

PART 1: SOME FACTS TO KEEP IN MIND, MOSTLY ECONOMIC

Sections are broken into sub-topics by dashes.

American Capitalism Works Well but has Flaws and Problems.

-On the whole, American capitalism works well. It provides more services and material goods to more people for lower costs than ever in the history of the world. Without the security that it gives us, we could not have democracy. Capitalism does not fail us so much as our own self-induced blindness and the politics of blindness fail us. I like American capitalism.

-American capitalism does have some flaws, mostly with what economists call “imperfect competition”. The flaws support sustained profit, profit that does not come from innovation. The flaws lead to chronic problems with unemployment, bad jobs, costs, and to gaps in wealth and power, and they help sustain big business firms. Economic flaws and problems worsen existing problems with socio-economic class and both within-and-between groups such as based in ethnicity, religion, age, national origin, gender, immigration, and region. For example, flaws lead to some poverty and so they allow some groups, such as men, Whites, and Blacks, to make sure the brunt of poverty falls on other groups, such as women, Hispanics, and Native Americans.

We cannot cure flaws and problems once-and-for-all. In particular, we cannot cure them with welfare, high minimum wage, education alone, jobs programs alone, programs to expand (grow) the economy, tariffs, tax breaks, trade war, or welfare for business. We must face flaws, the problems that come from them, and the problems to which they add. We have to deal with problems in ways that take the flaws into account, don't make flaws and problems worse, take into account flawed human nature, and take into account how business firms really work. But we have not faced up to flaws and problems for decades, and likely we will not face up in the near future.

Even with its flaws, we should not judge American capitalism primarily by its flaws and problems. We should not try to change it deeply to ease political pressure. We should not adopt big scale socialism. We should not adopt business fascism as favored by Republicans and China. We should not try to make capitalism do more than it naturally can do by trying to make the economy grow fast, as with “stimulus packages” and “corporate welfare”. We should keep our capitalist economy going in a natural way and use it for good government.

Democrats and Republicans have their own characteristic way of denying flaws and the problems that come with flaws. Their responses say more about them than about the economy. You should not learn about the economy and about how it supports good democracy, or does not support good Democracy, from what Democrats and Republicans say. You should learn on your own.

Democrats overlook the flaws and instead offer unrealistic ways of dealing with the problems as if we could deal with the problems without knowing the underlying flaws. Without knowing how problems are rooted, Democrats cannot give realistic ways to deal with problems. Instead they simply “throw money” through programs. Democrats do not consider the role of human nature in how problems arise and persist. For example, Democrats stress the harm of poverty and discrimination, and insist we use all the resources needed to cure them without thinking why they recur, why previous cures failed, and what we can really do. Democrats refuse to see the role that marginalized groups in their own harm. Paradoxically, Democrats assume the Republican-made economy is always strong enough to support any Democratic tinkering and to cure all problems through Democratic tinkering. Democrats assume we must solve problems directly by large state programs and we solve problems only that way. Democrats insist that helping business does not solve problems and it does give rich people ever more advantage. Democrats take this view because it appeals to clients such as Blacks, women, immigrants, and the poor, and this view allows them to fight Republicans and Republican clients. Democrats are wrong that state programs can cure all problems and will not hurt the economy. The economy can support only so much. Some problems we cannot cure, especially we cannot cure them through state money, and can only manage.

Republicans simply deny the flaws and problems. The flaws and problems are only temporary or come only from weakness in human character or weakness in the culture (attitude) of a group, such as from wishing to get something without working. Problems come from trying to get the state to support some group that styles itself as a victim. Problems come from using Democrats to get the state to give to all such self-styled groups. Otherwise, the economy would be flawless and would give everyone a good job and good life. Anything that helps business and the business class also automatically helps the whole nation and should be supported. Anything that hinders business and the business class hurts the whole nation and should be thwarted, including Democratic programs and clients. Republicans take their view because it appeals to clients and it helps them to hurt Democratic programs and clients.

Although Republicans insist there are no economic flaws that lead to real problems, still Republicans also insist the economy never does as well as it could and so it always needs state support for business. Without constant-and-increasing state support for business, the domestic economy will flounder and the US will be weak globally. Where Democrats call on the state to solve all problems Republicans call on the state to support business so business can solve all problems for us. Republicans do not insist the state support business only to counter Democratic stupidity but because state support for business is necessary in itself. Again, Republicans take their view because it appeals to clients and it helps them to hurt Democratic programs and clients.

Both Parties see errors in the other Party but don't see their own errors. Both Parties are overall wrong and they often make matters worse. Both Parties make it hard to figure what is really wrong, what to do about it for the long term, and to really do something.

National Wealth and National Good.

-As every major moral and religious teacher tells us, morality (goodness) is not the same as wealth or power.

An individual person can be good without wealth or power. Jesus told a young rich man to give away all his wealth to follow God, and Buddhist monks own nearly nothing. With individuals, wealth, and caring about wealth, can hinder goodness. (Yet, as Aristotle showed in his "Ethics" and Samuel Butler showed in "The Way of All Flesh", most people need some wealth to be good. Still, we get the ideal of "morality first, and above all" for individual people. We admire Mother Teresa.)

-What applies to individuals does not always apply to nations. If a nation does not have enough wealth, or the wealth is distributed badly, the nation cannot be good. A nation needs a minimum amount of wealth per person to be good, and the wealth has to be fairly evenly distributed. "Per person" does not refer only to average wealth where many people are poor and some are rich but requires that the large majority have enough. A moderate gap between rich and middle can be good. A big gap can be put up with if most people have enough and the gap does not always grow. I don't guess how much wealth per person or family is needed for life now. It should buy modest food, water, shelter, education, security, medical care, and legal services; and allow hope for advancement due to talent, effort, and character. We wish this for our children more than us.

If a nation has enough wealth, the wealth is not distributed in wrong ways, its people have the correct character, the nation has the correct institutions, and the nation has adept leadership, then the nation can be good. In fact, it can endure much bad and recover. Enough nations have come close enough to the conditions so as to make good places to live, at least for a while, even now. I like Canada, Thailand, and America. I hear much of Europe is good.

Having much wealth and power does not usually make a nation bad if the nation meets the conditions for being good. Wealth is not inherently bad and usually it is good. Having much wealth and power can help a nation, especially to overcome temporary bad distribution of wealth and bad leadership.

-A bad distribution of wealth and-or power makes any nation bad, bad in ways that wealth alone cannot overcome, bad in ways that more wealth cannot overcome. As with persons, doggedly seeking wealth or power, and doggedly seeking ever more, makes a nation bad. Bad nations seem to become worse as they become wealthier and more powerful. You can find examples in history. A nation needs power to protect its wealth, wealth can make power, and power can make wealth. But to make your life primarily through wealth and power leads inevitably to corruption and evil. You, and the nation, cannot make up for seeking wealth and power 98% of the time by serving meals in a soup kitchen 2% of the time, or by making sure the right political candidates for your agenda get into office.

Sadly, now, Russia, China, North Korea, Iran, too often America, and too often Muslim nations, are trying to get ever more wealth, power, and glory. India and Brazil likely will follow.

America has enough wealth, qualifies in other good ways, and doesn't yet disqualify in bad ways, so that America is still a good nation. America has been a good nation for most of its history, and still is mostly good. We need to find ways to hold on to this lucky legacy and to improve on it. More real wealth does help if it is used well and distributed well. More real wealth does not automatically solve all problems.

Dangers for America now are: (1) a bad distribution of wealth even though we have enough wealth; (2) the feeling of a bad distribution of wealth regardless of the real distribution; (3) the feeling that America must hold the upper hand around the world; and (4) the false ideas that wealth alone can cure all our problems automatically or more wealth alone can cure all our problems automatically.

America now does NOT have an unfair horrible bad distribution of wealth. It does have a more unequal distribution than in the recent past, the inequality is bad enough to be a serious issue, and inequality will get worse rather than better.

-America shifted its distribution of wealth and power from what it had in the 1950s through early 1970s. The shift has been due largely to entry into the world economy, an entry that was managed ineptly. We did a poor job of adjusting to being merely the richest nation in the world, and the bad adjustment badly affects the poor, working class, and middle class. This shift in wealth bolsters the fear that already we have a bad unfair distribution and the distribution will soon be horrible. Distribution will be so bad as to hurt our children. It bolsters the fear of falling into the hole of poverty, especially for our children. We feel fear, anger, and hate. Fear, anger, and hate lead us to political acts that make us not a good nation or that make us a bad nation.

Republicans wrongly say wealth alone, especially more wealth alone, can make us a good nation, and Republicans pursue ever more wealth in the false hope that it alone will do the job. For Republicans, quantity of wealth overrides any distribution, even one that is obviously bad and getting worse. Simple quantity of wealth supersedes decency because wealth is supposed to make decency: rich makes right and poor makes bad. Republicans say they pursue morality along with wealth but I see little to show that any morality they pursue really helps make a better nation. Direct pursuit of wealth alone usually leads to both bad morality and a bad distribution of wealth. Usually the dogged direct pursuit of more wealth leads to no more wealth, or to less wealth, for the nation as a whole, than we get from simple natural economic growth without deliberate help. Acting to pursue wealth alone as the solution to all problems, while shouting about decency, really is a way to avoid moral choices and avoid thinking. By not even thinking about a good distribution of wealth, Republicans boost the feeling that wealth already is so badly distributed that the American people and America the nation cannot be good. Their stance makes groups fear other groups, and so helps make the nation bad.

Democrats wrongly say the matter is entirely about distribution. They do not see any ties between the amount of wealth and its distribution; they refuse to see how people feel threatened even by modest redistribution even in a nation that has much. They do not see that redistribution can undermine total wealth and the working spirit. They say the state must ensure correct distribution, only the state can do the job, and the state must do the job by direct strong interference. We cannot rely on a well-running

economy alone with modest adjustments alone to do the job. The state must take money to give to the downtrodden and poor even if the money does not lead to much improvement over time, and even if transfer of wealth makes people unhappy and makes things overall worse. The state takes money from the working and middle classes. The state tries to take money from the upper middle and upper classes but those classes wriggle out and hate Democrats for trying to take their wealth and privileged position. Democratic policies can diminish wealth a little, and can “rock the economic boat”. Contrary to Rightist dogma, Democratic policies don’t often lead to much less total wealth and sometimes expand total wealth a bit. Their policies also lead people to fear that too much wealth will be taken unfairly, and to fear that unfair taking will lead to a permanent bad distribution of wealth and power in favor of others. This bad outcome of redistribution did happen in other places, and so fears are justified. Democratic policies lead to backlash; and their policies increase feelings that we never have enough wealth and that what we do have always is badly distributed. Democrats also often make the nation worse.

Modern capitalism gives us enough wealth if we can make sure wealth is distributed fairly (or not badly) and can make sure people feel it is fairly distributed. We should avoid much state forced re-distribution of wealth. We should seek better distribution within the normal operation of the economy. This can be done. It takes leadership that we have not had.

American Capitalism is Mostly Fair but not Entirely Fair; the Modern Role of Diplomas.

-If a person has talent, develops the talent as through an education, works hard, gets some recognition, and he-she wishes more income, then that person deserves more income and likely will get it. I leave luck out of consideration. If a person has less talent, he-she deserves less income and usually gets less. If a person does not develop talent, he she deserves less, and usually gets less. If he-she does not work hard, he-she deserves less, and usually gets less. Usually, even if a person has the other three features, but has a bad attitude or character, he-she gets less. Some jobs need a bristly character but that is not relevant here. I don’t go into what happens with interactions such as a person with only modest talent but who works hard, or big talent but no ambition.

Value on the market does not always coincide with what we see as intrinsic value, social, moral, artistic, religious, or intellectual value, or character. Physicists are more important than TV stars but get paid less. Physicists get paid more than janitors. Some people do have major talent, develop their talent, and work hard, but still don’t get paid as much as people with mediocre talent who catch on. I can think of fifty classical musicians and jazz musicians who should have made more than pop idols. Likely the most talented character actor ever in movies was Walter Brennan; he often carried his movies; but he never made as much as stars with less talent. This effect is annoying but doesn’t derail what I say here. George Gershwin deserved all his wealth.

You do not deserve a good job because you are an American. You do not deserve a good job because you are in a social group that has had high incomes such as White male graduates of “name” schools. You do not deserve a good job because you are in a social group that was-and-or-still-is disadvantaged such as an ethnic, religious, or gender group, such as Blacks and women. You do not deserve a good job

because you have talents that your group values but the world as a whole doesn't, such as "class", taste in clothes, dance moves, owning a pit bull, blaring music, ironic detachment, skill in twisty ideology, wit, artistic insight, always knowing the current and next big thing, a taste for racist sexist bitter hater violent music, or skill in resentment and anger.

