a guide for social policy and a tool for social analysis, however, it is inadequate, for a variety of reasons.

First, the very structure of our society dictates that only some can become rich and others must be poor. Perhaps an analogy may help make this point. Only one team can win the Super Bowl. No matter how hard everyone plays, most teams will not—and cannot, by the very structure of the NFL—make it into the playoffs. Similarly, we cannot have a society made up solely of doctors, lawyers, bankers, and managers; there must be dishwashers, waitresses, garbage collectors, secretaries, and workers for the assembly lines. And, as we shall see when we examine the nature of capitalism, there must be unemployed workers. Individual effort may determine who will be rich and who will be poor, but the structure of society dictates that there must be rich and poor, just as the structure of the NFL dictates that there must be winners and losers.

Professional football players, of course, choose to play the game and are paid reasonably well for doing so, losers as well as winners. Aside from physical injuries, no one is hurt. By contrast, everyone must play our economic game, capitalism, and the stakes are high indeed. For the winners—the affluent one-fifth of American families—the rewards are considerable. For the rest, the rewards are less impressive. For the losers, the nearly one-fifth of the population living in officially defined poverty, the punishments are severe: homelessness and hopelessness.

The structure of our society thus dictates that, irrespective of how hard people try, there will be rich and poor, winners and losers. Further, the competition is not equal.

Although middle class white males may compete with one another on the basis of rough parity, this is not the case for the remainder of the population.

Early childhood socialization is probably more important, though less visible, than the very real discrimination faced by racial and ethnic minorities and women in the job market. From infancy on, middle class white men are socialized for success. We are given role models to identify with, we are taught to compete, and adequate training is provided for us. Middle class women are socialized to provide support for male competition, though women are increasingly also programmed to compete for jobs.

Among the poor, conditions are much different. A child growing up in a ghetto may have a prostitute for a mother and pimps and pushers for role models. Such children will not acquire the values and training needed to succeed in U.S. society. Perhaps parents do make poor choices, but children have little choice in the matter. Poor children are socialized for failure in our society, no less than the middle class is socialized for success. The fact that some of the poor do manage to acquire the will and skills to escape their poverty does not alter the situation.

These are some of the considerations which must be kept in mind as we look at the actual distribution of wealth in the United States.

1.1.1. The Distribution of Income and Wealth

We all know that we are an affluent society. But just how affluent are we, and how is this affluence distributed among the people of the United States? Our government provides abundant statistics on such things per capita income, income distribution, poverty, and unemployment. It is difficult to evaluate these in a meaningful manner, however. One must consider inflation and wide differences between families in life-style, family composition, and age. In addition, different sets of statistics are collected for different purposes and use different methodologies. They are not, therefore, strictly comparable. In spite of these difficulties, it is possible to use these statistics to form a rough idea of the actual conditions of people in the United States.

Beginning in the late 1940s, the Bureau of Labor Statistics regularly published a series of income levels to indicate just how much money an urban family of four people needed to live at various standards. The BLS discontinued this in 1981, because of their own budget cuts. The BLS was unable to update their methodology to take account of changes in life-style since the 1940s. The BLS figures for 1981, however, can be updated to allow for inflation. In addition, the Social Security Administration regularly computes a Poverty Level. Taken together, these figures provide important benchmark levels that can be compared with the actual income figures provided by the Bureau of the Census. This will give an idea of the relative affluence of Americans (for a fuller discussion of income statistics, see Rose 1986). Other statistics are available on the wages of workers. I have brought these statistics together in Figure 1.1., which provides a rough picture of the actual living conditions of the U.S. population.

Perhaps the most striking thing is that nearly two thirds (66%) of U.S. families live at or below the Medium Budget of \$28,547, what might be called a "modest but adequate" budget. This is scarcely affluence. The budget allows for "one new suit every 3-4 years for the father, three street dresses every two years for the mother, a new TV every 10 years, a new refrigerator every 17 years, a new toaster every 33 years. Adults get nine movies per year; children get none." (Rose 1986:9)

Nearly one third (32%) of U.S. families lives below the Low Budget of \$17,216, and 16% live below the Poverty Level of \$10,200. Further, the average wage of U.S. production workers in 1983 was \$17,400, barely above the low BLS standard and far below the "modest but adequate" standard. The minimum wage of \$3.35 per hour provides an annual income of only \$6,700 (assuming 50 weeks of 40 hours per week). Consequently, most families in the U.S. must have two or more wage earners just to make ends meet.

At the other end of the scale, slightly over a fifth (22%) of U.S. families lives in affluence, at or above the High Standard. The ability of our economic system to provide abundance for some Americans is thus undeniable. But the government's own statistics attest to the failure of capitalism to meet the needs of the majority of Americans.

However much they may be embedded in our economic system, inequality and poverty are not necessary. Our industrial system is capable of providing economic well being for everyone. This may be seen by examining two further measures, the Equal Distribution Share and the Potential Equal Distribution Share. The Equal Distribution Share is the average household income, what every household would receive if income were equally distributed. As seen in Figure 1.1., this was \$28,844, or just above the middle BLS standard. This means that there is enough income to abolish poverty simply by redistributing present income. Of course, no one advocates that this be done, but the Equal Distribution Share is an important statistic for understanding how inequality impacts upon our everyday lives. More significant, however, is the Potential Equal Distribution Share.

Table 1.1. BLS Living Standards and Family Income, 1983 & 1990

| | 1983 | 1990 | % families |
|------------------------------------|----------------|----------------|------------------|
| value added per production worker | \$72400 | \$90500 | |
| potential equal distribution share | \$43150 | \$53940 | 20% above |
| high BLS standard | \$42764 | \$53455 | 22% above |
| equal distribution share (mean) | \$28844 | \$36055 | 67% below |
| medium BLS standard | \$28547 | \$35685 | 66% below |
| median family income | \$25594 | \$31995 | 50% below |
| average wage of production workers | \$17400 | \$21750 | 32% below |
| low BLS standard | \$17216 | \$21520 | 32% below |
| mean hh income, African-Americans | \$16531 | \$20665 | |
| mean hh income, female head | \$13015 | \$16270 | |
| poverty level | \$10178 | \$12725 | 16% below |
| minimum wage | \$6700 | \$8375 | |

Source: (United States Bureau of Labor Statistics 1982, United States Bureau of the Census 1985:430, 446-448, 450, 469, 562, 744). The BLS standards given for 1981 are inflated by 6% per year to arrive at 1983 figures. All 1983 figures are increased by 25% to give 1990 figures.

The Potential Equal Distribution Share assumes full employment, full utilization of productive resources, and elimination of wasteful expenditures on the military, advertising, corporate law, and the like. As I argue more fully below (Chapter 7), this would increase total income by 33%. The Potential Equal Distribution Share is thus \$43,150, or 33% above the actual average income. This was just above the high BLS standard of 1983. Nearly 80% of U.S. families receive less than this. We may conclude that the overwhelming majority of families in the U.S. would benefit from re-structuring our economy. Greater equality, full employment, more rational use of resources, production for human needs rather than corporate profits—in a word, socialism—all these are in the interests of the majority of Americans.

My own analysis may be faulted, since I claim no particular expertise in statistics. Since completing this analysis in 1985, however, I came across other analyses which confirm my general conclusions. These additional studies provide an important time dimension and show that inequality is increasing and the real conditions of life for the poorest segments of our population, and for the working class generally, are worsening.

This is a reversal of earlier tendencies in the postwar period. The average gross weekly earnings of workers rose steadily from \$124 in 1947 (when statistics first became available) to \$198 in 1973 (in 1977 dollars). Since 1973, weekly earnings have fallen to \$167 (their 1961 level) in 1989, a reduction of over 15% (Horn et al. 1990:93). At the same time, there was a gradual equalization of household income from 1948 through 1969. Since 1969 household income has become more unequal, slowly from 1969 through 1978 and more rapidly since 1978 (Rose 1986:9).

Rose calls this phenomenon "the incredible shrinking middle class" (Rose 1986:9). As Figure 1.2 indicates, the middle class, defined as households with incomes between the low and high BLS standards, fell from 52.3% of the population in 1978 to 44.3% in 1986, a decline of 8.0%. This was offset by an increase of 2.8% in the population in households above the high standard and 5.2% in households below the low standard (Rose 1986:9).

