

Ecs. 132 Current

Mon. 28. Cant. E.
48. Christie St.



11-15-84

p. 1

Circulation: 1,064,392 Daily / 1,3

Rich-Poor Gap

Progress Is Harbinger of Inequality

By A. KENT MacDOUGALL,
Times Staff Writer

When the Tasaday were discovered in a Philippine rain forest in 1971, these gentle cave-dwelling people were pressed to accept knives and other gifts.

The sharp steel knives spread on the ground before them were clearly superior to their own stone tools. Yet the Tasaday declined to accept more than a single shiny knife apiece. The idea of storing extra knives struck members of the migratory band as incomprehensible, and they feared that any man with two knives would be set apart and become a disruptive influence.

In avoiding a temptation that could have upset their egalitarian way of life, the Tasaday intuitively put their finger on what anthropologists, historians and other researchers say is a recurring theme throughout the last 12,000 years of human history: Technological ad-

To set in perspective the U.S. debate over inequality in income and wealth, The Times undertook a study of long-term trends around the world. This final article in the series examines the historical beginnings of the problem.

vances and economic surpluses beyond subsistence needs tend to breed divisiveness and inequality.

The evolution of inequality since migratory hunters and gatherers like the Tasaday began settling down as farmers helps explain the glaring and growing gaps between the rich and the poor, the powerful and the powerless, which mark today's complex societies. Tracing the origins of inequality and its development through the ages sheds light on the key questions of whether today's gaps are inevitable or remediable.

Other than the religious, utopian and other disaffected groups that have separated themselves into egalitarian communities, the only contemporary classless, egalitarian societies known to exist are the scattered groups such as the Tasaday in the Philippines and the Kung bushmen of the Kalahari Desert in southern Africa, who were still following the traditional hunting-gathering way of life when anthropologists began studying them.

Mostly Egalitarian

With these present-day hunting and gathering societies providing a clue to the past, anthropologists conclude that most humans lived in egalitarian societies for most of human history.

In the typical hunter-gatherer society, land is communally owned. Food is the property of those who hunt, scavenge and gather it. But they are expected to share it with others. People have more to gain by sharing than by hoarding because they earn the right to be repaid in the future when they are unsuccessful in hunting or are disabled. Reciprocity constitutes a form of insurance that enhances both the individual's and the band's chances of survival.

Bands often go to lengths to avoid temptations that would upset

Please see PROGRESS, Page 26

Continued from Page 1

egalitarianism. Just as the Tasaday spurned more than one knife apiece, some groups of American Indians in the Great Lakes area buried copper tools with their owners so their children would not have an advantage over others.

Some hunter-gatherers, however, succumbed to temptation. The American Indians who lived along the Pacific Coast from Northern California to southern Alaska abandoned egalitarianism because the abundant harvest of the ocean, rivers and forests permitted them to live in densely populated permanent villages. They distributed wealth unequally, developed a political hierarchy of hereditary chiefs, nobles, commoners and slaves, and warred on neighbors to gain lands and goods.

Agricultural societies were less equal than hunting and gathering groups. Anthropologists say this is true of simple, horticultural societies based on cultivating small, shifting garden plots with hoes and digging sticks. And it is even truer of advanced agricultural societies based on farming large, permanent fields with plows pulled by draft animals.

"The more advanced the technology and economy of one of these groups, the greater its social inequality tends to be," Gerhard Lenski, professor of sociology at the University of North Carolina at Chapel Hill, and his wife, Jean Lenski, say in "Human Societies: An Introduction to Macrosociology." "Societies that practice irrigation, own domesticated animals or

After the Black Death, artisans saw their pay double.

practice metallurgy for ornamental and ceremonial purposes are usually less egalitarian than groups without these characteristics."

Researchers generally agree that the most significant single technological advance was the invention of the plow about 5,000 years ago. However, the plow and the increased food production it made possible also led to increased inequality, according to many anthropologists, not only among men but also between men and women.

In hunting and gathering societies, women had been economically important, providing the nuts, roots, berries and other plant food that provided the bulk of most bands' diet. This economic importance paid off in relatively high social status. Anthropologists say that women's status sank in agricultural societies because handling the heavy-bladed and heavy-beamed plow, as well as the oxen and other large animals that pulled it, required greater strength than did the hoe, and men no longer needed for hunting were now free to tend the fields.

Most men and women alike are believed to have suffered when scattered villages were amalgamated into the ancient empires of Mesopotamia, Egypt, India, China, Mexico and Peru. As intensive agriculture produced food surpluses and swelled populations, some villages evolved into cities. These cities first protected nearby villages, but before long subjugated them, extracting surplus food and leaving the cultivators and their families with little more than the barest necessities.

Neither the rulers nor the bureaucrats, priests and nobles who comprised the tiny governing class apparently felt guilty about milking the peasant masses for all they were worth, the Lenskis conclude in "Human Societies." They came to view manual work as degrading and the ignorant, downtrodden peasants as somehow subhuman. Self-aggrandizement fit in nicely with their notion that the state was a piece of property that rulers had a right to use for their personal

advantage and to pass on to their heirs.

The surplus extracted by the ruling class in the form of taxes, tithes, rents and other dues generally totaled 30% to 70% of what the peasants produced. Even today, landowners in the Third World typically collect 50% of their tenant farmers' crop.

The bottom line in most agricultural societies, according to the Lenskis, was that the ruling class, comprising only 1% or 2% of the population, received half to two-thirds of the national income.

Milking the peasantry too hard sometimes backfired, of course. Scholars generally agree that gross inequality was among the major reasons the Roman Empire declined and fell. The rampant greed of the rulers, bureaucrats, generals and landowners fell so heavily on peasants and artisans that the drain became insupportable. Peasants turned to brigandage, slaves rebelled and unpaid soldiers looted the frontier societies they were supposed to protect. Under internal disintegration, it wasn't long before the barbarians were at the gates of Rome.