In America now, anybody who has ability can get a good education, if he-she has only a little help from teachers and institutions. With the Internet, you can get a good education almost free. You can get a good education in a field that pays well or in any field you wish. Not all fields pay well even to people with great talent and skill.

-The problem is not in getting an education in a field that pays well. The problem is getting recognized and hired for your talent, education, work ethic, and character. You need to be certified.

Usually getting recognized means not only a diploma but a diploma from a source that is recognized and reliable, and that lets you climb the ladder from one reliable institution to another, one reliable diploma to another, one good job to another (usually in the same firm). You need to attend schools that offer fairly high quality education and build character, people trust to do both, and people know about. There are exceptions but I don't go into them here. It doesn't matter if the reliable school is a "name" school, it matters that the school is reliable enough and people know so well enough.

People do not get diplomas, and do not get access to "good" schools, entirely according to individual merit. Biases enter, such as by wealth, class, ethnicity, culture of ethnic group, gender, religion, speech, area, and image.

Americans now cannot trust our public schools to develop the talent of students well enough, teach skills needed by employers, teach skills needed in a democracy, and teach clearly what a good attitude is versus a bad attitude. Employers and the public don't trust the products and diplomas of many public schools now.

Biases could be overcome well enough except for the problem with public schools. Because we can't trust public schools in general, biases become powerful, going to a well-known reliable school becomes important, and children from disadvantaged groups often can't go to those schools.

Even with biases, for the large majority of people, the system succeeds. More talent, education, work, and good character lead to greater income, and the reverse. Anyone who has lived outside the US and some countries of Europe, such as Germany, knows how much fairer education and jobs are here and in good countries of Europe. You cannot blame all failure on discrimination, not even in America.

As a society, we can and should do better. We need to make sure that nearly all public schools can be trusted to make a high ratio of students with competence and without a bad character.

Even then, not all students have natural talent and not all are guaranteed good jobs.

Limited Resources and Output; Everything has a Cost; We Must Allocate.

-Resources and output are limited, including jobs, houses, spouses, air, water, schools, safety, guns, safe neighborhoods, and justice. We cannot have everything. America is lucky to have much. Over time, our economy grows, and so usually we get more, and we get more per person (average), but still we cannot have everything. We have to learn how to make the best of what we have now and how to make the best of more when it comes naturally.

-Everything has a cost. There is no free lunch, battleship, home mortgage, education, tax break, police protection, fire protection, shopping mall, business promotion, civil right, human right, or freedom. If we wish for something, or we wish for more, then we have to pay the cost. The cost can be in money, effort, time, anguish, blood, sweat, tears, other goods foregone, worry, or all of them.

Paying for State Services.

-You personally pay for everything the state does. The following people do not pay for you: "them", the government, those guys, other taxpayers, rich people, business firms, stupid people who can't get out of paying their taxes, neighbors, workmates, friends, Democrats, Republicans, Whites, Blacks, and Asians. You are one of "them". You are the state. If the state pays, you pay. If the state does good things, you should be honored to pay. Even if the state does stupid wasteful things, you pay. If you have to pay, it is better to pay for good things.

If someone else pays less, you pay more. If you pay less, someone else pays more.

The only way for both to pay less is to reduce government services. That sounds great to taxpayers who all feel they pay more than everyone else, they pay too much, and don't get what they pay for. But, in fact, most people could not live without nearly all the services that they get from the state, and would "raise hell" if services were cut. If you want services, somebody has to pay. Paying should be as fair as can be. If you get services, you should pay for them, unless you are genuinely poor.

-A state in which each citizen personally does not pay his-her fair share, in which some citizens do not pay their fair share, in which even a few citizens think they can get others to pay for them, is a bad ugly state and cannot be a real democracy. If people feel like that in America, then America is bad and ugly and is not a democracy.

In real life, you can get others to pay for you. Real life is real life, even in America. Getting others to pay for you is a big part of what real politics is about. Some rich people and business firms think they are clever not to pay taxes. Regular people think they are clever to get tax breaks and to get benefits from programs, making other people pay for them. But, if you do get other people to pay for you, then you are not clever but are bad, ugly, and undemocratic, even in America.

In real states, when ordinary people (first people) get something free by making other people (second people) pay for them, usually the first people pay in other ways, such as by paying for things that the second people get. Poor people get welfare but they also pay a big share of their income in sales tax. Middle class people get a lot in education subsidies but they also pay for welfare. Then, people think: If he-she gets something, then I want something too, and I want more. If I get something, he-she will want something, usually more than me. I must win the war of privileges. I can win by getting more than them or by making sure they get less than us. People work hard for an advantage and to make sure their party gives them an advantage. People don't work to make a fair system.

Soon, nobody is sure who really pays how much for what, who pays more or less overall, who gets more and who less, whether what we get personally is worth the cost, whether what he-she gets is worth the cost, whether we pay for them or they pay for us, whether what we all together get is worth the cost, and if anything is fair. Everybody is sure that he-she is getting screwed and is sure every other guy is getting a better deal at our expense, a better deal that he-she doesn't deserve but we do. We play hard, often viciously, at privilege, jealousy, patronage, and "ins and outs", as we do now. That is bad ugly and undemocratic too.

The biggest step to a better system is simple, clear, transparent, fair taxes and fair programs; with good ideas of how much overall each person pays and each group pays to the state and gets from the state. We don't have that.

Allocation Again.

-When we pay to get one thing, or more of it, we have to accept less of other things. That loss is a kind of cost but people overlook it. (People teach this lesson to children but usually don't remember it as adults. This widespread forgetting is a big cost of bad statecraft.) If we want to spend more time with friends, we spend less time with family, and vice versa. If we wish to earn more at work, we have to spend less time with family. If family is better than work, then we spend less time at work, make less money, and are less important in our arena. If a state builds more roads, it hires fewer teachers. If a state wants more social justice, it has to enforce social justice, and so it has to offer fewer tax breaks. If we are clear about the trade-offs and we are happy to make the trade-offs, then fine. Often, a voluntary trade-off leaves us better off in our view such as when we quit working on the lawn to play golf or quit cleaning to sit and watch a movie on TV.

Still, no trade-off, no wheeling dealing, no magic, no political schemes, can give us everything we wish at little cost and with nothing foregone.

We have to decide what resources we have including time, effort, health, family members, and friends; what we want including family, friends, and success; how much; at what cost; what we will give to get it; and what we will give up to get it. This is called "allocation".

Zero Sum Games and Positive Sum Games.

-A situation in which whatever one person-or-group gains another person-or-group loses is a “zero sum game”. Poker usually is a zero sum game. Strip poker usually is a zero sum game if you think only in terms of articles of clothing. If we give to one group, we take from another. If we give more in Social Security, we spend less on the military and on corporate welfare. If one person gets a good job, then another person loses a good job.

A situation in which, by interacting (playing the game), most people gain more than they lose, and all the players together gain more than all the players together lose, is called a “positive sum game” (the total sum of gains exceeds the total sum of losses). The game is good for most people. To play is better than not to play. A social gathering is usually a positive sum game. Strip poker often is positive sum if you think in terms of enjoyment rather than pieces of clothing. Business firms should be positive sum games for employees through division of labor. Academic departments are supposed to be positive sum games. Playing with your children often is positive sum. Free fair trade is always positive sum, for reasons that I don’t go into here.

In a good economy in a good state, politics is not a zero sum game and the economy is not a zero sum game but both are positive sum games and should together to form a larger positive sum game. By buying, selling, working, doing your job well, hiring, firing, opening, closing, managing, developing, investing, and “entrepreneur-ing”, people are better off and have more than if every family took care of its own needs all by itself without “outside” jobs. Everybody gains when everybody merely does his-her job. I like that. Do you really wish to hunt squirrels and chop wood? Wouldn’t you rather make wagons and then trade those to other people who would rather hunt squirrels and chop wood?

Over time the economy grows, often faster than people have children and faster than land runs out, so people also have more and are better off. Then, if one person gets a good job, the total number of good jobs has gone up. If one person opens a bar or a bakery, another bar or bakery doesn’t have to close. If one company makes computers, other computer companies don’t have to go out of business. For most of its history, America has been in a firm positive sum game.

The idea of a zero sum game is a strong version of the ideas that resources are limited, and that what one person gets another person loses. The idea of a positive sum game, in the real world, also includes the idea that resources are limited but the idea is not so obvious in a positive sum game, and it would take too long to explain why limited resources are important even in a positive sum but we don’t see the importance of limited resources as clearly. “Resources are limited and we must make choices” (allocate) is true even in a positive sum game and even when the economy grows.

In a good economy, positive sum games usually lead to a good distribution of wealth, or at least they do not lead to a bad distribution of wealth. If an otherwise healthy economy leads to a bad distribution of wealth, something odd is going on, often bad politics.

-People get used to the benefits of the positive sum game that is a good economy, and so don't feel they are in a positive sum game even when they have been and still are, even when a positive sum game built the good economy that we now live in. Sometimes people notice the benefits of a positive sum game when the economy grows as after a big invention (computers, smart phones, self-driven cars) or during the recovery after a recession. But usually they don't notice even then that they are in a positive sum game where everybody helps everybody else just by doing his-her job. At a grocery store we get cheap food all the time without thinking where it came from, so we forget what life would be like if we had to grow our own apples and had to hunt rabbits for dinner.

Even when the economy is in a positive sum game over the long run, and when a positive sum game is "running in the background", still, in the short run of a decade or so, the economy acts and feels like a zero sum game. For most practical purposes, the economy is in a zero sum game for most people. Their feeling of being in a zero sum game is not bad faith or bad imagination. Then, the acts of most players (people and business firms in the economy) are based on their correct feeling that we are in a zero sum game over the time span that counts for them. How they play depends on what all is going on in the background including politics, and on how they feel. If they feel secure, they will be patient, cause no damage, and cause benefit by working in the positive sum game that runs in the background. If they feel insecure, if they fear and hate, then they are hasty, cause damage, and undermine the positive sum game that runs in the background. They "screw things up".

Even when the economy is growing, and people know it is growing, because good effects take a while to kick in, people often feel they are in a zero sum game even when they are in a positive sum game. Only in real boom times do people feel they are in an overall positive sum game. Because boom times can't last, the feeling is an illusion and it blocks us from appreciating the real positive sum game that is the whole economy and that is running in the background. The feeling of a positive sum game that we get during booms would not be an illusion if we applied the feeling to the real positive sum game that is running in the background but people don't see that way and it is hard to teach them to see that way. People focus on what is wrong for them rather than what is right for everybody.

This feeling of being in a zero sum game even when really we are in a positive sum game is not always bad. It can be alright if: we are really in a positive sum game "running in the background"; the economy is not contracting quickly; people feel the game is fair whatever sum it is; people feel that everyone has enough even if some people have more; people feel that people with more talent, drive, education, etc. get fairly paid more; people feel people with less talent, drive, etc. get fairly paid less; people feel there are not many "slackers" who ride for free; and people feel owners actually contribute something. When people don't feel the game is fair, etc, then, even when the economy recovers and-or grows, people feel they are in a bad zero sum game, and then people fear and get angry.

It is easier to get people to think they are in an unfair zero sum game than in a good positive sum game, even when a good positive sum game runs in the background. It is easier to make people fear based on bad fantasy than to lead people to hope based on pretty good reality. Political parties use this tendency

to make clients and stir up action. This is another reason why we have to be completely honest about flaws and problems, even when it is hard to do something about flaws and problems.

In the real world, the economy and state are not always in a positive sum game. They can go backwards so that we lose wealth and security. They can stall, sometimes for decades, so that we are in a zero sum game or worse, as in the Great Depression and Great Recession. They can stall for a big ratio of people, usually the working and middle class, even while other groups benefit and go forward, the upper middle and upper classes. Those are unusual conditions but they scare hell into people.