Table 1.2. Income Distribution, 1978 & 1986

| 1978 | total adults | hu/wi couples | female head | male head | single females | singl male |
|-----------------------|-------------------------|--------------------------|------------------------|----------------------|---------------------------|-----------------------|
| above high budget | 193 | 80 | 2 | 1 | 10 | 20 |
| low to high budget | 523 | 218 | 22 | 7 | 35 | 23 |
| poverty to low budget | 142 | 46 | 13 | 2 | 25 | 10 |
| below poverty | 142 | 42 | 25 | 2 | 22 | 9 |
| total | 1000 | 386 | 62 | 12 | 92 | 62 |
| 1986 | | | | | | |
| above high budget | 221 | 88 | 4 | 2 | 15 | 24 |
| low to high budget | 443 | 169 | 19 | 5 | 44 | 37 |
| poverty to low budget | 185 | 62 | 19 | 3 | 24 | 15 |
| below poverty | 151 | 40 | 30 | 2 | 24 | 15 |
| total | 1000 | 359 | 72 | 12 | 107 | 91 |

Source: (Rose 1986:8). Table represents a population of 1000 non-dependent adults. Each figure represents 146,000 adults, each hu/wi couple represents 292,000 adults. About 1.8 unmarried couples are included in the hu/wi couple category.

The latest figures indicate that inequality is continuing to grow. The Congressional Budget Office calculates that the share of total income received by the top 20% of households has increased by 34.8% from 1977 to 1990, while the share received by the bottom 20% has fallen by 10.1% in the same period (Greenstein and Barancik 1990:15). These calculations are based on the figures on income distribution in Figure 1.3.

The income of the poorest sectors of our population is declining in absolute terms as well as relatively, with the poorest 10% experiencing a 20 percent decline in real income, from \$5,418 in 1977 to \$4,295 in 1990. At the same time, the income of the rich is increasing, absolutely and relatively, with the real income of the richest 1% doubling, from \$190,423 in 1977 to \$399,697 in 1990 (Committee on Ways and Means 1990:28). According to the Committee on Ways and Means of the U.S. House of Representatives:

Average real incomes between 1977 and 1990 declined for the bottom (poorest) 70 percent of the population. However, when an adjustment for family size ... is made, the bottom 40 percent of the population has experienced a real income decline.... The primary reason for the difference is that family size has declined on an average of almost 10 percent between 1977 and 1990.

Because Federal tax rates declined for high-income families between 1977 and 1990, after-tax incomes increased faster than pretax real income. For example, average real pretax

incomes over this period increased by 85 percent for the richest 1 percent of the population, compared to an after-tax income increase of 110 percent. (Committee on Ways and Means 1990:10)

The distribution of income is highly unequal. Families in the top fifth of the population received 41.5% of all income in 1981 and 49.9% in 1990. Families in the bottom fifth receive only 5.2% of all income in 1981 (or only one eighth as much as those in the top fifth), and 4.3% in 1990 (or less than one tenth as much as those in the top fifth). But, as Figure 1.4. indicates, the distribution of wealth is even more unequal than that of income, with the top fifth owning 76% of all wealth and the bottom fifth owning only 0.2%. The distribution of income-producing property (such as stocks and bonds and rental property) is still more unequal. The top fifth owns 100% of all privately owned stock, and within this group, 1.6% own 82.2% of all privately owned stock!

**Table 1.3 Shares of After-Tax Income for All Families
(in percent)**

| | 1977 | 1980 | 1985 | 1990 | change 77-90 |
|-------------------------|-------|-------|-------|-------|-----------------|
| lowest quintile | 5.7 | 5.4 | 4.3 | 4.3 | -1.4 |
| second quintile | 11.6 | 11.4 | 10.2 | 9.9 | -1.7 |
| middle quintile | 16.3 | 16.2 | 15.3 | 14.9 | -1.4 |
| fourth quintile | 22.8 | 22.6 | 22.0 | 21.7 | -1.1 |
| highest quintile | 43.9 | 44.8 | 49.1 | 49.9 | +5.1 |
| total | 100.0 | 100.0 | 100.0 | 100.0 | 0.0 |
| top 10 percent | 28.4 | 29.5 | 33.6 | 34.9 | +6.5 |
| top 5 percent | 18.5 | 19.6 | 23.4 | 25.0 | +6.5 |
| top 1 percent | 7.3 | 8.3 | 11.2 | 12.6 | +5.3 |

Source: (Committee on Ways and Means 1990:20)

Table 1.4. Distribution of Income, Wealth, and Stock

| | Income (1977) | Wealth (1962) | Stock (1963) |
|-------------------------|------------------|------------------|-----------------|
| Lowest Quintile | 5.7 | 0.2 | 0.0 |
| Fourth Quintile | 11.6 | 2.1 | 0.0 |
| Third Quintile | 16.3 | 6.2 | 0.0 |
| Second Quintile | 22.8 | 15.5 | 0.0 |
| Highest Quintile | 43.9 | 76.0 | 100.0 |
| Total | 100.0 | 100.0 | 100.0 |
| Top 1.6% | (10%) | (40%) | 82.2% |

Source: (Brecher and Costello 1976:151, Duncan 1984:13, Lundberg 1969:8, 13) Figures for the Income and Wealth of the top 1.6 percent of the population are my estimates.

A study undertaken nearly two decades ago, when dollars were worth more than today, indicated that

Four percent of the population owned over a quarter of the nation's real estate, three-fifths of all privately held corporate stock, four-fifths of the state and local bonds, two-fifths of the business assets (excluding business real estate), a third of the cash and virtually all of the notes, mortgages and foreign and corporate bonds. After subtracting their debts, they were worth over a trillion dollars, enough to have purchased the entire national output of the United States plus the combined output of Switzerland, Denmark, Norway and Sweden. (Smith 1973:44, as quoted by Harris 1975:406)

The income produced by this wealth is fantastic, and enables its owners to lead lives of luxury beyond the wildest dreams of most Americans. As Harris notes:

in 1968, 4,000 families reported incomes greater than \$500,000. The total earned by these families was the equivalent of the budget for one million families living on welfare and exceeded all the money that the government spent on education in that year.... For example, the former Mrs. Seward Mellon had a household budget of \$750,000 a year, not including \$250,000 for her husband's pocket money, and a \$20,000 budget for the family dog. (Harris 1975:405)

More recent studies indicate that the distribution of wealth, like the distribution of income, is becoming more unequal. As Figure 1.5. indicates, in 1983 the top 1% of the population owned 42% of all wealth, and the top 10% owned 72% of all wealth.

Table 1.5
Distribution of Wealth in the United States, 1983

| level of net worth | percentage of households | percentage of total net worth |
|----------------------------|---------------------------------|--------------------------------------|
| \$2.5 million or more | 0.5% | 35% |
| \$1.4 to \$2.5 million | 0.5% | 7% |
| \$206,340 to \$1.4 million | 9.0% | 30% |
| below \$206,340 | 90.0% | 28% |

Source: (Crapo 1990:322, citing Joint Economic Committee of the Congress of the United States 1986)

Quite simply, the rich are getting richer and the poor poorer.

This process may be seen in all systems of class rule. From the dawn of civilization, inequality has been increasing (Lenski 1966). This tendency has been observed by both Jesus and Marx,

For unto every one that hath shall be given, and he shall have abundance; but from him that hath not shall be taken away even that which he hath. (Matthew 25:29)

Accumulation of wealth at one pole is, therefore, at the same time accumulation of misery, agony of toil, slavery, ignorance, brutality, mental degradation, at the opposite pole, *i.e.*, on the side of the class that produces its own product in the form of capital.... *This is the absolute general law of capitalist accumulation.* (Marx 1867:644-645, order reversed)

This law, as Marx notes, may be mitigated in its operation by offsetting tendencies. In the immediate postwar period, the improvements for the working class were based on the strength of the union movement. Since the 1970s, these offsetting tendencies have been weakened. Further, there has been an increasing export of capital to Third World

nations. Relatively high paying jobs in the unionized industrial sector have been replaced with low paying jobs in the service sector. There has also been an increasing "feminization of poverty" (about which, more below).