Peasant revolts have been common through history. One historian counted no fewer than 1,467 peasant uprisings in Russia alone between 1801 and 1861. Some peasant revolts spread to become large-scale insurrections, foreshadowing revolutions to come, but most were local affairs that were quickly and ruthlessly put down.

"Ironically, though revolutions seldom improved the lot of the ordinary peasant for long, disasters sometimes did. Plagues, widespread famines and devastating wars sometimes had the effect of creating an acute labor shortage, thus driving up the price of peasant labor," Gerhard Lenski observes in his widely cited book, "Power and Privilege: A Theory of Social Stratification."

The bubonic plague that swept across Europe about 1350, wiping out a third of the population, set off an escalation in wages that benefited rural peasants and urban artisans alike for nearly two centuries. Carpenters, masons and other artisans in southern England, for instance, saw their pay double after the Black Death struck.

Times Worse, Not Better

However, real wages took a tumble from about 1540 on, as gold and silver mined in Mexico and Bolivia and shipped back to Spain by the Conquistadors put more money in circulation. This set off inflation in the price of bread and other necessities that spread throughout Western Europe, cutting most people's standard of living. Before long, English carpenters and masons had to work four times as long to buy a loaf of bread, and their real wages did not return to the pre-1540 level until 1880.

It is often thought that hardship increases the farther back toward the Middle Ages one goes," French historian Fernand Braudel has written. "In fact, the opposite is true of the standard of living of the common people—the majority." The deterioration in living standards that began in the 16th Century grew "progressively worse, lasting well into the 19th Century. In some regions of Eastern Europe, certainly in the Balkans, the downward movement continued for another century, to the middle of the 20th."

Peasants all over Europe suffered as rising prices for farm products prompted landlords to jack up rents beyond what many of their tenants could pay and to enclose and raise sheep on land that traditionally had been common pasture, available to peasants and landowners alike. Peasants displaced by these moves migrated to the cities where they swelled the ranks of unskilled labor, further depressing wages, and often ended up in the large underclass of unemployed vagrants, beggars and criminals.

Industrialization intensified the unemployment problem because the new machine-driven factories provided jobs for only a fraction of the uprooted peasants, while cheap machine-made goods cut into the market for the handicrafts the

peasants and artisans produced. Employers used women and children to undercut the wages of men. Boys as young as 4 and 5 crawled through narrow tunnels in English coal mines. Girls worked 90-hour weeks in cotton mills. Women accepted lower pay than men.

The Industrial Revolution initially worsened conditions for most people. According to a study by economists Irma Adelman of UC-Berkeley and Cynthia Taft Morris of Smith College, it took 50 to 60 years in England and 60 to 70 years in Belgium "before expansionary influences were sufficient to produce either a significant rise in average incomes of urban and agricultural workers or a marked reduction in the incidence of extreme poverty."

Please see PROGRESS, Page 27

Early industrial societies may have achieved "the dubious distinction of having the greatest degree of inequality of any type of society in history," the Lenskis conclude. "But with further advances in industrialization, the situation of the average individual seems to have improved considerably, reversing the long-term trend."

The turnaround began about 1850, when one of every seven persons in England and Wales was still a pauper. Increases in productivity began trickling down to workers in the form of higher wages, shorter working hours, better working conditions and less employment of children.

A key factor in the gradual improvement was the export of a large part of Europe's surplus labor

'Poverty is a social status, the invention of civilization.'

force to the less-populated New World. An estimated 55 million Europeans emigrated overseas between 1820 and 1920.

The huddled masses seeking a better life in the United States found a land of unique abundance offering unparalleled equality of opportunity. Even during the early 1800s, however, when Jeffersonian and Jacksonian democracy was in full bloom, and Alexis de Tocqueville was penning his classic "Democracy in America," the rich were getting richer, while the poor, although never a majority as in Europe, comprised a quarter to a third of the population—even more in the South and in immigrant-clogged cities.

Although the colonial period was the most egalitarian in the nation's history, tax records reveal an increasing concentration of wealth. In Boston, the richest 1% of property owners increased their share of personal wealth from 25% in 1687 to 44% in 1771. In Philadelphia, 10% of those affluent enough to pay taxes in 1774 owned 89% of all taxable property.

Inequality spurted along with rapid industrialization after 1830. According to historian Edward Pessen of City University of New York: "By the 1830s, hundreds of

families in the nation's Northeastern cities had amassed great fortunes based on commerce, insurance, finance, shipbuilding, manufactures, landholding, real-estate speculation and the professions." Fur trader and real estate speculator John Jacob Astor left an estate of \$30 million on his death in 1848, making him nearly as wealthy as Nathan Mayer Rothschild, regarded as the richest man in Europe when he died in 1836.

4,000 Millionaires

By 1892, a survey counted more than 4,000 millionaires.

Meanwhile, the persistence of high birthrates among Americans and an increase in the influx of European immigrants perpetuated a surplus of labor that kept wages low. Both wages and working conditions in New York sweat shops, Southern cotton mills and Midwestern meat-packing plants were deplorable. An estimated 1.8 million children, including boys paid 25 cents for 12-hour days at coal mines, were still in the work force in 1900. And fully a third of all Americans were still mired in poverty in 1910.

The Great Depression of the 1930s reduced millions of ordinary wage earners and small farmers and businessmen to penury. Yet they didn't have as far to fall as the rich whose fortunes were wiped out. New Deal relief measures and welfare reforms helped low-income Americans, as did unionization drives in heavy industry and a drastic fall-off in immigration. The net effect was equalizing.