Since about 1975, people have felt the game is always zero sum, is not positive sum, and is not fair etc. So, they play quite hard: what another player gets they lose; and what they get, they take from another; when one person gets a good job, then another person loses a good job; when my child gets a good job, another child loses a good job; when my child loses a good job, it is only because another child got his-her good job by hook or by crook. People and business firms try to get security and payments from the state. People hate deeply that someone can live and raise a family off their taxes. People hate that some people can make a good living simply by owning something while having no other talent. People hate that someone can make a good living simply by performing a skill that is not so hard to do but takes a graduate degree to get a license for and to get a job for such as a doctor, lawyer, or dentist. People hate when they invest a huge amount in the education of their children and their children can't get one of those good jobs. This is not a sweet pretty situation. It often gets ugly and morally bad. It harms democracy. It does not have to get ugly, if we know what is going on and we have good adept leaders. We have not had them.

We don't usually notice we are in a positive sum game, so we mistakenly think we are stalled when we are not stalled (or not as stalled as we think). As a result, we wish for constant interference by the state when constant interference would do little good and more likely would do harm. Political parties claim they can make the economy grow as in a positive sum game, and so make everybody better off. Again: The programs that arise from the claims, such as tax reductions and corporate welfare, almost always do more harm than good. We are almost always better off letting the economy grow naturally in its own natural long-term positive sum game, the game that we don't notice. The best policy-and-action is to build a solid framework which reduces uncertainty but does not eliminate uncertainty, and lets business people and citizens make good long-term decisions.

Interfering during bad situations such as the Great Recession following 2007 is justified when it is based on sound economics. Obama's ideas to help us then would have produced excellent results if they had been carried out, and even what was carried out was needed and it did what was needed. The problem was that his programs for helping America were "gutted" by Congress people on both sides of the aisle putting "pork" and personal gain ahead of the general welfare. We lost a golden opportunity to invest in infrastructure that badly needs it, to invest in new technology, give people real jobs, and give people real job skills. Be sure to blame both Parties.

Even when we are not in a bad situation, Parties always claim, as a ploy, that we are bad off, and only their ideas can get us out. It seems we are always in a bad situation. Their policies rarely are based on sound economics that apply to situations that we really are in. Too often, their policies are not based on sound economics almost regardless of the situation, and so could not get us out even if we were in the bad situation that they imagine we are in.

Learn how to assess what situation we are in. If it really is not good enough, think what we might do to make it better, realistically. Remember that “wait, and do nothing for a while” is a real option. Recall that, “help the poor, working class, and middle class until we all weather the storm” is an option. Think for yourself. Don’t believe what the Parties say either about the situation or how to make it all better. If one Party happens to agree with you, fine. To figure this out for yourself, you do have to learn a little economics. If our system of taxes and programs were simpler, all this would be easier to figure out. As it is, I wish you luck, and feel free to advise me.

Comparative Competition.

-Like it or not, we compete with our neighbors in jobs, status, beauty, prowess, popularity, etc. “Mean girls” and “mean boys” are real. Like it or not, competition is not usually about what we have without regard to what other people have but what we have-and-don’t-have compared to what they have-and-don’t-have. Competition is everywhere and it is “comparative”. The slang term is “keeping up with the Joneses” but the effect is wider than that. Comparative competition is a big force in what turns positive sum games into zero sum games. If we could know what enough is, see we have enough, and be happy with the enough that we do have, we could easily see that we are in a positive sum game. But we never feel as if we have enough because we always need a little more than the other guy, so we always feel as if we are in a zero sum game. More problems arise on top of the feeling of competing with neighbors, and we get a “double dose” of zero sum game and all the nastiness that it brings.

Not only are mean people real but so are friends, good neighbors, good citizens, good Samaritans, and good politicians. Some people, often those who are religious, know what enough is, know when they have enough, and are content. We have to consider it all, negative and positive. This topic is too much to go into here. I have written about this topic elsewhere.

Limitations Again.

-Again: Schemers in both Parties offer plots in which their programs increase the economy and so we are not in a zero sum game, we are in a fast-growing positive sum game, we can afford it all, nobody loses, nobody loses by what the schemers gain, seemingly nobody pays, and everybody gains, even if a particular group gets most of any supposed increase. Supposed tax reductions are usually like this. You pay eventually through increased state debt even if you think you pay less in taxes now. This scheming works so seldom that we should assume it never works at all. Always assume it is a scam. Don’t fool yourself with your own wishful thinking and fear. Don’t let politicians “lead you around by the nose” with your own wishful thinking. You do real damage that way.

-As a nation, we need to look at what we can afford in total right now without any more debt, and then we should decide how much each program gets within that total. We should immediately stop deficit spending and learnt to live entirely with what we can take in regularly in taxes, except for emergencies such as the Great Recession. We should never forget that we can't afford it all, and we should always take into account who loses and who wins. This is important.

-Nothing in "we can't afford it all right now" says we can't afford more later if we wait for the economy to grow naturally and we have more real wealth then. I don't mean get now and pay later, go into debt. I mean the opposite: If we wish more, then wait to get richer later, and buy it later when we can afford it and we can make a new allocation.

The idea "we can't afford it all right now" is not a ploy to keep putting off real need, a ploy never to act on real need, never to give tax breaks to working people, never to help nature, never to seek social justice, never to fund the police adequately, and so always to use wealth for other desires that partisan politics prefers but that are not as good. "We can't afford it all now" means we must allocate wisely.

"We can't afford it all right now" does mean we cannot afford all the weapons that we wish for, all the social justice that we deserve, and all the corporate welfare that rich people dream about. We have to accept limits and trade-offs even with those.

Nothing in "we can't afford it all right now" says to favor business over social needs or vice versa. Nothing says to favor the military over private activity, or vice versa. Nothing says state projects are more efficient than private enterprise, or vice versa. Sometimes social programs give a better return on investment than business welfare or military spending. Sometimes the state fulfills a need better, more effectively, and more efficiently than private action, and vice versa. We have to use experience, analysis, judgment, and wisdom rather than ideology and propaganda.

Stupidity about Tax Breaks.

-People deliberately misunderstand tax breaks. People pretend: tax breaks are neutral; tax breaks do no harm but only help the people who get the break; tax breaks never hurt anybody else; or, if tax breaks do make other people pay for the receivers, the loss is never much. None of that is true. All is harmful wishful thinking.

Tax breaks have four harmful effects:

A tax break to anybody is: (1) an unearned gain to the receiving person (and group); and (2) a loss from the pool of total tax revenue. Whatever someone gains in a tax break, (3) someone else has to pay to make up for (1) benefits given to the recipient and (2) for lost revenue.

(4) In addition, the people who pay are at a disadvantage compared to people who receive, usually a double or triple disadvantage. (a) They pay both the costs noted above while the receivers get benefits that the payers paid for. (b) So, receivers gain by comparison while payers lose by comparison. When the people who receive compete with the people who pay, as is often the case, then the people who pay not only lose (pay) but they also (c) support their competitors against themselves.

To clarify effects 1, 2, and 3: Suppose the owners of red cars legally can write off the interest payments on their car loans, and don't have to pay licenses and taxes. Then, the owners of cars of all other colors have to pay more in taxes to make up for the benefits to red car owners and for lost revenue. Likewise, if house buyers write off interest on their taxes then everyone who is not buying a house, including poor renters, has to pay more taxes to make up for the benefits to the house buyers and the lost revenue. If some people deduct state and local taxes from federal taxes, then everybody who cannot deduct those taxes, mostly poor people and working people, has to pay more in taxes to make up for the benefits that better-off people get and for lost revenue. There is no way around this effect.

4 continued: Often, a tax break to one group is not only a boon for them but effectively punishes other groups by comparison, particularly rivals. Tax breaks for big business in effect hurt small business, and, in effect, small business pays for the tax breaks that hurt them and help their big business rivals. When a giant corporation gets its local taxes and its state taxes reduced, then local small business has to pay more to make up the difference; local small business goes along because it hopes the new factory brings in more local customers to make up for their additional tax burden. Most tax breaks for working people with good jobs, for middle class people, and upper middle class people, in effect punish poor people and working people, if only because middle and upper middle class people can take advantage of tax break while poor working people and poor people cannot. If Whites can claim a tax benefit more often and-or can claim a bigger benefit from a tax break than can Blacks, then, in effect, the tax break punishes Blacks – and vice versa. If two-parent middle class families can claim a tax break more often, or can claim a bigger tax break, than can single-parent families, then, in effect, the tax break punishes single parents. If upper middle class people claim tax exempt savings for retirement when poor people have to spend all their income on food, rent, and sales tax, then upper middle class people have an advantage, and poor people pay for them. There is no free lunch, not even for middle class people, upper class people, and people of any color. Don't make it worse by making the poor and working class pay for you. Don't make it worse by making poor Whites, poor Blacks, women, single parents, working people, and the lower middle class, pay for you.

To use a tax break to favor a group such as single parents is awkward and prone to error. If you use the tax code that way, you should be clear what you are doing and should be aware who you hurt indirectly. Even if, by a miracle, you make the tax break fair, you make the tax code more complicated and make everybody more suspicious of everybody. Be careful about hurting the poor and working class because they can't take all the tax breaks that other people can and can't take tax breaks to the same extent that others can. They suffer by paying for others, through what they don't get, and by paying so others can compete better against them.

Poor people, people who make little income, many working class people, and some middle class people, can't benefit from most tax breaks. So they lose by comparison, lose again when they have to pay more in taxes (or more later on the national debt) to allow for reduced taxes to people who make more, and lose yet again when the tax break helps rivals permanently to out-compete them. You can't get enough money back from your taxes to pay for health insurance if you don't pay enough in taxes to begin with to cover the cost of health insurance (or don't make enough so deductions from your effective income yields a tax reduction big enough to cover the insurance). If poor people don't own their houses and-or can't afford to fix houses, then what good are tax breaks for installing high quality weather proofing or solar panels? If poor people don't have any money left over for college tuition, then what good are tax breaks for college tuition? What good are tax exempt savings accounts for college tuition, even for a state school? All that happens is that poor people pay for the people who can afford these tax breaks. What good are tax exempt savings accounts for retirement if all your money has to pay for food and for sales tax so you have nothing left over for an IRA or 401K? Tax breaks help only people who already make enough so they don't need help. Tax breaks help the secure middle class, upper middle class, and upper class at the expense of poor people and people of modest income, and tax breaks make the poor less able to compete.

It is better to make all people pay for health insurance, retirement, and school according to income than to use a fake scheme based on tax reductions. It is better to have the state pay directly to needy people according to need and merit.

Tax breaks pass legislatures because: they are easier to pass compared to fair, well-thought-out, well-wrought programs; tax breaks can be sold as fair when they are not; tax breaks can help the well-off middle class and upper middle class, those people vote, and those people have connections; and tax breaks help rich powerful people. Voters and rich powerful people return favors with political support. Tax breaks give advantage when seeming not to. Tax breaks hurt while seeming not to. That is exactly what rich and powerful people, and legislators, wish for. It is a shame to do that to poor people and insecure people. You should demand legislators tell you who can benefit and cannot benefit from a tax break, divided by income classes.

Sales Tax is Bad and Immoral.

-A sales tax is highly "regressive". People that make less income pay a much higher ratio of their income than people that make more. Poor people pay a clearly higher ratio of total income in sales tax than do middle and upper middle class people. A sales tax is unfair and immoral. It is a "negative" tax break that privileges rich people more than poor people. With computers tracking almost all income, it is now just as easy to use income taxes as it was to use sales taxes in the past.

I do not have a direct pipeline to God but I am sure God hates a regressive sales tax, especially on food, medicine, school supplies, primary homes, bicycles, and first cars; God will punish legislators who pass sales taxes; and God will deal harshly with citizens who vote for those legislators. I am not joking.

Never-Ending Breaks and Programs and Their Unexpected Bad Results.

-Once any tax, tax break, program, or benefit gets going, it is almost impossible to end, even if we all can see it is not worthwhile. This observation applies to individual people, families, groups, business firms, and groups of business firms. Business firms hold on to their special benefits as much as any welfare junky, and with as much evil in their eyes. I don't explain why it is so hard to end.

Taxes, breaks, programs, and benefits cause problems that we did not foresee. They reduce the total tax revenue available. So, other good causes and programs can't get funded and don't get funded. This is an instance of having to forego something (a good program) to get something else (a bad program). This is an overlooked serious cost of taxes, tax breaks, programs, and benefits. Because taxes, breaks, programs, and benefits are so hard to end, the attendant problems tend to pile up continuously.

People and groups are adamant about avoiding taxes and getting their share of breaks, programs, and benefits. Everyone feels that "I personally must pay less in taxes, and get as many breaks, programs, and benefits, as the 'other guy'; and, if possible, I must get a better deal". People go crazy when they think they suffer a disadvantage. They go crazy when a tax is imposed on them and not on the other guy or not as much. They go crazy if the other guy gets any break, program, or benefit, and they don't get the same or get at least as much in some other break, program, or benefit. This frenzied comparison is a lot of what politics and the game of clients is all about.