Finally the government policies of the Reagan-Bush years have facilitated the enrichment of the rich and the impoverishment of the poor. In particular, taxation has become less progressive. An increasing percentage of federal tax revenues is being taken from the poor, while the percentage taken from corporations and the rich is declining. As Table 1.6. indicates, corporate taxes accounted for 27% of federal revenues in 1965, but only 15% in 1990. Individual income taxes provided 51.6% of federal tax revenues in 1965. This rose to 72.2% in 1990.

Table 1.6.
Federal Tax Revenues by Source 1965-1990
(in billions of \$ and %)

| source | 1965 | | 1990 | |
|-------------------|------|--------|------|--------|
| | \$ | % | \$ | % |
| individual income | 49 | 51.6% | 490 | 72.2% |
| corporate income | 25 | 27.0% | 102 | 15.0% |
| excise | 15 | 15.4% | 36 | 5.3% |
| estate & gift | 3 | 2.9% | 9 | 1.3% |
| other | 3 | 3.2% | 42 | 6.2% |
| total | 95 | 100.0% | 679 | 100.0% |

Source: (Committee on Ways and Means 1990:36) Dollar figures have been rounded to the nearest billion, percentages have been computed from original figures. Social insurance (mostly Social Security taxes) are not included.

Table 1.7. Mobility in the United States 1971-1978

Estimated Fractions of the U.S. Population in Various Combinations of 1971 and 1978 Family Income Quintiles

| Quintile in 1971 | Quintile in 1978 | | | | | All |
|------------------|------------------|------------|------------|------------|------------|-------|
| | Lowest | Fourth | Third | Second | Highest | |
| Lowest | 11.1 | 4.4 | 1.9 | 1.4 | 1.2 | 20.0 |
| Fourth | 4.3 | 6.9 | 4.3 | 2.7 | 1.8 | 20.0 |
| Third | 2.7 | 4.7 | 6.1 | 3.7 | 2.8 | 20.0 |
| Second | 1.2 | 3.0 | 5.1 | 6.3 | 4.4 | 20.0 |
| Highest | 0.7 | 0.9 | 2.8 | 5.9 | 9.7 | 20.0 |
| All | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 100.0 |

Source: (Duncan 1984:13) Table reads: "Of all individuals in 1971, 20.0% lived in families whose incomes placed them in the lowest income quintile, but just 11.1% of all individuals placed in the lowest quintile in both 1971 and 1978. The other 8.9% had moved upward to the fourth (4.4%), third (1.9%), second (1.4%), or highest (1.2%) quintiles."

At the same time, the burden of income tax is shifting from the rich to the poor. For the poorest tenth of the population, the percentage of income going to federal taxes has increased from 6.7% in 1980 to 8.5% in 1990. For the richest one percent of the

population, it has declined from 31.8% in 1980 to 27.2% in 1990 (Greenstein and Barancik 1990:5-6, 17). Thus, "the wealthiest 5 million American families received tax cuts of \$370 billion over the 1981-88 period from the Kemp-Roth tax cut of 1981" (AFSCME 1988:17).

An examination of current proposals for reducing the capital gains tax indicates that more than 94 percent of the benefits will go to the top fifth of taxpayers and about 66 percent will go to the top one percent of taxpayers (Greenstein and Barancik 1990:11-13).

This picture of growing inequality and growing impoverishment of the poorest segment of the U.S. population must be modified by recognition of considerable economic mobility within the U.S. population. Some people move out of poverty while others fall into poverty. The most extensive study of such mobility is a longitudinal study of 5000 families undertaken by the Survey Research Center of the University of Michigan. The results of this study are summarized in Table 1.7.

Table 1.8.
Wealth Holdings, 1983

Wealth Distribution by Household Income
(net worth in thousands of dollars)

| Income Decile | Median Net Worth | Mean Net Worth | % of Total |
|----------------------|-------------------------|-----------------------|-------------------|
| Lowest | 0.5 | 19.4 | 2.2 |
| Second | 2.7 | 26.1 | 2.9 |
| Third | 10.0 | 34.7 | 3.9 |
| Fourth | 14.0 | 46.4 | 5.2 |
| Fifth | 18.0 | 37.8 | 4.2 |
| Sixth | 23.0 | 58.7 | 6.5 |
| Seventh | 29.0 | 72.4 | 8.1 |
| Eighth | 44.0 | 76.4 | 8.5 |
| Ninth | 62.0 | 113.4 | 12.6 |
| Highest | 131.0 | 412.8 | 46.0 |

Wealth Distribution by Net Worth

| Wealth Decile | Mean Net Worth | % of Total |
|----------------------|-----------------------|-------------------|
| Lowest | -3.8 | -0.4 |
| Second | - | - |
| Third | 1.5 | 0.2 |
| Fourth | 8.6 | 0.9 |
| Fifth | 20.7 | 2.3 |
| Sixth | 35.4 | 3.9 |
| Seventh | 53.0 | 5.8 |
| Eighth | 80.1 | 8.7 |
| Ninth | 136.0 | 14.8 |
| Highest | 585.9 | 63.9 |

Source: (Rose 1986:31)

These figures indicate both mobility and stability in the U.S. population. Nearly ten percent of the population remained in the highest quintile, while over ten percent remained in the lowest quintile. The persistently poor are primarily elderly and female.

One-third of the persistently poor people are elderly people, who have severely limited opportunities to escape from poverty through either of the two most common strategies—by acquiring a job with decent pay or marrying someone who has one.... Of the remaining two-thirds of the persistently poor—those who are not elderly—65 percent live in households headed by women, and almost three-quarters of these women are black. (Duncan 1984:62-63)

The primary reasons for upward mobility for men are improved job status, for example a medical student who graduates and begins practice. For women, by contrast, "by far the most important event for the economic status of female household heads was marriage." (Duncan 1984:57)

The distribution of wealth is not perfectly correlated with the distribution of income. Table 1.8. shows the distribution of wealth by income decile and by wealth decile.

Some people with sizable assets may have limited incomes, for example retired people who own their own homes. Farmers are another group that is asset rich and income poor. Conversely, some people are job rich with high incomes but have few assets or may even be in debt. Thus, the mean net worth of the lowest tenth of wealth holders is negative (that is, they owe an average of \$3,800). The median net worth of the lowest tenth of income earners is only \$500. The mean net worth of the lowest tenth of income earners, however, is \$19,400, since a few people with limited income may have considerable assets.

Neither of these complications, however, alters the fundamental class nature of U.S. society. Income and wealth are not perfectly correlated, and there is considerable mobility in our society. Nonetheless, there is a core of persistently poor people at the bottom of our society who have little realistic chance of escaping their condition. There is also a group of persistently rich people, rich in both income and wealth, at the top of our society. Most of us are in-between, but we must not lose sight of these two poles.

The growing inequality in U.S. society and the changing structure of government taxation and spending are paving the way toward a serious crisis. As Phillips recently observed,

This is the third time a Republican White House era has mutated, during its second or third decade, into a "capitalist overdrive" of tax cuts and reduced government interference with business.... Alas, prior eras of greed and fecklessness produced unsound structures of debt and speculation that imploded in the stock-market crashes of 1893 and 1929. The follow-up question is whether another such implosion is gathering. It's possible.... Like dominoes, these greed-and-debt legacies are leaning against an overextended business cycle that could become a once-a-generation major downturn. The partisan consequences of any debt implosion would be enormous. The slumps of 1893 and 1929 reshaped U.S. politics, and a 1990s downturn could do the same. (Phillips 1990)

The problems of the federal deficit and the S&L bailout are likely to be magnified with the impending war in the Middle East and rising oil prices. They will also be magnified by the social consequences of a decade of cuts in the federal domestic budget: the housing crisis and homelessness, problems of hunger and malnutrition for the poor, the underfunding of education, and the deterioration of the infrastructure of highways, bridges, transit systems, sewage and waste disposal, and other public works. The potential for a major crisis is real. Our only hope is for a reshaping of U.S. politics, comparable to the New Deal of the 1930s.