World War II carried the leveling trend further as unemployment nearly disappeared, wage differentials were narrowed and taxes became more progressive. The distribution of after-tax income remained stable during the long post-war boom. But in the last decade, both income and wealth have become more concentrated again.

Wealth More Concentrated

Looking back over 200 years of U.S. history, living standards have risen for all segments of the population, and income is more equitably distributed. On the other hand, wealth—what people own as opposed to what they earn—is even more concentrated than on the eve of the American Revolution.

According to estimates of wealth-holding in 1774 by economist Alice H. Jones and in 1973 by economist Daphne Greenwood, the richest 10% of American families increased their share of wealth

over the two centuries from 55% to 70%, while the bottom half's share fell from 4% to 1%.

Although inequality in the United States and most other mature capitalist societies remains substantial and has increased in recent years, it pales alongside the glaring and growing gaps between rich and poor in the industrializing nations of the Third World.

Given the air-conditioned housing, jet transportation, high-tech medical attention and other luxury goods and services available to contemporary Third World elites, "contrasts in life styles between the rich and powerful and the people of peasant villages or urban shanty towns may be reaching an all-time high," according to University of Florida anthropologist Marvin Harris. "Access to technology gives today's elites a greater degree of power, wealth, and control over people and energy than the Pharaohs had over the peasants of ancient Egypt."

The inferior status of so many peasants, slum dwellers and other poor people in both rich and poor countries leads University of Chicago anthropologist Marshall Sahlins to conclude that poverty has

grown as civilization has advanced. He states in "Stone Age Economics": "The world's most primitive people have few possessions, but they are not poor. Poverty is not a certain small amount of goods, nor is it just a relation between means and ends; above all it is a relation between people. Poverty is a social status. As such it is the invention of civilization. It has grown with civilization. . . ."

Some social scientists hold that the only permanent solution to poverty lies in combining the productive technology of industrial civilization with the economic self-sufficiency and egalitarianism of the pre-civilized world of the hunter-gatherer. The result they envision would be a modern network of small-scale, self-governing communities that would know no rich or poor.

Whether the highly centralized governments that control today's industrial nations would ever permit such decentralization is doubtful. Anthropologist Harris sees the trend moving in the opposite direction, toward increased centralization. As a consequence, "the odds are in favor of economic and political inequality growing."

11-15-84
p.1
Circulation: 1,064,392 Daily / 1,3

Rich-Poor Gap

Progress Is Harbinger of Inequality

By A. KENT MacDOUGALL,
Times Staff Writer

When the Tasaday were discovered in a Philippine rain forest in 1971, these gentle cave-dwelling people were pressed to accept knives and other gifts.

The sharp steel knives spread on the ground before them were clearly superior to their own stone tools. Yet the Tasaday declined to accept more than a single shiny knife apiece. The idea of storing extra knives struck members of the migratory band as incomprehensible, and they feared that any man with two knives would be set apart and become a disruptive influence.

In avoiding a temptation that could have upset their egalitarian way of life, the Tasaday intuitively put their finger on what anthropologists, historians and other researchers say is a recurring theme throughout the last 12,000 years of human history: Technological ad-

To set in perspective the U.S. debate over inequality in income and wealth, The Times undertook a study of long-term trends around the world. This final article in the series examines the historical beginnings of the problem.

vances and economic surpluses beyond subsistence needs tend to breed divisiveness and inequality.

The evolution of inequality since migratory hunters and gatherers like the Tasaday began settling down as farmers helps explain the glaring and growing gaps between the rich and the poor, the powerful and the powerless, which mark today's complex societies. Tracing the origins of inequality and its development through the ages sheds light on the key questions of whether today's gaps are inevitable or remediable.

Other than the religious, utopian and other disaffected groups that have separated themselves into egalitarian communities, the only contemporary classless, egalitarian societies known to exist are the scattered groups such as the Tasaday in the Philippines and the Kung bushmen of the Kalahari Desert in southern Africa, who were still following the traditional hunting-gathering way of life when anthropologists began studying them.

Mostly Egalitarian

With these present-day hunting and gathering societies providing a clue to the past, anthropologists conclude that most humans lived in egalitarian societies for most of human history.

In the typical hunter-gatherer society, land is communally owned. Food is the property of those who hunt, scavenge and gather it. But they are expected to share it with others. People have more to gain by sharing than by hoarding because they earn the right to be repaid in the future when they are unsuccessful in hunting or are disabled. Reciprocity constitutes a form of insurance that enhances both the individual's and the band's chances of survival.

Bands often go to lengths to avoid temptations that would upset

Please see PROGRESS, Page 26

Continued from Page 1

egalitarianism. Just as the Tasaday spurned more than one knife apiece, some groups of American Indians in the Great Lakes area buried copper tools with their owners so their children would not have an advantage over others.

Some hunter-gatherers, however, succumbed to temptation. The American Indians who lived along the Pacific Coast from Northern California to southern Alaska abandoned egalitarianism because the abundant harvest of the ocean, rivers and forests permitted them to live in densely populated permanent villages. They distributed wealth unequally, developed a political hierarchy of hereditary chiefs, nobles, commoners and slaves, and warred on neighbors to gain lands and goods.

Agricultural societies were less equal than hunting and gathering groups. Anthropologists say this is true of simple, horticultural societies based on cultivating small, shifting garden plots with hoes and digging sticks. And it is even truer of advanced agricultural societies based on farming large, permanent fields with plows pulled by draft animals.

"The more advanced the technology and economy of one of these groups, the greater its social inequality tends to be," Gerhard Lenski, professor of sociology at the University of North Carolina at Chapel Hill, and his wife, Jean Lenski, say in "Human Societies: An Introduction to Macrosociology." "Societies that practice irrigation, own domesticated animals or

After the Black Death, artisans saw their pay double.

practice metallurgy for ornamental and ceremonial purposes are usually less egalitarian than groups without these characteristics."