The US has a huge body of confusing conflicting taxes, tax breaks, programs, and benefits. They do help sometimes but mostly they interfere with the market and with overall benefit from the economy. The welter of programs makes it hard to figure out what is going on. People in a welter assume the worst and act on that basis. They assume the other guy is getting a better deal, I am getting cheated, and I have to pull all my political strings to get un-cheated and get the best of the other guy. Political Parties know that people react like this, and they promote this reaction so they can gain people as clients by giving them a little help or a promise. So, the welter promotes partisanship and deadlock. Both Parties are equally responsible.

(There are plausible reasons for a big conflicting body of taxes and programs. The reasons have to do with indirectly increasing some kinds of security and indirectly reducing some kinds of uncertainty and risk. The reasons are not nearly strong enough, so I dismiss them here.)

Unemployment and Bad Jobs.

-Even in robust capitalist economies, at least 5% of people cannot find work even if they are healthy, have at least some education, and will work. The reason has to do with "Imperfect competition" and with "structuring" of markets but here I can't go into what those are. I do a little below. This flaw is one of those that I mentioned above, one of the biggest. See my other writing about economics.

Statistics about employment are misleading. When the government says we have 5% unemployment, really the US has 8% or more. Germany is similar to the US, and Japan used to be. In most countries, even in advanced capitalist countries, the real rate of unemployment is higher than in the United States, always at least 8%, and often above 15%. The business cycle affects the rates of unemployment but real (structural) unemployment never goes away.

Even in the United States, rates of unemployment are high enough to affect society and politics always. Real unemployment has a strong bad effect in countries such as England, France, and Greece. Listen to a song by The Clash called "Career Opportunities" ("the ones that never knock").

-In addition to real unemployment, many employed people in the US do not have jobs with security, enough pay to raise a family, and many benefits. Too many people have "bad jobs" with low pay, no benefits, and low security. Bad jobs used to be reserved for kids in school or just out but now many adults hold those jobs and try to raise a family on them, such as in fast food. The ratio of bad jobs to good has been rising; more people have bad jobs while fewer people have good jobs. I don't know the ratio because it changes often but, as best I do know, at least 20% of jobs in America are bad jobs yet people try to raise a family on those bad jobs. This too is one of the flaws that lead to problems that I mentioned above.

-The following point has nothing to do with how much formal education a person receives, whether a person really needs a diploma to learn a job well, how much college costs, and whether we have to send all children to college now. Beginning at least since 1970, the intelligence and training needed to get a good job has increased. Now, a growing number of people are not smart enough to get a good job, or much of any job, even if they are healthy, willing, have a good character, and have a diploma. A diploma is no guarantee of intelligence, education, character, or a job. Being a well-adjusted good American is no guarantee of any job. This trend cannot be explained away as due only to prejudice. Many people don't have jobs not because somebody doesn't like their skin but because they are not smart enough and-or they have a bad attitude. Education can help some of these people but not all, and they are not getting education that helps with modern jobs. Now there are enough of these people to affect society and politics, and their number is growing.

I put this point in language that is un-PC but needed: Many Americans now are too stupid to get a good job or any job, and education won't help enough. Many Americans now are such assholes that nobody will hire them for a good job or any job, education didn't help them before, and more education won't do much good now. Many Americans now never got the education that would have helped them get a good job or any job, and they are old enough and set enough in their ways that they cannot be educated in ways that would help.

Welfare.

-Because some unemployment and some bad jobs are unavoidable, even for people with skills and a good attitude, even in a rich healthy economy as in America, we need something like welfare.

But, if we give enough support so decent unemployed people can live tolerably well and raise a small family modestly, then a great many other people, who otherwise would have been forced to work, will not work, and they will choose welfare. Welfare will bloat, and then fail. If we reduce the payments so that recipients can only scrape by, and we limit the number of children to be supported on welfare, we penalize decent people who would rather work, and penalize children. We sustain the cycle of poverty. We really are caught between a real rock and a real hard place. This problem is a result of the flaws that I mentioned above.

There is no simple way out. History has shown that giving support to many recipients does not work, and often makes things worse. History has shown that we cannot be nasty enough on people to force all people to find work, and so to eliminate welfare. We cannot ship all the people on welfare off to Mars and so leave only people who already have good jobs. For reasons that I don't go into here, if we did ship off all the people on welfare, then we would have another group of people who lost their jobs and needed welfare. We cannot educate all the people on welfare so they can all go find jobs; even if we gave them all PhDs, not all could find jobs. We must have some welfare, and we must manage it well. We have not managed it well.

Republicans hope to end welfare by being really nasty to people on welfare. Democrats wish to expand welfare availability and benefits so all people on it get an education and get a good job, and then, when everybody has succeeded, there will be no more unemployment and bad jobs, and we will hardly need welfare. Democrats say it is worth putting up with cheaters for a while until everyone gets enough skills to get a job, and then the only people left on welfare will be handicapped people. Republicans would rather starve decent parents and their decent children than let one cheater get by. Neither way works. Pause to let sink in why neither way works.

Pause to see that the problems from this flaw do not fall on all social groups equally.

Pause to think that the problems fall on children of any social group more than on adults.

Pause to think that the problems fall on single parents of any social group, especially single moms.

Think how some bad adults have learned to use the plight of children to blackmail good people.

Pause to think about what you would do. Likely you are a citizen or resident. You should have realistic and humane ideas about fellow citizens, and the ideas should guide what you would do – up to a point. I have offered schemes elsewhere and I don't repeat them here. I do repeat points of this synopsis when needed in this essay because people tend to selectively forget the facts and ideas. They recall only what supports their biases.

Education Again.

-Education can help with all these problems of employment and with good jobs and bad jobs but it cannot alone solve the problems.

People don't even get the help that education might give because American schools have not kept up with what is needed and have let quality fall. Since about 1975, American schools split into two camps: (1) Good schools for upper middle and middle class people, mostly Whites, East and South Asians, with some successful other ethnic groups; and (2) bad schools of poor Whites, Hispanics, and Blacks. The bad schools are as bad as anywhere. The problem is not only money but also due to parents' attitudes about education, willingness by parents to get involved, and attitude to education and life by the communities around the schools. The culture (attitude) of the parents and local group makes the biggest difference. Problems with schools interlock with divisions in socio-economic class and by social group.

Booms and Busts.

-Capitalism innately has cycles of boom and bust, about ten or fifteen years in a cycle. Institutions such as the FED (Federal Reserve Board) and unemployment insurance help to dampen the cycles but cannot end them. Even now, sometimes the cycles are extreme as with the Great Recession of 2007 and the crazy boom after about 2015.

Sadly, people think the boom is normal and it can be sustained all the time. They think the state (the government) can do something to make the economy boom all the time. They think tax reductions and corporate welfare can make the economy boom all the time. They think the low rate of unemployment, high wages, and greater abundance of good jobs, typical only in brief boom times, are all normal. They think that the state should do something to make sure we have these always. ALL this is wrong. ALL this is wishful harmful thinking. ALL this is a bad fantasy. Booms are not typical. Flaws and problems never really go away, not even in boom times, no matter what it looks like.

Learn what is about average when you take into account, and take out of account, ups and the downs. Learn what an economy would be like if there were no booms or busts. Learn to shape programs and taxes to the average real economy rather than try to make all the busts go away or try to sustain booms all the time. That is what I have been giving here.

If you have a better sense of the economy as it might be without booms and busts; a better sense of its power, flaws, and problems; then you will be better able to deal with booms and busts. You will be able to assess institutions and programs that are supposed to deal with booms and busts. If you think booms are normal, or live in fear of busts, then you will not be able to deal with the real underlying economy and you will not be able to deal with the cycle of booms and busts.

Political parties use fear of busts and lust for booms to control people. They do this even though they know that people misunderstand and that it is wrong to take advantage of misunderstanding. Learn the truth if for no other reason so that political parties do not lead you around by your nose full of fantasies and fears.

What American Salaries Should Be.

-This section begins a series of sections about how much income Americans should make in their jobs in the new world economy and what Americans feel about how much they should make. The material comes in three groups. The first group below is an introduction and synopsis of the lessons. The second is a brief version while the third is the long original version. The long version is marked with hash tags (#) and you may skip it if you wish.

-Group 1: Introduction and Synopsis: Americans now show three bad features, and the bad features mutually support each other. Historical changes reinforced the bad features.

(1) Americans have a big sense of entitlement as Americans, entitlement of me versus other Americans, of my group of Americans versus other Americans, and of Americans against other nations. Americans feel they deserve a good job, security, to be boss, wealth, power, respect, deference, social standing, and legal standing, simply because they are Americans or they are a particular kind of American such as a White man or a Black. If they do not get what they feel they deserve, they feel cheated and angry. In a self-perpetuating cycle, people also work themselves up to feel cheated and angry to justify feeling entitled. There is no end to what people feel they are entitled to. To get part of what they feel entitled to, people connive with other people who they feel are “in the same boat”, their “gang”, to get ahead of others and to deprive others.

(I am not in the group who feel Americans have wronged the world and so we should apologize to all and sundry. Americans have much to be proud of, much more than to be ashamed of. We bear the torch for all that is good about Western culture and society. We do lead the free world. We have made mistakes but not any worse than any country and usually less. We have helped not only our friends but our enemies. Many nations owe their peace, prosperity, and future to us. I have no problem with a little pride and with good strong leadership. That is not what I am talking about. The cure for both chic shame and stupid insolence is reality. See the movies “Syriana” and “Sicario” and think.)

(2) Americans do not have a realistic sense of how their economy works, how the world economy works, and the place of socio-economic class and social groups in the economy and in politics. We do not live in the real world no matter how much we claim to be realistic and practical. Not even Republicans, who take so much pride in being hardheaded, realistic, and practical, live in the real world. Not even Blacks, who take so much pride in being picked on and so forced to be realistic, live in the real world. We live in bad fantasy worlds in which we can find excuses to do what we wish.

(3) The American Dream is not one dream but has been several dreams over time. It has changed to fit different eras. It was one dream in 1955, another in 1985, and is becoming another dream now in 2018. The Dream both reflects conditions and it gives people reasons to act. Reasons can be straightforward or they can be ploys and excuses to do something we wish to do for other motives. Since about 1981, rather than serve as a straight positive draw to good acts and good lifestyles, the American Dream has

served to excuse doing what gets us ahead, what gets more power, wealth, and security than neighbors. The American Dream can return to being a straightforward positive force, and it seems that is happening with some young people. Become a part of that.

(4) Several big changes in American economics and politics, and in world economics, happened since the end of World War 2. The changes added to the attitudes described above. I describe the changes below and in other parts of this essay. I repeat his material as needed in context so please be patient.

The complex of bad ideas and bad acts in the modern Dream hurts people, America, and the world. It blocks learning more about reality and so blocks getting better.

Two lessons:

(1A) Stop feeling entitled. Nearly all Americans now feel entitled. They are like people in old countries of Asia and Europe who feel entitled and superior because once the country had an empire. Now, ALL Americans, all socio-economic classes and social groups, feel entitled. The American Dream now is not about developing your talent to get what your talent can bring but about harvesting the entitlement that you supposedly already have. You have to stop all this. Figure out what is reasonable for a person of your talents and training, strive to get that, and strive to get better from that base.

(1B) Fear, anger, resentment, “us versus them”, and “me superior, you inferior” are all part of feeling entitled even if we are not aware of those attitudes along with feeling entitled. Those attitudes and a feeling of entitlement reinforce each other. To stop one, you have to stop both. So, stop all that too. If you are not afraid then you won’t feel the need to be entitled and you won’t do bad things to protect against your fear by using entitled as an excuse. The most often repeated message of the Old and New Testaments is “fear not”, and that message features often in Taoism, Buddhism, Hinduism, and Islam. It is hard to stop feeling afraid in our fearful world. To undo these feelings, sometimes it is easier to start with entitlement and work backwards to what drives you to feel entitled. One way to get over fear and entitlement is to see reality as clearly as possible, which leads to the next point.

(2A) Stop being led by bad ideas and bad propaganda that let you get away with things, including get away with anger, hate, fear, hurting other groups, feeling entitled, and acting badly. Learn reality. Learn what the real world is like. The real world is far from fair but that doesn’t mean you can’t live in it. Even if the world is grossly unfair to you and your people, the best response is not usually anger and a sense of entitlement. Don’t believe the propaganda of your political party, class, ethnic group, gender, age, national, religious, regional, or any group. Learn for yourself. It would be good if you could get accurate information from the sources respected by your group but likely you can’t (hip hop and country music, certain cable TV channels, church, and political clubs). You can get some information from the Internet. Bother to search. Bother to learn.