1.I.2. The Ruling Class

Clearly, there are vast differences in life-style within the United States. While most of us are (barely) able to make ends meet, nearly one third of the nation is living below

minimal standards set by the U.S. government. The wealthy few, the Rockefellers, Du Ponts, and Mellons, enjoy a life-style beyond the dreams of the average American. The most recent study of wealth distribution indicates that inequality has increased in the last two decades.

But where does the wealth the rich enjoy come from? Clearly the Rockefellers, Du Ponts, and Mellons do not earn their wealth through their own labor. It comes from their ownership of property. But stocks and bonds do not produce wealth, they merely transfer wealth from the direct producers into the hands of the owners. As Figure 1.1. (above) indicates, the average production worker in the U.S. produced (in 1983) \$72,400 worth of goods per year, but was only paid \$17,400. The difference, \$55,000 per worker per year, is what Marx called surplus value. This surplus value is taken from the workers by the capitalists and distributed to members of the ruling class in the form of dividends, interest, rent, and high managerial salaries. It is also used to support unproductive workers, in advertising, corporate law, and other areas.

The fantastic wealth and luxurious life-style enjoyed by the top two percent of the American people, then, is based upon their exploitation of the working class. Domhoff (1967) has provided abundant documentation that this small sector of the American people is a ruling class that:

1. Controls the American economy through its ownership of corporate stock and through its positions on the boards of directors and in top management of the major industrial and financial institutions.
2. Controls the American political system through its financing of campaigns for both the Republican and Democratic parties.
3. Controls the mass media both through direct ownership and through advertising.
4. Controls education through its control over the major universities and research foundations (such as the Ford and Rockefeller Foundations).

The evidence strongly suggests, then, that there is a clear class structure in the United States, with a ruling class enjoying most of the benefits and working class doing virtually all of the productive labor that supports our society.

1.1.3. Capitalists and Workers

This is highly significant. In our conventional view, the class system is benign. Members of different classes simply have different amounts of the same thing, money. People are free to acquire as much money as they can. Rich and poor are different but not antagonistic. In the Marxian model, there are two classes, locked in dialectical opposition to one another. Masters and slaves, lords and peasants, capitalists and workers, in a word, rulers and ruled, are defined in terms of their relationship to one another. Capitalists live by exploiting workers, workers produce the wealth enjoyed by the capitalists. Just as one cannot be a master without slaves, so one cannot be a capitalist without workers. And just as slaves cannot choose to be masters rather than slaves, so workers cannot choose to be capitalists.

Contrary to popular belief, America conforms to the Marxian two-class model. There is a small capitalist class (or bourgeoisie) who own sufficient income-producing property (stocks, bonds, rental property) to enable them to live very well without working. There is a very large working class (or proletariat) who must sell their labor-power for money in order to live (i.e., must get a job and work for a wage or salary).

Figure 1.9. shows the historic tendency of the proletarianization of the labor force. At the time of the American Revolution, the majority of Americans were independent farmers who owned their own means of production. A hundred years later, most Americans (62%) were wage and salaried employees, that is, workers. By 1969, this percentage had increased to 83.6%. By contrast, fewer than 10% of Americans are self-employed entrepreneurs, a category that includes independent farmers as well as people who own and run their own businesses. This category may be called the middle class, or

petty bourgeoisie. The twentieth century has seen the emergence of a new middle class of salaried managers and officials. In 1969, 7.2% of the labor force fell into this category. Not included in these statistics, because they are not necessarily part of the labor force, are the ruling bourgeoisie, the less than 2% of the population that own and control America.

Underlying the superficial division of society into income strata, then, is a more fundamental class structure dividing society into rulers and ruled. This exploitative structure generates both the fantastic wealth of the few at the top, and the extreme poverty of those at the bottom. It also defines the conditions of life for those who may consider themselves to be middle class, but in fact are workers.

As discussed above, there are very real differences in life-chances between the middle class and the poor. Members of the middle class are much better prepared to compete for jobs and the good things our society has to offer. Such differences, however, pale into insignificance when compared to the life-chances of members of the ruling class, who, quite simply, do not have to compete because they enjoy the benefits of fantastic wealth as their birth-right. Workers, middle class and poor alike, must compete within a system designed to support the luxury and well-being the ruling class.

People, rich and poor, are what they make of themselves. We are products of choices we ourselves have made. But this is only part of the story. The kinds of choices, or life chances, that are open to us are determined by where we are born in the class structure.

This class structure is both racist and sexist. White men run the system for their own benefit. Although a few blacks, latinos, and women have been permitted to approach the periphery, the real centers of power in the United States are dominated by white men.

Table 1.9.
Proletarianization of the U.S. Labor Force, 1780-1969
(Percentages)

| Year | Wage & Salaried Employees | Self- Employed Entrepreneurs | Salaried Managers & Officials | Total |
|------|---------------------------------|------------------------------------|-------------------------------------|-------|
| 1780 | 20.0 | 80.0 | - | 100.0 |
| 1880 | 62.0 | 36.9 | 1.1 | 100.0 |
| 1890 | 65.0 | 33.8 | 1.2 | 100.0 |
| 1900 | 67.9 | 30.8 | 1.3 | 100.0 |
| 1910 | 71.9 | 26.3 | 1.8 | 100.0 |
| 1920 | 73.9 | 23.5 | 2.6 | 100.0 |
| 1930 | 76.8 | 20.3 | 2.9 | 100.0 |
| 1939 | 78.2 | 18.8 | 3.0 | 100.0 |
| 1950 | 77.7 | 17.9 | 4.4 | 100.0 |
| 1960 | 80.6 | 14.1 | 5.3 | 100.0 |
| 1969 | 83.6 | 9.2 | 7.2 | 100.0 |

Source: (Reich 1972:175)

1.I.4. Racial and Ethnic Oppression

As discussed above, the Marxian class model is relevant to U.S. society. Government statistics on the distribution of income and wealth clearly reveal the reality of class oppression in the United States. Capitalists exploit and oppress workers of all races and ethnic groups. Non-white workers are subject to class oppression as workers. They are also subjected to additional oppression based on race and ethnicity. As seen

above in Table 1.1., the mean family income in 1983 was \$28,844. For African American families it was only \$16,531, or 57.3% of the family income of all families. This is one measure of racism in the United States. Some other statistics are worth noting:

- Almost one in four black men between the ages of 20 and 29 is in jail or on parole or on probation, many as a result of crimes linked to the drug epidemic in ghettos.
- One in three blacks and almost half of the black children under 18 are living in poverty.
- Black men in inner-city neighborhoods are less likely to reach the age of 65 than men in Bangladesh, one of the world's poorest nations, according to a study published in the *New England Journal of Medicine*.
- The infant mortality rate among blacks is twice that for whites. (Treadwell 1990:14)

These figures reveal something about the reality of racial oppression in the United States. The simple fact of birth, black or white, male or female, is perhaps the most important determinant of a person's life chances and of the kinds of choices that will be open to him or her. A black man is more likely to go to prison than to college. In California, a black man is more likely to be murdered than accepted at the University of California.

1.1.5. The Oppression of Women

Particular attention must be paid to the oppression of women. Just as our conventional model sees class as benign, so our conventional view sees the roles of men and women as harmonious and mutually beneficial, with strong, competitive, and rational men protecting weak, nurturing, and emotional women. This is not the case.

The economic discrimination against women is reflected in income statistics. As seen above in Table 1.1., the mean income of female headed families was only \$13,015, or 45.1% of that of all families. This is a measure of sexism in the United States.

Quite simply, women who are unwilling or unable to live in male dominated households are likely to live in poverty. Yet this is only part of the story.

As Carole Sheffield has pointed out, men subject women to systematic sexual terrorism. One woman in four will be raped at some point in her life, and all women are reminded of their vulnerability by constant sexual innuendo and harassment. Small wonder that many if not most women have learned to live in constant fear of sexual violence from any stranger they happen to meet. Perhaps even more shocking, however, are the crime statistics that show that "women are more likely to be killed, injured or raped by their own partners than by strangers." Women "are at the greatest risk in their own homes" (Press Telegram 1987:B1). Our system of capitalist patriarchy oppresses both men and women, but this oppression falls most heavily on women.