Researchers generally agree that the most significant single technological advance was the invention of the plow about 5,000 years ago. However, the plow and the increased food production it made possible also led to increased inequality, according to many anthropologists, not only among men but also between men and women.

In hunting and gathering societies, women had been economically important, providing the nuts, roots, berries and other plant food that provided the bulk of most bands' diet. This economic importance paid off in relatively high social status. Anthropologists say that women's status sank in agricultural societies because handling the heavy-bladed and heavy-beamed plow, as well as the oxen and other large animals that pulled it, required greater strength than did the hoe, and men no longer needed for hunting were now free to tend the fields.

Most men and women alike are believed to have suffered when scattered villages were amalgamated into the ancient empires of Mesopotamia, Egypt, India, China, Mexico and Peru. As intensive agriculture produced food surpluses and swelled populations, some villages evolved into cities. These cities first protected nearby villages, but before long subjugated them, extracting surplus food and leaving the cultivators and their families with little more than the barest necessities.

Neither the rulers nor the bureaucrats, priests and nobles who comprised the tiny governing class apparently felt guilty about milking the peasant masses for all they were worth, the Lenskis conclude in "Human Societies." They came to view manual work as degrading and the ignorant, downtrodden peasants as somehow subhuman. Self-aggrandizement fit in nicely with their notion that the state was a piece of property that rulers had a right to use for their personal

advantage and to pass on to their heirs.

The surplus extracted by the ruling class in the form of taxes, tithes, rents and other dues generally totaled 30% to 70% of what the peasants produced. Even today, landowners in the Third World typically collect 50% of their tenant farmers' crop.

The bottom line in most agricultural societies, according to the Lenskis, was that the ruling class, comprising only 1% or 2% of the population, received half to two-thirds of the national income.

Milking the peasantry too hard sometimes backfired, of course. Scholars generally agree that gross inequality was among the major reasons the Roman Empire declined and fell. The rampant greed of the rulers, bureaucrats, generals and landowners fell so heavily on peasants and artisans that the drain became insupportable. Peasants turned to brigandage, slaves rebelled and unpaid soldiers looted the frontier societies they were supposed to protect. Under internal disintegration, it wasn't long before the barbarians were at the gates of Rome.

Peasant revolts have been common through history. One historian counted no fewer than 1,467 peasant uprisings in Russia alone between 1801 and 1861. Some peasant revolts spread to become large-scale insurrections, foreshadowing revolutions to come, but most were local affairs that were quickly and ruthlessly put down.

"Ironically, though revolutions seldom improved the lot of the ordinary peasant for long, disasters sometimes did. Plagues, widespread famines and devastating wars sometimes had the effect of creating an acute labor shortage, thus driving up the price of peasant labor," Gerhard Lenski observes in his widely cited book, "Power and Privilege: A Theory of Social Stratification."

The bubonic plague that swept across Europe about 1350, wiping out a third of the population, set off an escalation in wages that benefited rural peasants and urban artisans alike for nearly two centuries. Carpenters, masons and other artisans in southern England, for instance, saw their pay double after the Black Death struck.

Times Worse, Not Better

However, real wages took a tumble from about 1540 on, as gold and silver mined in Mexico and Bolivia and shipped back to Spain by the Conquistadors put more money in circulation. This set off inflation in the price of bread and other necessities that spread throughout Western Europe, cutting most people's standard of living. Before long, English carpenters and masons had to work four times as long to buy a loaf of bread, and their real wages did not return to the pre-1540 level until 1880.

It is often thought that hardship increases the farther back toward the Middle Ages one goes," French historian Fernand Braudel has written. "In fact, the opposite is true of the standard of living of the common people—the majority." The deterioration in living standards that began in the 16th Century grew "progressively worse, lasting well into the 19th Century. In some regions of Eastern Europe, certainly in the Balkans, the downward movement continued for another century, to the middle of the 20th."

Peasants all over Europe suffered as rising prices for farm products prompted landlords to jack up rents beyond what many of their tenants could pay and to enclose and raise sheep on land that traditionally had been common pasture, available to peasants and landowners alike. Peasants displaced by these moves migrated to the cities where they swelled the ranks of unskilled labor, further depressing wages, and often ended up in the large underclass of unemployed vagrants, beggars and criminals.

Industrialization intensified the unemployment problem because the new machine-driven factories provided jobs for only a fraction of the uprooted peasants, while cheap machine-made goods cut into the market for the handicrafts the

peasants and artisans produced. Employers used women and children to undercut the wages of men. Boys as young as 4 and 5 crawled through narrow tunnels in English coal mines. Girls worked 90-hour weeks in cotton mills. Women accepted lower pay than men.

The Industrial Revolution initially worsened conditions for most people. According to a study by economists Irma Adelman of UC-Berkeley and Cynthia Taft Morris of Smith College, it took 50 to 60 years in England and 60 to 70 years in Belgium "before expansionary influences were sufficient to produce either a significant rise in average incomes of urban and agricultural workers or a marked reduction in the incidence of extreme poverty."

Please see **PROGRESS**, Page 27

Continued From Page 26

Early industrial societies may have achieved "the dubious distinction of having the greatest degree of inequality of any type of society in history," the Lenskis conclude. "But with further advances in industrialization, the situation of the average individual seems to have improved considerably, reversing the long-term trend."

The turnaround began about 1850, when one of every seven persons in England and Wales was still a pauper. Increases in productivity began trickling down to workers in the form of higher wages, shorter working hours, better working conditions and less employment of children.

A key factor in the gradual improvement was the export of a large part of Europe's surplus labor

'Poverty is a social status, the invention of civilization.'

force to the less-populated New World. An estimated 55 million Europeans emigrated overseas between 1820 and 1920.