(2B) Learn about the “new normal”. Learn what the new normal is so you can make a decent living in it and be a good person in it. Learn what American labor and American goods are worth on the world

market. Learn what standard of living Americans can reasonably expect given various levels of ability and skill, and types of character. Learn about the new normal not only so you can get along in it but so you can shape it to be a better new normal for the country and whole world. This approach is not only idealistic but practical. You and your children have to live in whatever new normal you find and create.

-Group 2: Short Version. Start with the American Dream. To dream of a better life, especially for your children, is good as long as the dream is within reality. Dreams are by definition not real so it seems a bit odd to say a dream must be realistic but is not odd if the dream might come partly true, and, anyway, people understand. A realistic dream leads people to work hard, seek their betterment, and, through their hard work, make the whole country better. On and off, the stylized American Dream has served like this. Martin Luther King's "dream speech" served like this when people paid attention to what he actually said rather than read into it what they wish. He had a dream for all of America, not only Blacks, and the dream was of a reasonably just society where people were judged by their character. He did not dream everybody would own a big house, drive a big car, be the boss, have everybody else turn a head in respect, turn the tables, and get revenge on their former oppressors.

In contrast, if the dream is unrealistic, no matter how appealing, then people feel bad when they don't make it, feel bad when they (often wrongly) think other people do make the dream, feel cheated, want revenge against the people who do make the dream, and get political help to make the dream for us and to make sure our rivals don't make it. People do this not only as individuals, or primarily as individuals, but as groups.

"We Whites are supposed to have the American Dream before any other group but we don't. All our children should be the owners, managers, doctors, lawyers, and bosses, but they aren't. Some of them now can't even find any jobs. The jobs that used to pay well for us like plumber don't even pay enough now to live. This failure can be only because Blacks, Hispanics, Asians, immigrants, some women, and unfair international competition, are dragging down the whole country, especially us, and we have to do something about them, so our children get their due. We will join the Republican Party and make sure it wins for us first."

"We Blacks see a lot of Whites and Chinese get the American Dream of power, respect, and prosperity but we Blacks do not; they are always the owners, bosses, managers, professor, and lawyers but we never are; they always come out ahead and we always come out behind; they always look down on us and disrespect us; so they must be cheating and putting us down. We want what they've got; we more than deserve what they've got; and we want Democrats to take it away from Whites and Chinese and to give it to us Blacks. White people and Chinese owe it to us and they had better give it to us." In working class Black speech, "Chinese" means all Asians; it is something like "chink" used to be.

Disappointed Muslims feel this too, and aim it at all Westerners.

When people think like this, the dream is not about justice but about economic and social power even if it is often phrased in terms of justice.

Political parties (and social groups) use unrealistic expectations, disappointment, and resentment to make, recruit, and control clients, to use their clients against rival parties and clients. Political parties foster unrealistic expectations just to do that. Political parties deliberately do not give people realistic views of the economy, world, how much people can expect to earn, how much people can expect to advance or how much their children can expect to advance, why many people cannot expect to advance far but can expect to live decently, why some people fail, why some groups have a harder time, what political parties can and can't do for them, and what political parties can and can't do to rivals. Political parties excuse lies by saying they keep hope alive, wish to keep people working hard for their families, and, through hope and work, lead people to make the country better. Without hope, even sometimes unrealistic hope, nothing truly good can be done. That is merely excuses. The primary goal of giving people only an unrealistic view of the world is not to give them hope but to use people. Democrats, Republicans, and recruiters for extreme Muslim causes, all use basically the same tactic even if they hate to admit it.

We must base the dream close enough to reality so people succeed in the dream largely due to talent, character, and a little bit of luck, and people do not succeed largely to talent, character, and bad luck. People have to see what they can hope for realistically and what they might achieve. Reality has to be a big force in the dream. With the American Dream now, people should accept that the world has changed and accept what the world is now – the world is not that bad and usually is pretty good. People need to see and accept the new normal. People have to see how to get along in the new normal. If we see reality, we do much better and we avoid many problems. We dream good dreams. If we don't see reality, we burn in the guts, dream bad dreams, and fight.

We should see the reality behind the dream not only by what we figure out for ourselves but also from what parents, teachers, and leaders of religion, labor, business, and politics tell us. They all should add to an accurate full picture. If they don't know, if they tell us fantasies, or lies, then we feel bad, fight, and dream bad dreams. If they don't know or won't tell us, we have to find out for ourselves. Luckily, if we are diligent, we can find out about the real new normal on the Internet and from talking to young people. But having to find the new normal not from trusted elders but from the Internet leaves at least a residual burn in the guts.

-To get a better sense of the new American Dream since 1981, a little history helps. I make these points in more detail just below and again in several places, so here I only mention them. You will get tired of these points, for which I apologize, but they are important enough so it is better to repeat and be sure than to be efficient and risk overlooking.

From after World War 2 until about 1975, America had a period of great comparative prosperity, likely the greatest comparative prosperity that any nation has known in the history of the world. We were far ahead of all other nations in making and selling manufactured goods. Americans developed unreal ideas about the world and world economy, about what it means to be an American, and what Americans are entitled to. This is the time of the classic American Dream and of sweet TV shows about family life and

town life, such as “Leave it to Beaver” and “Andy Griffith”. The Dream at the time was not realistic but it was not harmful either. It was hopeful, sharing, and trusting. The flip side of the dream, where a little dark reality showed through, was in some rock-n-roll music and some films noir (crime movies).

After 1970, the rest of the world began to catch up, and America fell behind somewhat. Americans did not really feel the pressure until about 1975, after crises in the supply of petroleum that most people under the age of 50 would not remember. At the same time, Democratic programs benefitted Blacks even while Whites and Asians paid for the programs; just when Whites and Asians felt they were falling behind, they had to pay for Blacks to move ahead. A flood of working people and middle class people, mostly Whites and Asians, moved from the Democratic Party to the Republican Party. Rather than revise our view of the world, get more realistic, build a better economy and infrastructure, and succeed, Americans got confused and worried. This was the setting for the movie “Dazed and Confused”. Ethnic groups and other social groups fought and they retreated into looking out for themselves. We looked for ways to regain and to guard our superiority. We bought and sold a lot of bad drugs. This was the time of the highest crime rates in the history of America. Crime rates are far lower now but Americans still act as if they are in more danger now than then.

By 1981 and Reagan, first America panicked and then it went into an unrealistic self-serving euphoria. America began to recover in some ways but it had not changed its basic economic structure and class relations, so recovery was not resilient, and recovery was due more to surface tricks than to deep real renewal. A crash in the late 1980s and early 1990s caused George W. Bush to lose the Presidency.

Some Americans did prosper in the confusion. Although they were not many, other Americans wrongly took them to be the new normal, the new standard, the new Dream. This was the time of junk bonds, the invasion of cocaine, crack, and meth, new ethnic criminal gangs, new biker gangs, corporate cliques, academic cliques, ups and downs in the stock market, yuppies, preppies, network for success, worship of success, McMansions, the movie “Wall Street”, and TV such as “Lifestyles of the Rich and Famous” and “Miami Vice” (see how Raj is dressed in the first episode of “The Big Bang Theory”). This is when Donald Trump grew into what he is. The Emperor, Count Dookoo, General Grievous, and Darth Vader are partly throwbacks to the 1930s but they also look at people in the 1980s and 1990s.

The American Dream that developed in the 1980s and 90s is unrealistic, bad, and harmful. It is based on an unrealistic feeling of entitlement; on the willingness to screw other people and groups to get your supposed due; a gang mentality in which social groups mass to use politics to get what they feel entitled to; and the “culture wars”. The combination of selfishness and group is found in both criminal gangs and American politics after 1981. Americans have felt unrealistically entitled since the 1950s but not like the bad feeling of entitlement that grew in the 1980s and 1990s.

To discredit even good programs such as Social Security, Republicans always label helping programs as “entitlement”, Republicans complain how Democratic clients such as Blacks, Hispanics, women, and the poor feel unrealistically, impractically, and unfairly entitled, and Republicans complain how giving to them hurts the whole nation. Republicans should stop tarring good programs and good people with the

same brush as bad programs and bad people. Some programs do stem from a bad sense of entitlement, and selfish people do swell them from a bad sense of entitlement, but not all programs that help people. If Republicans wish to offer a real public service, they should sort this issue out and should focus on condemning bad programs and bad people.

Republican criticism is true for bad programs and people but it hardly goes far enough. Far too many Americans, including far too many Republican clients, especially those born before about 1975, also developed an unreal, impractical, and unfair sense of entitlement, and will gang up to get theirs. And they do “get theirs”, their entitlements, tax breaks, and programs that benefit the upper middle class, and corporate welfare. They get as much through their entitlements as poor people, Blacks, and women get through their entitlements. Corporate America and the upper middle class feel as entitled to a superior near-opulent lifestyle as poor single mothers feel entitled to get enough food, security, and quality education to raise two children.

After the late 1980s, America saw a few repudiations of, and alternatives to, this bad new Dream but no alternatives appealed to the American public as a whole until about 2005. The alternatives did appeal to people born after 1980 and eventually some alternative version will become American culture, the new American Dream, and the new normal. “Grunge” and the new folk of the 1990s and early 2000s are two repudiations and alternatives. I cannot avoid mentioning “Friends” and its copies. “That ‘70s Show” is really about sensibilities of the 2000s, how poorly the people in the show would fit into the dark times, but how much better they are for real humans seeking real jobs of 2005. Jimmy Buffet is still going strong, on Broadway. “Alt” country and the “new” country, even big “cowboy” hats, are about getting along, at least in your own religious and ethnic group, and about having reasonable expectations for family and love - and they are about having some simple human fun – which had disappeared in the 1980s. In the middle 2000s, a new pop music arose with all the same themes, and about not putting up with selfish career-oriented people. The best representative likely is Taylor Swift. The best non-art representatives might be Jenna Bush and Chelsea Clinton. Even the “what would Jesus do” movement was a big step in the right direction by the right people.

New attitudes are not all good and don’t all work. You cannot be a lingering grunge-y, retro-hippy, “new folk-y”, or aging preppy go-getter in the real world for long. You can’t be a success by wearing a cowboy hat or baseball cap. People still need good jobs. They get jobs in big organizations such as business firms, law firms, schools, and the state. For those jobs, you have to present yourself the right way and need true competence. For that, you have to think the right way. This might be why we have so many zombie movies and TV shows now. People need to eat the brains (jobs, ideas, lifestyles, and lives) of other people just to keep stutter stepping. In ads for a real estate association, the “not you” people missed out on the house you did get even though they look almost exactly like you. Still, in the end, all the zombies are killed off or are made friends with, and tough but decent people remain.

I do not here go into details of the situation for Black Americans and their response such as “Black Lives Matter”. Not all, but many, Blacks could become part of the new normal and the new sensible America that developed apart from the bad Dream of the Reagan and post-Reagan era.

Even in new corporate America, people born after about 1980 have a sense of new normal that differs from what spawned the bad dream that lingers on in people born before 1970. Their new normal sees most economic and political realities even if it interprets them in terms of helping me get a good job. Their new normal does not lead everybody to be the ideal spiritual person of his-her dreams but it does give enough to work with if you are not greedy.

I give a bit of how I see the new normal here and I give more in other essays. You can get a good sense of America and of what to expect if you often remind yourself to stick to reality and not believe what politicians, political parties, people tell you.

In fact, America has a lot going for it, more than any other place in the world, and much more than most places. Even in America, especially here, the new normal is good if you can be realistic about it. You can live decently and usefully. Even if you fail, often you can recover. You should not feel disappointment or resentment if you don't make it big as in the unrealistic bad new American Dream of the 1980s and 1990s. You are entitled not to success but a fair chance, and most people now, even Blacks, Hispanics, and women, get that. We can do better, and we have a good base to build on to do better. You should and can get a modest piece of a fairly good American pie if you stick to reality, don't feel resentment, don't go crazy with entitlement, and don't allow yourself to be used.