1.II. ECONOMIC UNDERDEVELOPMENT AND WORLD POVERTY

There is thus more inequality, poverty, and oppression in the United States than most people realize. The poverty and suffering of humanity as a whole, however, is truly mind-boggling.

Michael Harrington has provided a graphic description of the "wretched of the earth":

Some of them are people in countries where one child in two dies before reaching age five. They are the overwhelming bulk of the 70 percent of the world's population without safe water. Four hundred and fifty million of them are afflicted by schistosomiasis and filariasis, the leading cause of blindness. They are the more than two billion human beings—54 percent of mankind—who live in countries where the per capita Gross National Product in 1973 was under \$200. The poorest among them, 30 percent of the world's population, have 3 percent of its income. And they are the impoverished citizens in nations which are statistically "well off," like the 50 percent of Brazilians who have been excluded from—and even injured by—an economic "miracle."

Another way of describing the wretched of the earth is to define them as the citizens of those countries that have been falling behind the economic levels of the West during the past four centuries. Between 1952 and 1972, the gross product of the advanced capitalist nations increased from \$1.25 trillion to \$3.07 trillion. That *increment* of \$1.82 trillion dollars was three and a half times the *aggregate* product of the underdeveloped world in 1972, which was \$520 billion. Using constant (1973) dollars, the rich lands saw their per capital income move from \$2,000 to \$4,000, while that of the poor countries went from \$125 to \$300. The major capitalist powers have two thirds of the globe's income, but only 20 percent of its population; the underdeveloped nations, with more than 50 percent of the people, have less than 13 percent of the income. (Harrington 1977:15-16)

Harrington's comments are over a decade old, but the situation has not improved. A more recent review of the condition of the world's poor observed:

As the century enters its final decade, commoners of the world's affluent nations live like the royalty of yesteryear, and elites literally live like gods.... Yet the poor have a different tale to tell. The disparities in living standards that separate them from the rich verge on the grotesque. In 1989, the world had 157 billionaires, perhaps 2 million millionaires, and 100 million homeless. Americans spend \$5 billion each year on special diets to lower their calorie consumption, while 400 million people around the world are so undernourished their bodies and minds are deteriorating. As water from a single spring in France is bottled and shipped to the prosperous around the globe, nearly 2 billion people drink and bathe in water contaminated with deadly parasites and pathogens.... Since 1950, the gap between rich and poor nations has grown mostly because the rich got richer. But since 1980, in many developing countries the poor have been getting poorer too. Forty-three developing nations probably finished the decade poorer, in per capita terms, than they started it.... Numerically, the group most plagued by poverty is children. As income declines, family size increases. Consequently, perhaps two thirds of the world's absolute poor are under the age of 15, and the prospects for these young people are even worse than for their parents. Wracked by disease, lacking sufficient nourishment and clean water, one third of these youngsters die before their fifth birthday. Many of those who survive are physically stunted and mentally impaired as a result of chronic hunger during the critical age of six months to two years. (Durning 1990:135, 137, 140)

The statistics on world poverty, and the gap between the wealthy few and the impoverished many, are somber indeed. Table 1.10. gives some idea of the differences in living conditions between the richest 20 percent of humanity and the poorest 20 percent.

Table 1.10.
The Development Gap, 1987

| | Richest Fifth | Poorest Fifth |
|--|------------------|------------------|
| GNP per capita (\$) | 12,286 | 238 |
| GNP share of world total (%) | 78 | 2 |
| Health Resources | | |
| Public health expenditures per capita (\$) | 573 | 2 |
| Population with local health facilities (%) | 100 | 64 |
| Population with safe drinking water (%) | 100 | 46 |
| Population with sanitary facilities (%) | 79 | 9 |
| Physicians per 10,000 population | 26 | 3 |
| Contraceptive prevalence (%) | 100 | 36 |
| Births attended by trained personnel (%) | 100 | 36 |
| Infants immunized against DPT (%) | 83 | 52 |
| Calories per capital per day | 3,387 | 2,151 |
| Female/male literacy (% of adults) | 98/99 | 29/55 |
| Health Status | | |
| Life expectancy at birth (years) | 78 | 57 |
| Infant mortality rate (under 1 year) | 14 | 110 |
| Child mortality rate (under 5 years) | 18 | 176 |
| infants with low birthweight (%) | 6 | 27 |
| Maternal mortality rate (per 100,000 births) | 10 | 498 |
| Total fertility (births per woman) | 1.9 | 7.5 |

Source: (Sivard 1989:29)

If we look at the geographical distribution of world poverty (Table 1.12.), we see that over half of the world's poor are Asian and that one quarter of the population of Asia lives in poverty. The poorest continent, however, is Africa, with fully 62 percent of its population living in poverty. In Latin America, 35 percent of the population lives in poverty, while in North Africa and the Middle East, 28 percent of the population lives in poverty.

The degree of inequality in the world population is greater than in any individual nation. Table 1.12. shows the distribution of world GNP. The richest 20% of the world's population enjoys nearly one quarter (74.2%) of the world GNP of \$14 trillion. The poorest fifth has only 1.6 percent.

Table 1.11.
People Estimated to be Living in Absolute Poverty, 1989

| Region | Number of People (millions) | Percent of Population in Poverty |
|------------------------------|-----------------------------------|--|
| Asia | 675 | 25% |
| Sub-Saharan Africa | 325 | 62% |
| Latin America | 150 | 35% |
| North Africa and Middle East | 75 | 28% |
| Total | 1,225 | 23% |

Source: (Durning 1990:139)

Table 1.12. Distribution of World GNP, 1985

| | million \$ | % of total |
|----------------------|------------|------------|
| Poorest Fifth | 230,396 | 1.6 |
| Second Fifth | 316,254 | 2.2 |
| Third Fifth | 497,128 | 3.5 |
| Fourth Fifth | 2,595,577 | 18.5 |
| Richest Fifth | 10,448,829 | 74.2 |
| Total | 14,088,184 | 100.0 |

Source: (Sivard 1987:21) "Aggregate GNP for each fifth of the world population is determined after ranking countries by per capita GNP."

Inequality within and between nations is not, of course, a new phenomenon. The degree of inequality, however, appears to have increased since WWII. Table 1.13. shows the national income of rich and poor nations in 1938 and 1958. Several things are significant.

Table 1.13. Rich and Poor, Capitalist and Socialist 1938-1958

| | | National Income | | Population | | Per capita | | | | | | |
|---|--------------|-----------------|------------|-------------|------------|-------------|------------|-------------|------------|------------|------------|-----------|
| | | 1938 | | 1958 | | 1938 | | 1958 | | 1938 | 1958 | |
| | | b\$ | % | b\$ | % | m\$ | % | m\$ | % | \$ | \$ | % |
| 1 | U.S. & Can | 71 | 31 | 390 | 37 | 141 | 7 | 192 | 7 | 500 | 2040 | 17 |
| 2 | Other Ind | 76 | 33 | 210 | 20 | 230 | 12 | 270 | 10 | 330 | 780 | 10 |
| 3 | Middle Soc | 35 | 15 | 240 | 23 | 280 | 15 | 325 | 12 | 125 | 740 | 25 |
| 4 | Middle Cap | 19 | 8 | 100 | 10 | 236 | 12 | 365 | 14 | 80 | 275 | 15 |
| 5 | China | 8 | 3 | 50 | 5 | 460 | 24 | 680 | 25 | 17 | 75 | 19 |
| 6 | Other Poor | 20 | 9 | 60 | 6 | 580 | 30 | 820 | 31 | 35 | 70 | 9 |
| | Total | 230 | 100 | 1050 | 100 | 1930 | 100 | 2650 | 100 | 137 | 405 | 13 |

Source: (Barrat Brown 1970:19)

First of all, the statistics show a steady increase in inequality. In 1938, China was the poorest nation, with 25 percent of world population and only 3 percent of national income. By 1958, China has 25 percent of world population and had increased its percentage of national income to 5, no doubt a result of the Chinese Revolution of 1949 which provided a stable government. Other poor nations, however, had 30 percent of the world's population and 9 percent of the world's national income in 1938. By 1958, their share of world national income had fallen to 6 percent. These figures are not directly comparable to our figures on world GNP in 1985, but they do appear to indicate that inequality is on the increase.