The huddled masses seeking a better life in the United States found a land of unique abundance offering unparalleled equality of opportunity. Even during the early 1800s, however, when Jeffersonian and Jacksonian democracy was in full bloom, and Alexis de Tocqueville was penning his classic "Democracy in America," the rich were getting richer while the poor, although never a majority as in Europe, comprised a quarter to a third of the population—even more in the South and in immigrant-clogged cities.

Although the colonial period was the most egalitarian in the nation's history, tax records reveal an increasing concentration of wealth. In Boston, the richest 1% of property owners increased their share of personal wealth from 25% in 1687 to 44% in 1771. In Philadelphia, 10% of those affluent enough to pay taxes in 1774 owned 89% of all taxable property.

Inequality spurted along with rapid industrialization after 1830. According to historian Edward Pessen of City University of New York: By the 1830s, hundreds of

families in the nation's Northeastern cities had amassed great fortunes based on commerce, insurance, finance, shipbuilding, manufactures, landholding, real-estate speculation and the professions." Fur trader and real estate speculator John Jacob Astor left an estate of \$30 million on his death in 1848, making him nearly as wealthy as Nathan Mayer Rothschild, regarded as the richest man in Europe when he died in 1836.

4,000 Millionaires

By 1892, a survey counted more than 4,000 millionaires.

Meanwhile, the persistence of high birthrates among Americans and an increase in the influx of European immigrants perpetuated a surplus of labor that kept wages low. Both wages and working conditions in New York sweat shops, Southern cotton mills and Midwestern meat-packing plants were deplorable. An estimated 1.8 million children, including boys paid 25 cents for 12-hour days at coal mines, were still in the work force in 1900. And fully a third of all Americans were still mired in poverty in 1910.

The Great Depression of the 1930s reduced millions of ordinary wage earners and small farmers and businessmen to penury. Yet they didn't have as far to fall as the rich whose fortunes were wiped out. New Deal relief measures and welfare reforms helped low-income Americans, as did unionization drives in heavy industry and a drastic fall-off in immigration. The net effect was equalizing.

World War II carried the leveling trend further as unemployment nearly disappeared, wage differentials were narrowed and taxes became more progressive. The distribution of after-tax income remained stable during the long post-war boom. But in the last decade, both income and wealth have become more concentrated again.

Wealth More Concentrated

Looking back over 200 years of U.S. history, living standards have risen for all segments of the population, and income is more equitably distributed. On the other hand, wealth—what people own as opposed to what they earn—is even more concentrated than on the eve of the American Revolution.

According to estimates of wealth-holding in 1774 by economist Alice H. Jones and in 1973 by economist Daphne Greenwood, the richest 10% of American families increased their share of wealth

over the two centuries from 55% to 70%, while the bottom half's share fell from 4% to 1%.

Although inequality in the United States and most other mature capitalist societies remains substantial and has increased in recent years, it pales alongside the glaring and growing gaps between rich and poor in the industrializing nations of the Third World.

Given the air-conditioned housing, jet transportation, high-tech medical attention and other luxury goods and services available to contemporary Third World elites, "contrasts in life styles between the rich and powerful and the people of peasant villages or urban shanty towns may be reaching an all-time high," according to University of Florida anthropologist Marvin Harris. "Access to technology gives today's elites a greater degree of power, wealth, and control over people and energy than the Pharaohs had over the peasants of ancient Egypt."

The inferior status of so many peasants, slum dwellers and other poor people in both rich and poor countries leads University of Chicago anthropologist Marshall Sahlins to conclude that poverty has

grown as civilization has advanced. He states in "Stone Age Economics": "The world's most primitive people have few possessions, but they are not poor. Poverty is not a certain small amount of goods, nor is it just a relation between means and ends; above all it is a relation between people. Poverty is a social status. As such it is the invention of civilization. It has grown with civilization. . . ."

Some social scientists hold that the only permanent solution to poverty lies in combining the productive technology of industrial civilization with the economic self-sufficiency and egalitarianism of the pre-civilized world of the hunter-gatherer. The result they envision would be a modern network of small-scale, self-governing communities that would know no rich or poor.

Whether the highly centralized governments that control today's industrial nations would ever permit such decentralization is doubtful. Anthropologist Harris sees the trend moving in the opposite direction, toward increased centralization. As a consequence, "the odds are in favor of economic and political inequality growing."

11-15-84
p. 1
Circulation: 1,064,392 Daily/1,3

Rich-Poor Gap

Progress Is Harbinger of Inequality

By A. KENT MacDOUGALL,
Times Staff Writer

When the Tasaday were discovered in a Philippine rain forest in 1971, these gentle cave-dwelling people were pressed to accept knives and other gifts.

The sharp steel knives spread on the ground before them were clearly superior to their own stone tools. Yet the Tasaday declined to accept more than a single shiny knife apiece. The idea of storing extra knives struck members of the migratory band as incomprehensible, and they feared that any man with two knives would be set apart and become a disruptive influence.

In avoiding a temptation that could have upset their egalitarian way of life, the Tasaday intuitively put their finger on what anthropologists, historians and other researchers say is a recurring theme throughout the last 12,000 years of human history: Technological ad-

To set in perspective the U.S. debate over inequality in income and wealth, The Times undertook a study of long-term trends around the world. This final article in the series examines the historical beginnings of the problem.

vances and economic surpluses beyond subsistence needs tend to breed divisiveness and inequality.

The evolution of inequality since migratory hunters and gatherers like the Tasaday began settling down as farmers helps explain the glaring and growing gaps between the rich and the poor, the powerful and the powerless, which mark today's complex societies. Tracing the origins of inequality and its development through the ages sheds light on the key questions of whether today's gaps are inevitable or remediable.