I do not lionize Gen X, Gen Y, Gen Z, or Millennials, but, as far as I have seen, they are more level-headed about economic and cultural realities than their parents, grandparents, and great grandparents. They know they have been misled. They know what they see is not as they have been told. They have seen the bad results of not being realistic. They want a realistic idea of the new normal. They feel they can negotiate within the new normal for a fairly decent life if they can see the new normal realistically. They feel most people can find a decent life in the new normal as long as we do not panic and are not greedy. I cannot give them much help because I am too old but I think they can get the information they need, and I hope they do.

-As noted, a series of events made the false American Dream of the 1980s both more unrealistic and yet more gripping. The events enhanced feelings of fear and entitlement. Changes made people not seek a realistic better view of America but entrench in unrealistic fantasy. Because I develop the points below several places elsewhere in the essay, I summarize them here only as much as they are needed.

(1) From about 1945 to 1975, due to World War 2, America accidentally had a privileged position of wealth and power. America built a lifestyle, and an expectation of a lifestyle, based on that unusual world position.

(2) Beginning after 1970, the rest of the world caught up and sometimes surpassed America. Whatever wealth and power America wished to keep, America would have to keep it by competing with the rest of the world in the context of a world economy and world power arena. America was slow to adjust and it adjusted badly. In fact, we still have not adjusted fully and realistically.

(3) “Real wages” is what a person can buy with his-her wages, not dollar amounts. America grows in economic productivity every year (between about 0.5% and 3.5%). Growth in economic productivity should mean more real income on average for most people in America. Mostly, before about 1975, real wages did grow due to growth in productivity. From 1975 through now, that did not happen. Instead, real wages for the poor, working class, and middle class stagnated. At the same time, income increased for the upper middle class and upper class. Due to income increasing, and from other factors, wealth concentrated into the hands of the upper middle class and upper class. Especially wealth concentrated into the hands of the top 1%. Of course, all people use their wealth for political power, and so the rich and upper middle class have done that.

(4) During the 1970s and early 1980s, America had a “panic attack”. People returned to politics based on ethnic groups and social groups. Working and middle class Americans left the Democratic Party for the Republican Party. Americans grew less realistic and more demanding. Americans developed a new Dream that included more selfishness and a greater sense of entitlement.

(5A) Costs of some important big life items went up much faster than growth in productivity and in real wages. Because real wages stagnated for the poor, working class, and middle class, of course costs went up faster than their wages. Increase in the costs went up faster than inflation and drove inflation. The increase in costs is partly responsible for stagnation in real wages. The most important costs are for education, housing, land, health care including dental care, insurance, and transportation.

(5B) The upper middle class and upper class not only did not suffer much from the increase in the costs but benefitted. The increase in these costs helped preserve the economic and power situations of the upper middle class and upper class. Their control over providing education, housing, medical care, etc. was largely responsible for concentration of income and wealth.

The response to these big changes was not “What in the world is really going on? Let’s figure out what really is going on, and do something about it. Let’s do something realistic that does not undermine the American way of life, American democracy, and American capitalism. Let’s use America’s bounty to give a reasonably fair chance at a modest life to anybody who is honest and will work hard. To do that, we need accurate information and good ideas. Likely, we will have to work together too.”

Instead, the response was “Even despite these changes, America is getting richer and some Americans are getting richer. I want that. I deserve all that. I am entitled to all that. If I can’t get all that directly only by myself, I want to be part of some person or some organization that can get it, and through which I can get my big entitled share. I want to be a part of a rich powerful business firm or school, and I want rich powerful political allies. I am more likely to get a big share as part of a wealthy powerful group, so I will make sure I am a member, and will behave as a member. I will change to be that person. Whatever anybody gets from the state, I want more. Whatever anybody gets in a job, I want more. As for other people who don’t get a share or a fair shake, screw them. They had their chance. As for other nations, they better give us their resources. We must stay ahead of them in all ways. If they don’t cooperate, we

will squeeze them hard.” I don’t see how this can be the American Dream of 1965. This is the culture of entitlement and bad gangs. I hope it is not the American Dream for now. You can be realistic without having this kind of dream. In fact, if you have this dream, you cannot be realistic.

-*Group 3: Long Version*. The sections marked with the hash tag are how I originally wrote the topic above. I gave more information about underlying economics. If you wish to skip this material and go directly to what follows, search for %%%%.

-For the next few topics, we need the following points. Don’t worry about “marginal productivity” and “marginal revenue productivity”.

In the past, America’s high standard of living was due to high general productivity and to high marginal productivity for labor and high marginal revenue productivity for labor, compared to other nations. We were more productive than other nations because:

(1) From World War 2 until about 1970, America was almost the only maker of finished technological goods in the entire world, including goods such as cars, tractors, and TV sets. World War 2 had crippled the capacities of Europe and Japan, and countries such as China and South Korea had not developed yet. Americans forget how important this unique position was. We wrongly base our ideas about standard of living on what America had during this unusual period. American labor might not have been strictly overvalued or overpaid but it was overpaid if American labor had had to compete with trained labor in other countries such as Germany, England, and Japan.

(2A) We were more innovative in many ways including hard technology, soft technology, science, the arts, and business organization. Innovation includes being more efficient with the same resources.

(2B) Our lead in popular arts such as movies and TV spread American culture and Western culture around the world, created demand for American goods, and created revenue for American goods.

(3) We had excellent science programs, including “pure” or “abstract” math and science with no immediate application.

(4) We had excellent programs in all kinds of engineering, with practical applications of science and math.

(5) We are blessed with great amazing natural resources.

(6) We know how to implement quickly all kinds of innovations.

(7) America has a well-developed infrastructure, which includes a lot of technology that has been implemented already. American infrastructure in 2018 is old and in trouble but that issue is not relevant to the argument here.

(8) America has a huge base of technology, largely thanks to its science and engineering. Technology is a double edged sword. Technology makes production more efficient, reduces some costs, leads to more “stuff” (goods) at lesser prices, and leads to more jobs for the people who make the technology and can use the technology. Technology also causes people to lose jobs and it requires people to be retrained to get new jobs. Economic orthodoxy says the gain always outweighs the loss, and ALL people who lose their jobs can find other jobs, usually better, later on. The orthodoxy likely was overall true until about the 1970s. Now, technology is complex enough, and so many simple jobs have disappeared, that many people can’t find new jobs or can find only worse jobs. On the whole, technology makes America richer and makes the people who can find jobs better off but also technology is making a class of people who can’t find new jobs ever or can find only bad jobs. The class of people who can’t find good jobs affects even the people who do get good jobs, in ways I can’t go into here. Kurt Vonnegut wrote of this issue, I think in his novel “Ice 9”. All this change added to the other problems that I describe about fear, wage rates, and entitlement.

No particular country can slow down the implementation of technology because competition will lead to rapid implementation. America will get “technified” more than most of us can now imagine, some of us will be unemployable or in bad jobs, and the unhappy people will impact the whole country. This is part of adjusting to the world economy. I don’t know what the overall result will be.

Rather than always refer to the issues around technology, I include issues of technology tacitly when I refer to the world economy. Whenever you see “world economy”, think of technology as well.

(9) Basic costs such as for housing, education, and medical care, were fairly low, for good economic reasons.

(10) We had good institutions such as schools, religious freedom, science, good courts, and (yes!) a good political system. We had a social organization that worked well with our institutions, character, and national culture.

(11) Most Americans had good character, attitude, values, and culture to go with our good institutions. We shared a general American culture, and this culture helped.

(12) Ethnic groups and immigrant groups were able to adapt their specific cultures to go with general American culture, without losing their particular culture too much.

(13) Existing ethnic groups and immigrants added a great deal, such as with ideas in the arts, sciences, engineering, and politics.

(14) Modern capitalism has general business organization (corporations) and has particular business organizations (General Motors in 1955; the business culture in “silicon valley” now) that are effective. Well-run corporations compete better than other firms, especially other firms run by family cliques and

states (with some exceptions such as DuPont). America had an effective version of the general capitalist corporate business firm. America was able to change organization to adapt to other innovations and to what is needed. Since the 1960s, some “family-and-state” style firms elsewhere have been able to out-compete American corporate business firms. I do not say modern corporate business is morally better than family-owned business but it is more effective (I have personal experience that often corporate run life is worse than life dealing with family business firms).

(15) “Labor” here need not refer to organized labor such as labor unions although organized labor led the way for all labor and helped all labor. For many years in American history, labor in America worked both against-and-with business firms and the state to generally improve the American economy and life. In contrast, American labor withered as a political and economic force after 1975 and more so after Reagan, mostly due to its own bad ideas and partly due to adept killing by its enemies. The decline of labor (a) made America NOT to gain as much productivity as it could have and (b) made workers not share as much from any gains in productivity as they should have.

Not all change is good innovation that leads to greater productivity and-or to higher wages. The old pop star fades and the new star now makes the money that the old star does not. It looks different but really it is the “same as it ever was”. When computers were first popular about 1987, people predicted paperless offices in five years yet computers led to wasting more paper. I doubt smart phones make us much more productive even if they did cause social change. In contrast, internet shopping did make us more efficient, and usually that is more productive. Change might lead to higher real wages or might not. Look at productivity rather than mere change.

America still has most of its advantages although not as much more as before. We declined in some ways such as the useful role of labor. You should pause to think what advantages America still has and to what extent. Think why we declined or why we stayed on top. Think what ways we are still among the top, even if not the very top, and why. Think how to improve. Think if we have to doggedly seek totally dominating in all ways or accept not totally dominating in all ways. Think what ways and what levels of only modest advantage that we should learn to live with.

-For here, the term “workers” means: “workers, professionals, most managers in business firms and in government, and most officers of business firms and in government”. Owners, investors, speculators, and entrepreneurs, are not workers, and are covered below. “Professionals” includes doctors, dentists, lawyers, teachers, college professors, accountants, technicians, journalists, etc. For here, wages, salary, benefits, and income are all called “wages”. Recall that “real wages” refers not to the dollar amount of wages but to what a person can buy with wages. “Earned”, “deserved”, or “honest” wages come from helping to make a real product (“good”) that is sold on the market for market prices or from helping to give a real service (also a “good”) that is sold on the market for market prices. “Earned” is a technical term from economics but it will not be used strictly that way here.

“Productivity” refers to the output per person or per some other unit such as per dollar, kilowatt hour, gallon of gasoline, chemical process, machine, computer minute, or piece of software. Here, I stick with

“per person”. When productivity increases (rises) each worker makes more stuff or offers more services per hour, usually with the help of better technology, software, training, or organization. Productivity in America has increased about 0.5% to 4% per year since about 1965. We can take about 2% per year on average. Productivity is not the same as total output. Total output can decline even while productivity in general, or in some fields, increases. In the Great Recession of 2007, productivity of smart phones increased. At times, productivity increases in bursts while sometimes it dawdles. Be careful about statistics for productivity, they can be misleading. Politicians exaggerate statistics about productivity so as to take undeserved credit or divert blame.

Main Point 1: Real wages depend on productivity. The higher the (marginal revenue) productivity of a type of worker, the higher the wages are for that type of worker. Likewise, if productivity decreases, then real wages should go down. Workers strongly resist a decline in real wages even when they know their productivity has fallen. The productivity of auto workers fell during the 1970s through 1990s but they strongly resisted a drop in real wages.

Main Point 2: American workers now are not necessarily more productive than workers elsewhere. So, American workers do not necessarily deserve higher (earned real) wages than workers elsewhere. Nobody knows for sure how much Americans should be able to buy with their real wages. We have to adjust expectations and our way of life to our real level of productivity and our deserved real wages.

If American workers deserve more real wages, that gain likely is due to advantages shared by America as a whole and due to the productivity of the economy as a whole rather than due much to specialness about Americans. American character, and good American training, might lead American workers to be more productive than their counterparts elsewhere but it does not lead Americans to expect the kind of unrealistic bad American Dream that became common after President Reagan in the 1980s and 90s. We deserve more not because we are Americans but because America has good features thanks to nature and to history.

-Since 1975, general productivity, all over America, has increased. So, average productivity per worker has gone up. In that case, we would expect that real wages would go up too. We would expect more total wealth in America, more wealth per person, higher real wages, and that higher real wages to give more wealth per person. In fact, this did not happen “across the board” all over America. Since 1975, wages (income) increased for the upper middle class and upper class but not the middle class, working class, and poor. Real wages for the poor, working class, and middle class all stayed stagnant. Standard of living, what the people could get for real wages, remained stagnant or declined. America as a whole got richer but nearly all the wealth went to the upper middle class and upper class. The poor, working class, and middle class are not wealthier per person. A full review of these issues is a topic for another essay. Here I say only what is relevant to the issues at hand, about the relation of wages to productivity and about the stagnation of wages. As with all statistics on productivity, statistics on why increase in productivity did not lead to gain across the board can be misleading, and politicians bias them to their advantage, so be careful.