At the other pole, the United States and Canada had 7 percent of the world's population in both 1938 and 1958. Their share of world national income increased from 31 percent in 1938 to 37 percent in 1958. The share of other industrial nations, however,

had fallen from 33 percent in 1938 to 20 percent in 1958, no doubt a consequence of the Second World War.

The second trend revealed by these figures is the strong performance of the socialist nations. In 1938, the socialist nations had 15 percent of the world's population and 15 percent of the world's national income. By 1958, the socialist nations had 12 percent of the world's population and 23 percent of national income, a dramatic increase. The growth rate in real income was higher for the socialist nations than in the capitalist world. For middle socialist nations it was 250%, for China it was 190%, while for the United States and Canada it was 178%, for other industrial nations it was 105%, and for other poor nations it was 90%.

Clearly, the world growth in inequality and poverty are capitalist phenomena.

Any discussion of world poverty must acknowledge that our statistics are at best estimates. No one really knows just how much poverty and suffering exists in the world, although all agree that it is considerable. Estimates of the number of children that die of starvation each year, for example, range from 14 to 40 million (Castro 1983:177). It is important to count the numbers of the starving children, but it is more important to understand the causes of world poverty. Only when we understand the causes can we begin to suggest solutions.

Over a decade ago, in a discussion of the world's poor, Michael Harrington referred to "the cruel innocence," of Americans. "The United States is normally an unconscious participant in, and beneficiary of, a global system of injustice that warps or destroys the minds and bodies of hundreds of millions of human beings." (Harrington 1977:14) We may be aware of the poverty and backwardness that plague most of humanity, but we do not see them as related to American abundance. It may be true that the people of the United States have been more or less "unconscious participants" in this global system of injustice. It is not true of the United States government. U.S. foreign policy has consistently pursued policies favoring U.S. business interests at the expense of the political freedom and economic well being of Third World peoples.

In our conventional view, America's wealth is due to the hard work and industry of Americans, and it is not our fault that other peoples have failed to achieve what we have. We tend to see the world, in Frances Moore Lappe's words, as divided into two worlds:

a minority of nations that had "taken off" through their agricultural and industrial revolutions to reach a level of unparalleled material abundance and a majority that remained behind in a primitive, traditional, undeveloped state. This lagging behind must be due, I thought, to some internal deficiency or even to several of them. It seemed obvious that the underdeveloped nations must be deficient in natural resources—particularly good land and climate—and in cultural development, including modern attitudes conducive to work and progress. (Lappe and Collins 1978:99)

Walter Rostow's book, *The Stages of Economic Growth: A Non-Communist Manifesto*, is an influential statement of this view (1962). Economic growth is seen as passing through a series of stages, from traditional economic systems through a "take-off" phase and into sustained economic growth, represented by the economies of the United States, Western Europe, and Japan. Most of the nations of Africa, Asia, and Latin America, in this view, are still at the traditional stage which Europe passed through by the sixteenth century.

Such views, which are very comforting to Americans, assume that while Europe has had a history, the rest of the world has not. But, as Frank (1967) has pointed out, every schoolchild knows differently, even if they have not been taught the significance of what they know. Latin America, Asia, and Africa all have their histories, which are histories of colonialism. The economic development of the Euro-American nations was financed in large measure by the plunder of the non-Western world—the conquest of North and South America and the extermination of the native populations, the slave trade in Africa, and the conquest and subjugation of Asia. This process transformed not only Europe, it

transformed the rest of the world as well. Latin America, Africa, and Asia were not only drained of their wealth, they were subjugated to the West and their economic systems were transformed to facilitate the continued extraction of wealth from the colonial world to Europe and America. Even after the initial period of conquest and plunder was completed, the non-Western world was systematically underdeveloped for the benefit of the West. As Lappe and Collins summarize this process, colonialism:

- * forced peasants to replace food crops with cash crops that were then expropriated at very low rates;
- * took over the best agricultural land for export-crop plantations and then forced the most able-bodied workers to leave the village fields to work as slaves or for very low wages on plantations;
- * encouraged a dependence on imported food;
- * blocked native peasant cash-crop production from competing with cash crops produced by settlers or foreign firms. (Lappe and Collins 1978:111)

This process did not end with the end of colonialism after WWII, for multinational corporations based in North America, Europe, and Japan continue to control the economic resources of Third World nations and thus maintain their poverty and backwardness. After WWII, the United States became the leading world power and there has been a spectacular growth of wealth and affluence in the U.S. and its allies in Western Europe and Japan. But this has been accompanied by an equally spectacular growth of poverty in Latin America, Africa, and Asia. Thus, in a study of global inequality, Cereseto notes:

Gross global product increased from \$1 trillion in the late 1940s (ILO 1977:vi) to more than \$6 trillion in 1975, and to more than \$9 trillion in 1978 (Sivard 1980:20). Most of the newly created wealth, however, continues to be appropriated by the wealthy classes in capitalist countries. At the other end of the pole, in the classes which produce that wealth, particularly those in the nations of the periphery, abject poverty, starvation, disease, and illiteracy abound and even increase. In just one of the decades (1963-73) of rapid economic growth, the number of "seriously poor" people in the capitalist periphery is estimated to have increased by 119 million to a new total of 1.21 billion seriously poor people (ILO 1977:23). This represents fully 45% of the population of the entire capitalist world in 1973. (Cereseto 1982:8)

This growing inequality has been accompanied by increasing repression. In their study of Third World Fascism, Chomsky and Herman argue that the balance of terror has shifted to the Free World:

Over the past 25 years at least, not only has official terror been responsible for torture and killing on a vastly greater scale than its retail counterpart, but, furthermore, the balance of terror appears to have shifted to the West and its clients.... torture, which "for the last two or three hundred years has been no more than a historical curiosity has suddenly developed a life of its own and become a social cancer." Since it has declined in the Soviet sphere since the death of Stalin, it would appear that this cancerous growth is largely a Free World phenomenon. (Chomsky and Herman 1979:8)

Not only is the cancerous growth of torture and state-sponsored terror largely a Free World phenomenon, so too is the growth of poverty, disease, and starvation. Cereseto's study, which will be discussed in fuller detail in a later chapter, clearly indicates that while inequality is increasing in the capitalist world, it is decreasing in the socialist world. The millions who die of starvation and easily prevented diseases each year are all in the capitalist portion of the Third World, not the socialist world. That there are defects in the socialist world is clear, but the socialist nations are attempting to deal with their problems. Capitalist governments, in the Third World no less than the U.S., are primarily concerned with preserving the privileges of the rich and powerful.

United States foreign policy is also concerned with preserving "American interests" abroad, and keeps nearly half a million troops stationed in foreign countries, with another quarter million aboard naval vessels (Sivard 1987:13). The U.S. has intervened in

foreign nations over 200 times since WWII. The most important such interventions are listed in Table 1.14.