Other than the religious, utopian and other disaffected groups that have separated themselves into egalitarian communities, the only contemporary classless, egalitarian societies known to exist are the scattered groups such as the Tasaday in the Philippines and the Kung bushmen of the Kalahari Desert in southern Africa, who were still following the traditional hunting-gathering way of life when anthropologists began studying them.

Mostly Egalitarian

With these present-day hunting and gathering societies providing a clue to the past, anthropologists conclude that most humans lived in egalitarian societies for most of human history.

In the typical hunter-gatherer society, land is communally owned. Food is the property of those who hunt, scavenge and gather it. But they are expected to share it with others. People have more to gain by sharing than by hoarding because they earn the right to be repaid in the future when they are unsuccessful in hunting or are disabled. Reciprocity constitutes a form of insurance that enhances both the individual's and the band's chances of survival.

Bands often go to lengths to avoid temptations that would upset

Please see **PROGRESS**, Page 26

Continued from Page 1

egalitarianism. Just as the Tasaday spurned more than one knife apiece, some groups of American Indians in the Great Lakes area buried copper tools with their owners so their children would not have an advantage over others.

Some hunter-gatherers, however, succumbed to temptation. The American Indians who lived along the Pacific Coast from Northern California to southern Alaska abandoned egalitarianism because the abundant harvest of the ocean, rivers and forests permitted them to live in densely populated permanent villages. They distributed wealth unequally, developed a political hierarchy of hereditary chiefs, nobles, commoners and slaves, and warred on neighbors to gain lands and goods.

Agricultural societies were less equal than hunting and gathering groups. Anthropologists say this is true of simple, horticultural societies based on cultivating small, shifting garden plots with hoes and digging sticks. And it is even truer of advanced agricultural societies based on farming large, permanent fields with plows pulled by draft animals.

"The more advanced the technology and economy of one of these groups, the greater its social inequality tends to be," Gerhard Lenski, professor of sociology at the University of North Carolina at Chapel Hill, and his wife, Jean Lenski, say in "Human Societies: An Introduction to Macrosociology." "Societies that practice irrigation, own domesticated animals or

*After the Black
Death, artisans saw
their pay double.*

practice metallurgy for ornamental and ceremonial purposes are usually less egalitarian than groups without these characteristics."

Researchers generally agree that the most significant single technological advance was the invention of the plow about 5,000 years ago. However, the plow and the increased food production it made possible also led to increased inequality, according to many anthropologists, not only among men but also between men and women.

In hunting and gathering societies, women had been economically important, providing the nuts, roots, berries and other plant food that provided the bulk of most bands' diet. This economic importance paid off in relatively high social status. Anthropologists say that women's status sank in agricultural societies because handling the heavy-bladed and heavy-beamed plow, as well as the oxen and other large animals that pulled it, required greater strength than did the hoe, and men no longer needed for hunting were now free to tend the fields.

Most men and women alike are believed to have suffered when scattered villages were amalgamated into the ancient empires of Mesopotamia, Egypt, India, China, Mexico and Peru. As intensive agriculture produced food surpluses and swelled populations, some villages evolved into cities. These cities first protected nearby villages, but before long subjugated them, extracting surplus food and leaving the cultivators and their families with little more than the barest necessities.

Neither the rulers nor the bureaucrats, priests and nobles who comprised the tiny governing class apparently felt guilty about milking the peasant masses for all they were worth, the Lenskis conclude in "Human Societies." They came to view manual work as degrading and the ignorant, downtrodden peasants as somehow subhuman. Self-aggrandizement fit in nicely with their notion that the state was a piece of property that rulers had a right to use for their personal

advantage and to pass on to their heirs.

The surplus extracted by the ruling class in the form of taxes, tithes, rents and other dues generally totaled 30% to 70% of what the peasants produced. Even today, landowners in the Third World typically collect 50% of their tenant farmers' crop.

The bottom line in most agricultural societies, according to the Lenskis, was that the ruling class, comprising only 1% or 2% of the population, received half to two-thirds of the national income.

Milking the peasantry too hard sometimes backfired, of course. Scholars generally agree that gross inequality was among the major reasons the Roman Empire declined and fell. The rampant greed of the rulers, bureaucrats, generals and landowners fell so heavily on peasants and artisans that the drain became insupportable. Peasants turned to brigandage, slaves rebelled and unpaid soldiers looted the frontier societies they were supposed to protect. Under internal disintegration, it wasn't long before the barbarians were at the gates of Rome.

Peasant revolts have been common through history. One historian counted no fewer than 1,467 peasant uprisings in Russia alone between 1801 and 1861. Some peasant revolts spread to become large-scale insurrections, foreshadowing revolutions to come, but most were local affairs that were quickly and ruthlessly put down.

"Ironically, though revolutions seldom improved the lot of the ordinary peasant for long, disasters sometimes did. Plagues, widespread famines and devastating wars sometimes had the effect of creating an acute labor shortage, thus driving up the price of peasant labor," Gerhard Lenski observes in his widely cited book, "Power and Privilege: A Theory of Social Stratification."

The bubonic plague that swept across Europe about 1350, wiping out a third of the population, set off an escalation in wages that benefited rural peasants and urban artisans alike for nearly two centuries. Carpenters, masons and other artisans in southern England, for instance, saw their pay double after the Black Death struck.

Times Worse, Not Better

However, real wages took a tumble from about 1540 on, as gold and silver mined in Mexico and Bolivia and shipped back to Spain by the Conquistadors put more money in circulation. This set off inflation in the price of bread and other necessities that spread throughout Western Europe, cutting most people's standard of living. Before long, English carpenters and masons had to work four times as long to buy a loaf of bread, and their real wages did not return to the pre-1540 level until

1880.