To make sure nobody misunderstands, I mention the technical phrase that I used above although I don't use it elsewhere. You can ignore all the jargon after this subsection is over. Wages don't depend primarily on the absolute productivity of a worker, on how much he-she produces in total, but depend more on how much of a difference he-she makes in production, how much more he-she adds to (more) production, how much difference he-she makes "at the margin". This effect is called "marginal productivity". In overly simple terms: Suppose, by hiring an added worker, a business firm that makes toasters can go from making 15 toasters per hour per employee to 20 toasters per hour per employee. Then the wages of the new employee, and the wages of everybody who does a similar job, depends not so much on the 15 old toasters or 20 new toasters but on the 5 extra toasters. Even more confusing, the difference has to be figured not in terms of physical units or customers served but in terms of money revenue. What matters is how much more an additional worker makes or how much more an additional worker costs. It doesn't matter if John makes 5 toasters more per hour than he used to make, what matters is how much additional revenue the 5 additional toasters bring to the business firm. If the firm hires a toaster assembler, and that worker increases revenue by \$17 per hour, then that worker and all similar toaster assemblers will make \$17 per hour. The technical terms are "marginal revenue product" and "marginal revenue productivity".

Workers like to blame rich people and their bad politicians because productivity increased but wages in general did not. There is truth to this blame but the matter is not so simple. Overall productivity, general productivity, or average productivity per worker, around the country, can increase even while wages do not increase, and even while the blame does NOT to lie entirely-or-mostly with rich people and their politicians. This can happen without anybody stealing, cheating, or at fault. It can happen "naturally" in a capitalist economy. I do not explain much. It can happen because increase in (marginal revenue) productivity was due not to labor but to technical innovation such as robots, computers, bio-engineering, and chemistry or to changes in organization. Average productivity going up but (marginal revenue) productivity of labor not increasing is partly what happened in America. Little of the increased productivity in America since 1975 went to workers as higher real wages, both for some bad reasons and some good reasons. (If marginal revenue productivity for labor increases much but real wages do not increase, the problem is harder. I leave that issue alone here. See other essays.)

If average productivity goes up, even if the (marginal revenue) productivity of labor does not go up, still, goods (products and services) should be overall cheaper. Costs should go down. Due to increase in productivity, we can make more, and make a greater variety, using about the same resources. In fact, costs did not go down for most goods. Costs went down for small items such as electronics but went up in general due to increases in costs for big important goods such as health care, education, and housing. See below. This fact that prices in general did not go down despite increased productivity, and some prices went up fast, indicates something went wrong. To me, this price situation is a better indicator that something went wrong than that average real wages of labor did not go up in line with increases in productivity.

The fact that real income (wages) went up for the upper middle and upper classes while real wages for other groups stagnated also is a better indicator that something is wrong than that average real wages of labor did not go up.

The following forces added to the fact that American real wages in general did not rise even though America got more productive. These forces added to the fact that workers did not share in the increase in American wealth. I focus on productivity rather than wealth.

(1) Rich people and their politicians did steal some of the gain of increased productivity from American workers. Rich people and their politicians can steal through market means and political means. See point 3 below. The usual method of “stealing” is through holding a portion of a structured market (see below) such as for education, medical care, dental care, and housing. Since Reagan, a common method of stealing has been through tax cuts supposedly to stimulate the economy. Another method is to give business firms breaks in a local area so they locate here rather than there. Another method is to make it hard to unionize new factories. A huge method is sales taxes.

Beginning in the 1980s, owners and managers increasingly changed jobs from full time, with good pay, benefits, permanent, and some union-like protection to “officially” part time, low pay, no benefits, not permanent, and no protection. Part time workers worked just under the legal minimum to remain not full time, etc. In effect, they were full time but were not treated like full time. Workers had to take the jobs anyway. I consider this practice highly immoral. In the context of American ideas about working that had built up from the late 1800s to the 1980s, this new practice is stealing from workers. The cure is not to force every job to be full time, etc. but to have medical and retirement benefits covered only by the federal government, and to have a union in every workplace. I do not go into any proposed cures here other than to say what I just did. If you do not wish to see this practice as stealing, you should give this practice its own status as a way that wages did not go up even if productivity did go up. You cannot overlook this practice.

(2) Changes in technology and organization did not lead to wage increases for workers although changes did lead to more wealth for owners, often through increased marginal productivity of non-labor factors, often through new factors such as computers or more efficient use of older factors such as plastics and bio-technology. Change in the use of land, material resources, software, and hired skills such as medical skills contributed to owners getting more income. Change did not lead to increased marginal revenue productivity for workers. In these cases, owners got nearly all the gain from increased productivity, for good reasons. This is the point that I made above.

(3) The point here overlaps with (1) above but I wish to stress this point. Owners (including other non-workers) make unearned income (profit) through structured markets. I cannot explain here what that means. You can think of structuring as monopoly-like control, such as when a few big firms control the market for software, video games, beer, housing, sports, or TV, or when doctors, dentists, lawyers, and insurance firms control the health care market. Through control of structured markets, owners can gain from increases in various kinds of productivity, including the productivity of labor, even while workers

cannot gain or cannot gain as much as they should. This one-sided gain can be a kind of stealing even if people don't think of it as stealing; usually they don't even see it.

If structuring increased since 1975, then owners could take most of the gains in productivity over the last 45 years. Even if structuring did not increase, owners could have used existing structuring to take most of the gain. I believe structuring did increase, often with help from politicians, and owners used both existing structuring and increased structuring to take much of the gains in productivity, even increases in the productivity of labor. Owners used control of markets to move income and wealth from workers to themselves. One way they did so was to increase the costs of big life factors such as medical care. They used their gain in wealth to support the politicians who had supported them.

(4) After 1970, America was in the world economy more as one partner among other equals or near-equals; the world economy rapidly improved and grew; and other countries caught up to America and sometimes surpassed America. Recall that I include technology as one aspect of the world economy and of entering the world economy. Recall that America had been the only mass producer of technological goods for a long time prior to 1970, and so American goods and labor were comparatively over-valued and over-paid. America was to the world as controllers of markets in America are to America. As the world caught up, it became clear America had held an advantage that we no longer deserved. We were due for an adjustment. Adjustment can lead to wage stagnation in several ways. Here I focus on one effect:

To adjust, real wages in general in America had to decline briefly. Recall that real wages are what money wages can actually buy. Money wages are only the outward form of real wages. Money wages can go up or stay the same while real wages go down because the money buys less. It is very hard to make workers take a cut in money pay or real pay. When real wages need to decline, we have periods of wage stagnation and inflation. Inflation eats at money wages until the real wages behind money wages are lower than before, and are low enough. The rise in prices for major needs such as education, housing, and medical care is part of the inflation that carries out adjustment. This effect happens also when we raise the minimum wage. This adjustment is part of what recessions are about. So, the long freeze on money wages after 1980 has been one of the biggest ways America used to lower real wages to where American workers are about where they should be compared to workers in the world, and so American workers are again "sort of" competitive. Overpaid American workers had to take a pay cut until they got paid about what French and Korean workers are paid, with a little more to Americans due to the advantages of America as a whole. The way of giving of American workers in general a pay cut was to freeze (stagnate) money wages until inflation and rising costs made American real wages what they should be on the world market.

Likely, the freeze on money wages so that real wages could decline was taken to far. In at least some industries American workers now might be underpaid. I do not guess which industries because that issue would take me too far afield. If you don't have good reason to believe you are underpaid, then likely you are not strongly underpaid.

It is unlikely anybody planned this way of giving American workers in general a pay cut. It happened. Stuff happens. Some business people and politicians likely knew what was going on and used it to their advantage – that is part of what the Republican Party is for - but I doubt even they had enough power to make it happen if it was not already “in the cards”.

(5) The entry into the world economy was badly managed, with blame falling on both political Parties, and on individual politicians, labor leaders, labor as a whole, and business leaders. I expect politicians and business leaders not to help labor but in this case much of the blame for the bad impact has to fall on labor leaders and short-sighted often-greedy workers. They could have done a lot better if they were not obsessed with keeping old unrealistic levels of real wages regardless of what happened to all their fellow workers. This makes me sad. (I feel the same sadness about how ethnic leaders failed their groups and America as a whole.)

(4 and 5) 1970 was a long time ago. We did adjust. Is the adjustment over or do we still have to adjust some more? If more, how much? Because the adjustment was badly managed, it is not over yet, although it is along. Americans still think they deserve a high standard of living simply because we are Americans, and, as long as that attitude persists, the adjustment is not over. Have we adjusted enough so American wages are what they should be on the world market, given also America’s advantages? Are wages now beginning to rise and are workers now getting a bigger share of increases in productivity? As of 2018, there is no simple answer. See below.

(6) As noted often, some key costs of living rose faster than productivity, often much faster, including housing, education, medical care including dental care, transportation, all kinds of insurance, and even food. I say more about costs elsewhere in this essay. Here I do not explain why costs rose faster than the (marginal revenue) productivity of labor and-or real wages in general. The point here is related to the idea that rich people and their politicians steal from America but has to be seen apart. I think the rise in important costs is the most important factor in wage stagnation. It is also the most important reason that the upper middle and upper classes did not suffer from income stagnation but benefitted considerably since 1980. They benefit from rising costs in education, housing, medical care, etc. Rising costs were one way that business got Americans in general to take a pay cut until we had wages roughly equal to what we should have and roughly what is needed so we are competitive in the world economy again. It is one way to get us to the new normal. It is not a good way but it works.

(7) The pattern of investments in America shifted along with other factors described above. The new pattern of investments both affected the other factors and was affected by the other factors, including especially costs. For example, we invest more in real estate, education, health, and insurance now than we did before, especially before we began to think of those areas as investments. Again, this is a topic for another essay and I can’t go into it more here but it had to be mentioned.

(8) The price of resources rose, including the price of some key resources such as land and petroleum (oil). People on the Right like to blame this factor for all problems but I doubt that it was a large factor compared to some of the other factors such the rise in key costs (Point 6). As I write, America is one of

the top three EXPORTERS of oil in the world, and the price of gasoline is comparatively as cheap in 2018 as 1975. Increase in the price of resources will be important in the future but America is almost uniquely suited to do well. The only major exception is in so-called “rare earths”, which China controls because of deposits in the Himalayas.

(9) The Great Recession that began in 2007 did what most recessions do to wages, which is to freeze them. Usually recessions also freeze or end profits, and that did happen somewhat, but not as much as (I think) it should have. Profits did not reduce because many members of the upper middle and upper classes held strong positions in structured markets. People still needed to pay the rent, send their kids to school, save mother from dying of a heart attack, and treat father’s prostate cancer. People still had to buy the next generation of smart phone. Now (2018), the Great Recession is over but we are back to where we were in 2005. Workers have stagnant wages while the UMC and UC continue to increase their incomes.

If you can sort out all these factors and can say how much weight each one deserves, when, and why, then you might get the Nobel Prize in economics.

-About now, people want some answers. I can give only guesses.

Stagnation of American wages from 1980 through the Great Recession was due in part to America entering the world economy. Reminder: To remain competitive, America had to lower the rates of real wages in general. To lower real wage rates in general, most money wages had to be frozen for quite a long time, including some wages that deserved to rise with increasing productivity and would have risen without this situation. Likely the wages of skilled welders, mechanics, or computer programmers should have risen in the period 1985 to 2005 but did not rise because of the overall adjustment and freezing of all American wages. Hopefully, that period is over, and this kind of general freeze adjustment should not hold back American wages much. We can see some recovery in wages as business firms need more people and will pay more for talent, experience, and character. Even so, the general level of American wages will not rise a lot, not nearly as much as promised by the political parties, because what we see now already is near the correct new normal.

Many Americans now are not skilled in ways that give higher wages in the world economy and so give higher wages in the American economy. I am not sure how to help these Americans so as to get them skilled in ways that bring high real wages now although it is worth a try as long as it doesn’t cost too much.

Again, highly skilled people, such as those who know how to apply artificial intelligence to production and to “data mining”, now get good salaries. The problems are: (A) There are not enough Americans with these skills (B) Even if many more of these jobs do develop, there cannot be enough of these jobs for all Americans who need good jobs because not all Americans have enough talent for these jobs. Not all Americans have enough talent even if we put more resources into education. I do not know how this situation will affect wages in general.