Table 1.14. Some U.S. Interventions Abroad, 1945-1990

| | |
|-----------|---|
| 1945-49 | Intervention in China to prevent victory of the revolution and maintain their presence there. |
| 1946-49 | U.S. Marines and British troops with air and naval support land in Greece. |
| 1947 | Marine brigades are sent to Paraguay to crush a rebellion. |
| 1948-53 | 90,000 U.S. military personnel help the pro-U.S. government in the Philippines put down a popular insurrection |
| 1950-53 | Korean war in which nearly 350,000 men, 1000 tanks, 1600 planes and more than 300 warships participate. |
| 1953 | CIA involvement in the military overthrow of the popular government of Mohammed Mossadeq in Iran, returning the Shah to power. |
| 1954 | Groups of mercenaries trained and led by the United States invade Guatemala with air support. |
| 1958 | Some 14,000 U.S. Marines land in Lebanon with the backing of the 6th Fleet. |
| 1961 | A brigade of mercenaries trained and directed by the United States, and provided with air and logistical support, tries to invade Cuba at the Bay of Pigs. They are defeated in 72 hours. |
| 1964 | U.S., British, and Belgian forces began military operations in the Congo to overthrow the progressive government and destroy the national liberation movements in that country. |
| 1964 | U.S. troops crush the people in the Panama Canal. |
| 1964-73 | Escalation of U.S. intervention in Viet Nam. |
| 1964-73 | The United States sends 50,000 men, 1500 planes, and 40 helicopters to Laos to crush the Pathet Lao liberation movement. |
| 1965 | Marines intervene in the Dominican Republic. |
| 1965 | CIA support for military coup in Indonesia, over 500,000 Communists and Chinese killed |
| 1970-75 | U.S. troops support the monarchy in Cambodia against the popular movement. |
| 1971-73 | The White House authorizes the CIA to carry out coups in Bolivia, Chile, and El Salvador. |
| 1980-1990 | U.S. support for contra war in Nicaragua |
| 1982 | U.S. forces again land in Lebanon. |
| 1983 | Intervention in Grenada. |
| 1989 | U.S. air force helps the Aquino government in the Philippines resist a coup. |
| 1989 | Invasion of Panama to overthrow popular government headed by General Manuel Antonio Noriega. |
| 1990 | U.S. Marines intervene in internal fighting in Liberia. |
| 1990 | Mass deployment of forces in Saudi Arabia, Arabian-Persian Gulf and Red Sea. |

Source: (Hacthoum 1990:11)

The statistics, then, reveal a world of growing inequality and poverty. This global system of injustice is primarily a "free world" system. Further, we have seen that the United States has repeatedly intervened, both overtly and covertly, to maintain global repression, inequality, and poverty. The socialist nations, primarily the U.S.S.R. and China, have made significant gains.

But communism, we are told, is the enemy.

1.III. THE DOOMSDAY MACHINE

The threat of nuclear annihilation has perhaps receded somewhat in the past few years. With the "new way of thinking" in foreign affairs initiated by Soviet President Gorbachev, there is a real prospect of eliminating nuclear weapons within our lifetimes. But nuclear weapons still exist. As long as they do, there is still a danger that they will be used.

Americans accepted the nuclear arms race because we were told that the American nuclear arsenal was necessary to protect us from the Communists. Such a view, however, is difficult to sustain in view of two simple facts. First, it is the United States, not the Soviet Union, that initiated the nuclear arms race and has consistently led in developing new nuclear weapon systems. Second, the United States has threatened to use nuclear weapons on several occasions since WWII, while the Soviet Union has never done so. These are shocking facts, but they are true.

The U.S. developed nuclear weapons before any other nation, and used these weapons against Japan when no other nation had such weapons. The U.S. refused to dismantle such weapons after WWII, and, as Table 1.16. demonstrates, has led in the development of every major offensive nuclear weapon system since WWII.

Table 1.15.
An Arms Race Chronology

| | Action | Initiated | Reaction |
|--|--|------------------|-----------------|
| | Sustained nuclear chain reaction | USA 1942 | USSR 1946 |
| | Atomic Bomb | USA 1945 | USSR 1949 |
| | Intercontinental bomber | USA 1948 | USSR 1955 |
| | Internat'l military pact [NATO, Warsaw Pact] | USA 1949 | USSR 1955 |
| | Tactical nuclear weapons deployed in Europe | USA 1954 | USSR 1957 |
| | Nuclear powered submarine | USA 1955 | USSR 1959 |
| | ICBM | USSR 1957 | USA 1958 |
| | Satellite launching | USSR 1957 | USA 1958 |
| | Supersonic bomber | USA 1960 | USSR 1975 |
| | Submarine-launched ballistic missile | USA 1960 | USSR 1968 |
| | Solid fuel missiles | USA 1960 | USSR 1968 |
| | Accelerated ICBM buildup | USA 1961 | USSR 1966 |
| | Multiple Re-entry Vehicles [MRVs] | USA 1964 | USSR 1968 |
| | Penetration aids on missiles | USA 1964 | none yet |
| | ABM system | USSR 1968 | USA 1972 |
| | High-speed warheads | USA 1970 | USSR 1975 |
| | MIRVs | USA 1970 | USSR 1975 |
| | Computerized missile guidance | USA 1970 | USSR 1975 |
| | Neutron bombs | USA 1981 | none yet |
| | Long-range cruise missiles | USA 198? | none yet |

Source: (Barash and Lipton 1982)

Few Americans remember that

the U.S. Strategic Air Command was established in early 1946 with the function of delivering nuclear attacks upon Russia when so directed, at a time when it was publicly

proclaimed by the president and high military that the Soviet Union was not expected to possess operational nuclear weapon systems for a decade or longer. SAC's only mission in that initial period—which included the formation of NATO—was to threaten or carry out a U.S. first strike: not at all to deter or retaliate for a nuclear attack on the United States or anywhere else. (Ellsberg 1981:v)

Unlike the Soviet Union, which has pledged a no-first-use nuclear policy, the United States has refused to renounce the initiation of nuclear warfare. In fact, on numerous occasions since WWII, the U.S. has threatened to use nuclear weapons for specific foreign policy aims. As Daniel Ellsberg notes:

The notion common to nearly all Americans that "no nuclear weapons have been used since Nagasaki" is mistaken. It is not the case that U.S. nuclear weapons have simply piled up over the years—we have over 30,000 of them now, after dismantling many thousands of obsolete ones—unused and unusable, save for the single function of deterring their use against us by the Soviets. Again and again, generally in secret from the American public, U.S. nuclear weapons *have* been used, for quite different purposes: in the precise way that a gun is used when you point it at someone's head in a direct confrontation, whether or not the trigger is pulled. (Ellsberg 1981:i)

Every U.S. President from Truman to Reagan, with the possible exception of Ford, has made clear threats to use nuclear weapons, usually against non-nuclear enemies (Ellsberg 1981:v-vi). As Table 1.16. shows, at least 13 such cases have been documented.

Table 1.16. U.S. Nuclear Threats

| | |
|---------|--|
| 1948 | Truman deployed "atomic-capable" B-29s to bases in Britain and Germany during the Berlin Blockade. |
| 1950 | Truman warned that nuclear weapons were under consideration after U.S. marines were surrounded by Chinese troops at the Chosin Reservoir Korea. |
| 1953 | Eisenhower made secret nuclear threats against the Peoples Republic of China to force and maintain a settlement in Korea. |
| 1954 | Secretary of State Dulles offered nuclear weapon to relieve the French troops besieged by the Indochinese at Dienbienphu. |
| 1958 | Eisenhower secretly directs Joint Chiefs of Staff to prepare to use nuclear weapons during the "Lebanon Crisis" to prevent an Iraqi move into the oilfields of Kuwait. |
| 1959 | Eisenhower secretly directed the Joint Chiefs to plan to use nuclear weapons if the Peoples Republic of China invadeed the offshore island of Quemoy. |
| 1961 | Kennedy threatened use of nuclear weapons during the Berlin crisis. |
| 1962 | Kennedy threatened use of nuclear weapons during Cuban Missile Crisis. |
| 1968 | Johnson advised of possible necessity of nuclear weapons to defend U.S. marines surrounded at Khe Sanhn, Vietnam. |
| 1969-72 | Nixon secretly threatened North Vietnamese with possible use of nuclear weapons. |
| 1980 | Carter Doctrine threatened use of nuclear weapons in the Middle East. |
| 1981 | Reagan reaffirmed Carter Doctrine on use of nuclear weapons in the Middle East. |

Source: (Ellsberg 1981:v-vi)

The United States has used its nuclear arsenal, in short, as an integral part of U.S. foreign policy. After WWII, as Lens (1986) notes, the United States embarked on a program to consolidate its control over what it called the "Free World." This program included economic and military aid to nations willing to accept U.S. hegemony and permit U.S. business to operate freely within their borders. It also included the use of the CIA to overthrow governments that U.S. business did not like, as in Iran, Guatemala, the Dominican Republic, Brazil, Chile, and Indonesia. The U.S. military was directly involved in Korea, the Dominican Republic, Vietnam, and Grenada. While all of this was justified in terms of "freedom" and anti-Communism, the underlying motive has always been the freedom of U.S. business to make profits wherever it wants.