It is often thought that hardship increases the farther back toward the Middle Ages one goes," French historian Fernand Braudel has written. "In fact, the opposite is true of the standard of living of the common people—the majority." The deterioration in living standards that began in the 16th Century grew "progressively worse, lasting well into the 19th Century. In some regions of Eastern Europe, certainly in the Balkans, the downward movement continued for another century, to the middle of the 20th."

Peasants all over Europe suffered as rising prices for farm products prompted landlords to jack up rents beyond what many of their tenants could pay and to enclose and raise sheep on land that traditionally had been common pasture, available to peasants and landowners alike. Peasants displaced by these moves migrated to the cities where they swelled the ranks of unskilled labor, further depressing wages, and often ended up in the large underclass of unemployed vagrants, beggars and criminals.

Industrialization intensified the unemployment problem because the new machine-driven factories provided jobs for only a fraction of the uprooted peasants, while cheap machine-made goods cut into the market for the handicrafts the

peasants and artisans produced. Employers used women and children to undercut the wages of men. Boys as young as 4 and 5 crawled through narrow tunnels in English coal mines. Girls worked 90-hour weeks in cotton mills. Women accepted lower pay than men.

The Industrial Revolution initially worsened conditions for most people. According to a study by economists Irma Adelman of UC-Berkeley and Cynthia Taft Morris of Smith College, it took 50 to 60 years in England and 60 to 70 years in Belgium "before expansionary influences were sufficient to produce either a significant rise in average incomes of urban and agricultural workers or a marked reduction in the incidence of extreme poverty."

Please see PROGRESS, Page 27

Continued From Page 26

Early industrial societies may have achieved "the dubious distinction of having the greatest degree of inequality of any type of society in history," the Lenskis conclude. "But with further advances in industrialization, the situation of the average individual seems to have improved considerably, reversing the long-term trend."

The turnaround began about 1850, when one of every seven persons in England and Wales was still a pauper. Increases in productivity began trickling down to workers in the form of higher wages, shorter working hours, better working conditions and less employment of children.

A key factor in the gradual improvement was the export of a large part of Europe's surplus labor

'Poverty is a social status, the invention of civilization.'

force to the less-populated New World. An estimated 55 million Europeans emigrated overseas between 1820 and 1920.

The huddled masses seeking a better life in the United States found a land of unique abundance offering unparalleled equality of opportunity. Even during the early 1800s, however, when Jeffersonian and Jacksonian democracy was in full bloom, and Alexis de Tocqueville was penning his classic "Democracy in America," the rich were getting richer, while the poor, although never a majority as in Europe, comprised a quarter to a third of the population—even more in the South and in immigrant-clogged cities.

Although the colonial period was the most egalitarian in the nation's history, tax records reveal an increasing concentration of wealth. In Boston, the richest 1% of property owners increased their share of personal wealth from 25% in 1687 to 44% in 1771. In Philadelphia, 10% of those affluent enough to pay taxes in 1774 owned 89% of all taxable property.

Inequality spurted along with rapid industrialization after 1830. According to historian Edward Pessen of City University of New York: "By the 1830s, hundreds of

families in the nation's Northeastern cities had amassed great fortunes based on commerce, insurance, finance, shipbuilding, manufactures, landholding, real-estate speculation and the professions." Fur trader and real estate speculator John Jacob Astor left an estate of \$30 million on his death in 1848, making him nearly as wealthy as Nathan Mayer Rothschild, regarded as the richest man in Europe when he died in 1836.

4,000 Millionaires

By 1892, a survey counted more than 4,000 millionaires.

Meanwhile, the persistence of high birthrates among Americans and an increase in the influx of European immigrants perpetuated a surplus of labor that kept wages low. Both wages and working conditions in New York sweat shops, Southern cotton mills and Midwestern meat-packing plants were deplorable. An estimated 1.8 million children, including boys paid 25 cents for 12-hour days at coal mines, were still in the work force in 1900. And fully a third of all Americans were still mired in poverty in 1910.

The Great Depression of the 1930s reduced millions of ordinary wage earners and small farmers and businessmen to penury. Yet they didn't have as far to fall as the rich whose fortunes were wiped out. New Deal relief measures and welfare reforms helped low-income Americans, as did unionization drives in heavy industry and a drastic fall-off in immigration. The net effect was equalizing.

World War II carried the leveling trend further as unemployment nearly disappeared, wage differentials were narrowed and taxes became more progressive. The distribution of after-tax income remained stable during the long post-war boom. But in the last decade, both income and wealth have become more concentrated again.

Wealth More Concentrated

Looking back over 200 years of U.S. history, living standards have risen for all segments of the population, and income is more equitably distributed. On the other hand, wealth—what people own as opposed to what they earn—is even more concentrated than on the eve of the American Revolution.

According to estimates of wealth-holding in 1774 by economist Alice H. Jones and in 1973 by economist Daphne Greenwood, the richest 10% of American families increased their share of wealth

over the two centuries from 55% to 70%, while the bottom half's share fell from 4% to 1%.

Although inequality in the United States and most other mature capitalist societies remains substantial and has increased in recent years, it pales alongside the glaring and growing gaps between rich and poor in the industrializing nations of the Third World.

Given the air-conditioned housing, jet transportation, high-tech medical attention and other luxury goods and services available to contemporary Third World elites, "contrasts in life styles between the rich and powerful and the people of peasant villages or urban shanty towns may be reaching an all-time high," according to University of Florida anthropologist Marvin Harris. "Access to technology gives today's elites a greater degree of power, wealth, and control over people and energy than the Pharaohs had over the peasants of ancient Egypt."

The inferior status of so many peasants, slum dwellers and other poor people in both rich and poor countries leads University of Chicago anthropologist Marshall Sahlins to conclude that poverty has

grown as civilization has advanced. He states in "Stone Age Economics": "The world's most primitive people have few possessions, but they are not poor. Poverty is not a certain small amount of goods, nor is it just a relation between means and ends; above all it is a relation between people. Poverty is a social status. As such it is the invention of civilization. It has grown with civilization. . . ."

Some social scientists hold that the only permanent solution to poverty lies in combining the productive technology of industrial civilization with the economic self-sufficiency and egalitarianism of the pre-civilized world of the hunter-gatherer. The result they envision would be a modern network of small-scale, self-governing communities that would know no rich or poor.

Whether the highly centralized governments that control today's industrial nations would ever permit such decentralization is doubtful. Anthropologist Harris sees the trend moving in the opposite direction, toward increased centralization. As a consequence, "the odds are in favor of economic and political inequality growing."

A-10, 29 May 92

Census shows economic gulf widens between young, old

By Felicity Barringer
The New York Times News Service

WASHINGTON

The best evidence yet of the widening economic gulf between the old and the young during the 1980s was provided yesterday in newly released Census Bureau data that showed the elderly held their own during the decade's economic ups and downs while the nation's children increasingly slid into poverty.

The finding is part of a cornucopia of new information from the census showing growing differences between regions and population groups in areas as varied as the amount of schooling, type of disability, length of the commute, age of housing, and ancestry of the nation's 250 million people.

The data also confirms the decade's place in immigration history, as 8.6 million people told the census they entered the country during the 1980s. That is almost as many immigrants as arrived in the years 1900 to 1910, the previous high-water mark of U.S. immigration.

But the starkest picture drawn from the wealth of new information is the detailed portrait of the redistribution of poverty among the generations.

As the number of people beneath the poverty line grew by 4.3 million to more than 31 million between 1979 and 1989, increasing numbers of the poor were children. One in four of new entrants into the ranks of the poor in the 1980s was under 18 years of age; one in 25 was 65 or older.

Martha Farnsworth Riche, director of the Population Reference Bureau, a private Washington-based research organization, said the elderly fared relatively well because the federally financed safety net was held relatively intact for them.

"The indexing of Social Security payments to inflation was probably the single biggest factor that got people out of poverty," Riche said.

"A similar thing was not done for

children. We just assume that parents raise children. Because we're all going to be elderly and we all have elderly parents, we just think that society provides for the elderly."

The nation's adults had higher percentages of high school and college graduates, and the percentage of high school dropouts had declined from 13 percent to 11 percent. But the educational gains were not reflected in the economic statistics, which showed growing numbers of poor people.

The figures make up a snapshot of the nation's economic health just before the current recession began, but the trends reflected in the census are continuing, according to more recent data.

Among the most striking geographic trends was the tendency of the rest of the nation to pull away from the Appalachian and Mississippi River states of Louisiana, Mississippi, Arkansas and West Virginia, which were consistently more poor, younger and less educated than other areas.

The data also reflected the rapid pace of income decline in these regions, the nation's Farm Belt, and the Great Plains. Median income levels declined by at least 10 percent over the drought-plagued decade in Iowa, Montana, North Dakota, Wisconsin and Wyoming, as well as in Louisiana and West Virginia.

But there was marked economic buoyancy in states with large suburban populations.

Connecticut, New Jersey, New York, Maryland, Virginia, New Hampshire, Massachusetts and California all ranked among the top 10 states in the nation in median income; all but New Hampshire ranked among the top 10 in the percentage of population earning more than \$150,000 annually.

These states, however, were also among the first to see their economies spiral into recession in 1991, and have been among the hardest-hit by the current economic dol-

drums.

The newly released census figures reveal a wide range of information:

- Median income levels shrank during the 1980s in 24 states, from the Farm Belt to the depressed manufacturing states of Michigan, Ohio and Illinois to Texas, Arizona and New Mexico.

- Accounting for inflation, the median household income for the nation rose 6.5 percent to \$30,056 a year, but the median amount spent on mortgage payments increased 26.9 percent, to \$737 a month or \$8,844 a year.

- Southeastern states, where education spending has historically been low, registered the sharpest gains in high school graduates. But even with these gains, the populations of North Carolina, South Carolina and Georgia remained among the least-educated. The best-educated populations were clustered in the West and Midwest, in states like Minnesota, Nebraska, Oregon, Utah, Alaska and Colorado.

The census data released yesterday was compiled from "long-form" questionnaires filled out by more than 15 million households, a sample size that dwarfs any other government or private research effort.

One of the most striking facets revealed in the new data was the divergence in economic trends, which was often hidden within larger aggregates. For instance, California ranked fourth in the country in the proportion of households with annual incomes in excess of \$150,000.

Yet, while the state's median income grew by 17 percent in constant dollars, more than twice as fast as the national average, the number of California children in poverty increased by 40 percent.

These high childhood poverty increases were explained partially, though not completely, by the 20 percent increase in Californians under the age of 18.

$$r = \left(\frac{P(1-t)}{P(1-t)} \right)^{\frac{1}{n}} - 1$$

2. Growth of money, \$1.

1 to 64, 60 years

$$1 \text{ to } 64 - t \cdot (64 - 1) = 32.50$$

1 to 8

3. Heller & ITC & acc. deprec.,
+ short lives

4. 1986 Act.

"Uniformity"

"Level playing field"

Seductive Slogans

a. Repeal ITC

b. Lengthen tax lives

c. Accelerate pathways

- ✓ 5. Uniformity ~~not~~ of no value
for things not convertible.

Need to Δ inv. opp.!

Inv. is motor

✓ R.O.A.T is key to ignition

- ✓ 6. Plowback of captive corp. K

- ✓ 7. Synthetic K-guns from old
blaze.