Given this background, it is difficult to sustain the belief that the U.S. nuclear arsenal was developed simply as a deterrent against a Soviet attack. Indeed, the facts seem to support the conclusion that the Soviets developed their nuclear capability as a deterrent against the very real threat of a nuclear attack from the U.S.!

The facts, then, indicate that the white male rulers of the U.S. are determined to preserve their rule at whatever cost, even to the extent of destroying humanity. No other ruling class in history has been guilty of such arrogance.

This arrogance has been camouflaged by promulgating a distorted view of the Soviet Union as an Evil Empire bent on world conquest. Americans have been systematically taught to hate Communism and fear the Soviet Union. Soviet leadership, we were told, is bent on world conquest and whatever crimes our own government may commit are justified by the threat of Soviet expansionism. This fear, however, is groundless.

It is groundless, first, because the Soviet system is different from U.S. imperialism. We have seen that, while inequality, poverty, ignorance, and repression are increasing in the capitalist world, they are decreasing in the socialist world. Further, there is no class in Soviet society comparable to the owners of the multinational corporations who have a direct economic stake in the oppression of Third World peoples. The material and social benefits enjoyed by the Soviet leadership do not require them to expand Soviet control over other nations (but they are required to protect the Soviet Union from foreign aggression and subversion).

It is groundless, second, because according to the official ideology of the Soviet Union, Marxism-Leninism, the entire world will become communist, but this is the responsibility of the working class of each nation. Marxism-Leninism explicitly rejects the notion that communism can be imposed on a nation from outside.

It is groundless, third, because even if the Soviet Union did want to expand, it would be unable to do so. Clearly, the Soviets had enough worries with Poland and Afghanistan. How are they going to control France, Italy, Iran, and Pakistan, much less the Bronx?

It is groundless, fourth, because it is a fear that is consciously inculcated in Americans by our ruling class. As Cohen (1984) has noted, the U.S. media systematically distort our image of the Soviet Union. They do this by highlighting negative features and ignoring positive aspects of the Soviet system, by employing biased and value laden terms to describe Soviet society and politics, and by creating a popular image that the Soviet Union is guilty of every offense charged against it. The American view of the Soviet Union, in short, is a product of the media and does not reflect Soviet reality.

The Soviet Union has not posed a threat to world peace and freedom, nor to the life-style of the average worker in the United States. Workers in the U.S. have no reason to fear the spread of Communism. This does not mean that the Soviet Union is a perfect society; clearly it is not. No one, however, has suggested that a Soviet-style system should be imposed on the United States.

If this is the case, why are we so afraid? We are afraid because we have been taught to fear. Our ruling class does have every reason to fear the spread of communism. Quite simply, communism threatens their profits. Democratic revolutionary movements in the Third World also threaten the profits of our capitalists, and that is why such

movements are attacked as communist. The hostility of our ruling class toward communism and revolutionary movements in the Third World is quite rational, however immoral it may be. That is the material base behind the powerful ideology of anti-communism which has been so carefully inculcated into U.S. society by our ruling class.

There is more, for the resources that are being devoted to anti-Communism are not being used to solve the problems we face as a species. These problems are serious, and they are getting worse. In 1969, the Secretary-General of the United Nations, U Thant, warned:

I do not wish to seem overdramatic, but I can only conclude from the information that is available to me as Secretary-General, that the Members of the United Nations have perhaps ten years left in which to subordinate their ancient quarrels and launch a global partnership to curb the arms race, to improve the human environment, to defuse the population explosion, and to supply the required momentum to development efforts. If such a global partnership is not forged within the next decade, then I very much fear that the problems I have mentioned will have reached such staggering proportions that they will be beyond our capacity to control. (as quoted in Meadows and others 1973:17)

A decade later, responding to a directive from President Carter to study the "probable changes in the world's population, natural resources, and environment through the end of the century" to "serve as the foundation of our longer-term planning," the Council on Environmental Quality and the Department of State reported:

If present trends continue, the world in 2000 will be more crowded, more polluted, less stable ecologically, and more vulnerable to disruption than the world we live in now. Serious stresses involving population, resources, and environment are clearly visible ahead. Despite greater material output, the world's people will be poorer in many ways than they are today.

For hundreds of millions of the desperately poor, the outlook for food and other necessities will be no better. For many it will be worse. Barring revolutionary advances in technology, life for most people on earth will be more precarious in 2000 than it is now—unless the nations of the world act decisively to alter current trends. (Barney 1980:1)

In spite of these warnings, coming not from Green Freaks or Radical Reds but from representatives of the establishment, nothing has been done. Rather than deal with the real life problems outlined in this report, Reagan continued the greatest arms race in history and initiated Star Wars. Clearly, our ruling class is less concerned about the hunger, disease, and ignorance of the majority of our species than their own profits.

Much of the above was written before the events of 1989 dramatically altered all previous conceptions about the nature of the Soviet Union and the "Evil Empire." While the Soviet leadership has been putting its "new way of thinking" into practice and de-escalating global conflict, the Reagan-Bush administration has been continuing its old way of thinking and acting. While the Soviet Union was allowing a wave of social revolutions to transform the politics of Eastern Europe, the Bush administration was flexing its military muscle in the Philippines to preserve the tottering Aquino government, and preparing the invasion of Panama. The Evil Empire has changed, but U.S. imperialism has not.

The crisis in the Middle East, which threatens to become another World War, is further evidence that the real threat to world peace was never the Soviet Union. It is more reasonable to see U.S. imperialism as the threat to world peace.

1.IV. CONCLUDING REMARKS

Such are the broad outlines of the world in which we live. If the Human Adventure is to continue, it is essential that we understand this reality and how it developed. Only then can we intelligently consider solutions.

Most Americans refuse to believe that solutions are possible. Even when the reality of the U.S. role in world politics is acknowledged, most Americans adopt a cynical attitude as if to say, "that's how things are, and nothing can be done about it." Even this last refuge of political passivity, however, ignores crucial potentialities for change in our society. For example, Daniel Ellsberg notes that President Nixon threatened in 1969 to use nuclear weapons if the North Vietnamese did not accept his terms. These threats, however, were not carried out. Why? As Ellsberg notes,

Nixon himself gives the reason, one only, in his memoirs. There were too many Americans on the streets, demonstrating nonviolently against the war, on October 15, and again on November 15, 1969, the days of the Vietnam Moratorium actions and the Washington March Against Dean, which happened to straddle his secret November 1 ultimatum. Nixon realized by October 16, he reports, that the protest movement had so "polarized" public opinion that he would not have sufficient support for his planned escalation. As he saw it, the antiwar movement had kept him from ending the war—his way—his first year in office. From another point of view, the protest actions—whose actual power and effect Nixon kept at the time as secret from the public as his ultimatum—has prolonged the moratorium on the combat use of nuclear weapons by a dozen years so far. (Ellsberg 1981:xv-xvi)

It is thus not the case that the American people are powerless in the face of their rulers. There have been powerful movements of social change in America's past, and there will be more in our future. Such movements confirm Marx's observation that, "the present society is no solid crystal, but an organism capable of change, and is constantly changing" (Marx 1867:10).

All of this may seem as if I am merely substituting an Outrageous Communist Lie for the Great American Myth. I don't think so, but even if I were, my point would remain valid. Our common assumptions about the world are not the only reasonable ones. It is possible to develop an equally convincing view which is diametrically opposed to our conventional one. We must evaluate these conflicting views to see which is a truer picture of reality and which is a better guide to action.

To do this, we must turn to science. As Americans, we have a healthy faith in the ability of science of answer our questions and solve our problems.

The problems we face are social, not natural. The problem of hunger is not because there is not enough food, but because of our global social order. The question of whether capitalism or communism can better solve our problems is a question for social science to address. The sciences to which we must turn, therefore, are not the natural sciences but the social sciences.

The social sciences, however, have problems of their own. Social scientists do not agree on such fundamental questions as the nature of human society, the causes of social problems, or the nature of modern social change. These problems must be addressed before we can use social science to find solutions to the problems we face as human beings. Our next task, therefore, is to examine the development of social science and the major theories in social science to determine exactly where and why social science has gone wrong.