The upper middle class and upper class did steal some increases in American productivity. I think they did not deliberately set out to steal. They took advantage of American entry into the world economy, used their hold on structured markets, used never-ending wars, and the Great Recession, to take what they could get. Taking included some gains from productivity that were due to American workers rather than to the UMC and UC. I don't know how much. If we consider the gains that the UMC and UC get from holding firm positions in structured markets such as for education and health care to be a form of stealing increases in productivity, the stealing will continue.

I say often that the major problem in stagnant standard of living is the costs for housing, education, medical and dental care, transportation, and insurance. Again: the UMC and UP were able to "steal" increases in productivity for decades because they held-and-still-hold positions in structured markets for these needs. I wish I could say things will get much better but that is not true. Your portion for health insurance through work will continue to increase. Uninsured people will still die. When mama gets metastatic breast cancer, you still have to drain the savings to delay her death. Jimmy and Heather still have to go to college or they have no hope at all, even if going to college means big debt and little hope. As long as these costs are high and getting higher, people will still feel as if they don't make enough and can't make it. People will still feel they are being robbed. They will cling to the idea that they deserve a lot more as Americans, White Americans, Black Americans, Asian Americans, Christian Americans, or Muslim Americans. Now that entry in the world economy is mostly over (but not fully), and wages will climb somewhat, people might feel a bit better; but people cannot feel secure as long as these major costs loom. There are ways to control these costs but here is not the place to go into it. We should not seek direct political means such as broad coverage national health insurance but we will need political action, such as realistic national health insurance, and adept political help is not likely soon.

Alright then, what should be the standard of living for American workers, for the poor, working class, middle class, and secure middle class? I let the upper middle class and upper class take care of itself. We have to break the question down: (a) Take the situation as it is without hoping to control costs or to get the gains in productivity that go too much the UPC and UP. Don't try to get back any previous lost gains in productivity that should have gone to labor but did not. Gain what we can from the fact that we have already entered the world economy fairly fully and we are not likely to suffer too much more from any adjustments to the world economy. (b) Workers can get some real earned wages from increased productivity that they should have gotten but did not get. Maybe competition in the world economy for skill workers forces American owners to pay more for skilled work here. More people learned skilled work. That, in turn leads, to better income for all jobs. We still cannot control the UMC and UP, their hold on structured markets, and increasing costs for big life needs. (c) We can control costs, especially big important fast-rising costs such as for housing, education, and medical care.

To be honest, likely it would take a small team of economists a couple of years to come up with fairly accurate answers, and, even then, changing world events would throw their answers out the window. So here are my daring overly-simple answers: (a) Americans still should live a bit better than nearly all other workers around the fully developed world, but not much better. Wages for a "good" job should

be enough to raise a small family and to send children to good public schools. (b) Getting some wages from productivity that had not been credited before, getting a deserved share of gains due to increased productivity, would make life improve, but not all that much more. Americans are not living more “on the edge” now mostly because owners have stolen our livelihoods and lives by stealing our productivity. We are more on the edge because the world has changed and we didn’t adapt. (c) If we can control costs, life will get yet again better. Life will get noticeably better but not hugely better.

(b and c) Even by recovering all the wages from productivity that are owed to American workers, and even by reducing costs, American workers still cannot live according to the wildly unrealistic hurtful un-American Dream that Republicans foisted on us in the 1980s and 1990s, that Democratic clients seem to take as what is due them, and that Republican clients seem to take as what is due them. We can live well but not that well. No nation can live that well. If we continue to distort our economy and politics, and world economy and politics, to try to live that well, then we surely make things worse, permanently worse. We are better off figuring out what the new normal is, and living accordingly. We would still be well off. Please stop living unrealistically and please help all of us to live well realistically. Good governing is much better than crazy selfish dreams.

Again: most help would come from controlling-and-reducing the costs of education, health care, and housing, especially if we can also guarantee the quality of all public schools. To control-and-reduce the costs for big life items is important not only for raising real wages but, even more, because controlled-and-reduced costs would increase the security of American workers and increase feelings of security and trust between groups. We cannot control-and-reduce costs by silly programs such as giving everybody free education through college, giving everybody extensive health care, or subsidizing house payments. What we can do is the subject of other essays.

Huge help would come from making sure every public school in America produced graduates who really deserved their diplomas and who knew good character from bad character. We could do this but we would have to face up to the cultures that prevail in subgroups such as ethnic groups. I doubt we will do that soon.

“So, what do we really deserve in real wages? How much are we being cheated? How much can we get back of however much we are being cheated?” What is the new normal? I wish I could give a clear definitive answer.

Any answer is complicated because the poor, working class, and middle class are not one big group all with the same jobs. Some of them have gone through all the adjusting they are going to do after 1975, and do have their full real wages while some still do not yet have their full real wages. Even if all issues with wages were cleared up, there would still be a problem because the upper middle and upper classes get their income, wealth, and security from controlling (structured) markets.

A few wild guesses might be fun and might help, but that is all they are:

(a, from above) Working people won't like this answer. After years of stagnation, a lot of adjustment that was needed for the world economy has been done, and, in fact, people already do get a lot of what they deserve in real wages. Americans generally already do get better wages than elsewhere. If not, people would not still wish to come to America, in droves. What we see now is close to the new normal. Rather than wish for magic wage increases, it is better to see realistically the new normal.

(a continued) The advantage that American workers have comes from advantages that the whole country shares. Workers who have training and skill get paid more and deserve it. Workers with little training, even if they are good people and loving parents, deserve little and get paid little. There is a bit more in real wages to be recovered from overlooked productivity of labor but not much.

(a continued) Assume there is little more to recover and that people now get paid about what they deserve. I would guess that an American doing comparable work to a person in a developed country in Europe or East Asia, as in France, England, Japan, or South Korea, should get about 25% more in real wages. If a Korean can buy a pound of meat with an hour of work, and American doing similar work should be able to buy about 1 pound 4 ounces. An American doing comparable work to a person in a country that is well on the way to developing, such as Brazil or Thailand should be able to get about 33% more in real wages. You can easily check my guesses on the Internet by looking up wages for particular occupations in different countries. The US Dept. of Labor and the UN keep statistics on these issues. You will find that Americans already make this much more, so now you have to think why our already-higher level of wages does not lead to more happiness. Remember costs.

(b) Suppose there are real wages to be recovered from unpaid increases in productivity. Even in this case, the bonus is not much, and most of it is due to advantages that America as a whole has regardless of the wage issue. An American doing comparable work to a worker in a developed country should get about 30% more real wages than that worker in another country. An American doing comparable work to a worker in a developing country should get about 40% more real wages.

(c) Suppose we could reduce costs. I don't consider whether there is much real wages to recover. An American doing comparable work should get about 40% more in real wages than a worker in an already developed country. An American doing comparable work should get about 60% more in real wages than a worker in a developing country. About half of American superiority in wages is due to the advantages given by America in general and half of it comes from controlling and reducing costs.

However you think about it, the American advantage in wages is considerable. We should be satisfied with the new normal if we also had reasonable fairness and social justice. We should work toward a fair open market where workers are paid what they really contribute to marginal revenue productivity, and then see where that takes us. That would help, more along the lines of case (c). We should agree on how to figure the real contribution of labor, the real marginal revenue product of many various kinds of labor. Such figuring should be part of every yearly report by a business firm or labor union. The fact that labor unions don't offer these analyses is one reason why they failed.

We need clear analysis of this issue from impartial economists, aimed at an educated general public, but we have not gotten that enough so the general public knows, fully understands, trusts, accepts, and acts for the best accordingly. I personally am not clear on the issue so I don't expect most people to be clear. I hope that politicians are clear but they are clear only up to where they can argue for their Party and their clients. I do not blame economists for not explaining. Likely they feel they already did. I blame deliberate confusion by politicians and their supporters among the upper middle class and upper class. I also blame labor leaders and leaders of some Democratic clients (such as Blacks and supporters of the poor and women) because this issue is important to them and the truth about this issue should be their bedrock.

We can keep our advantage as Americans until about 2040, and maybe longer, if we are not flooded with unskilled immigrants who don't assimilate and we do train nearly our people. Most immigrants assimilate pretty well. So far, we have done a bad job training our people.

The real main point of all this discussion: We do not automatically have high productivity and high income because we are Americans and we do not deserve high income and a high standard of living because we are Americans. We should not try to force political parties to give us a high standard of living because we think it is our automatic due as Americans. We should disbelieve political parties when they say we do deserve a high standard of living just because we are Americans, and they can give it to us. We should find reality. We should find the "new normal". We should make sure we all can see it fairly clearly. All this is important.

Political Parties have not addressed costs. Maybe only Senator Elizabeth Warren has a good handle on costs, and I do not always agree with her. Politicians have not addressed why costs rose so quickly and what to do about the problem. Political Parties have avoided giving a truthful account of costs because to do so would expose the fact that their basic stances are wrong, would lead them to lose clients, and would show they prefer power rather than to work for the good of the country as a whole.

The upper middle class and upper class deserve less than what they get now. We must NOT "milk", "soak", or "fleece" the rich but I also wish the UMC and UP to pay their full fair share. They have not been hurt by the changes noted above. They have been able to protect themselves from changes. They were NOT able to protect themselves because they are intrinsically superior beings or they are more deserving. They protected themselves largely because they have benefitted from the increase in costs. The increase in costs of medical care, housing, education, transportation, and food have gone to make sure the UMC and the UP still live fairly well. The UMC and UC control structured markets and they benefit greatly from structured markets.

Suppose we can be strictly fair to the UMC and UC and we try to reduce costs. Even then, if we reduce big living costs, and our actions reduce the security and advantages of the UMC and UC, no matter how fair and how beneficial to everyone else, the UMC and UC will riot in their own way, and will use all their political power to keep their security and their advantages, even at harm to the country as a whole and to their fellow citizens. Members of the upper middle class and upper class are only human, and rioting

is what the working class and middle class did when they lost their advantage and their security. Keep in mind that members of the UMC and UC control both political Parties, or did until Trump-ettes hijacked the Republican Party. The UNC and UC have more in common among themselves, between political Parties, than they do with the clients of the Parties, with people within their own Parties. If they are threatened, they will cooperate across party lines to keep the class structure intact to support them. I do not go into this issue more here.

Considerations like these should go into any view of the new normal, as offered by leaders of politics, labor, business, and from clerics and academics. TV pundits are a breed apart. Usually leaders don't talk about these factors honestly or even very much at all.

-% The interlude marked by hash tags is done. The following section continues with the theme of an unrealistic bad view of American entitlement as the theme applies to business. Read these sections even if you did not read the sections above marked with hash tags.

Wages.

This section is part of the topic of what American salaries should be.

"Business people" includes owners, some managers but not most, some officers in firms but not usually most, entrepreneurs, investors, and speculators. Most managers, officers, and professionals really are workers even when they take risks in their careers.

Business people make profit NOT, as people mistakenly believe, simply through owning and managing existing wealth but: (a) Partly through dealing with uncertainty. (b) Partly by implementing innovation. Business people also make profit through (c) holding a solid position in a "structured" market such as for soft drinks, beer, sports, software, housing rentals in a college town, or to provide education, medical care, and dental care. Owning wealth is a way to hold a solid position in a structured market. Usually to get rent on property is to hold a solid position in a structured market. Holding a solid position in a structured market likely is the biggest and most consistent source of profit now – although a stake in the markets for land, education, insurance, and medical care certainly is gaining. The English aristocracy makes the large majority of income from rent on its property holdings. Profit in a structured market is not "earned" but that kind of profit usually is not very bad for the economy and nation. It can be bad.

American business people are NOT necessarily more productive and-or creative than business people in other places. They do not necessarily deserve a higher rate of profit or more steady profit. They should not mistake profit in a structured market for a sign of their great ability, of what they deserve. Nobody knows what should be a fair and reasonable profit rate for American business firms and business people. American business firms and business people are more productive than most firms and their officers in the rest of the world but American firms and business people are not nearly as much more productive now as from 1950 through about 1975. Much of the additional profit to American business firms comes

from the same American advantages that make American labor more productive, such as abundant resources and American institutions. The same comments apply to business people as did to workers.

American business people do not deserve to live well just because they are Americans, business people, or American business people. American business people do not have the right to make political Parties insure their rates of profit and standard of living. What is good for business usually is good for America but what is good for business is not necessarily good for America and it can be bad for America. What is good for America is not necessarily good for business or bad for business. Either way, America still and always comes first. What is good for your particular firm or particular business is not necessarily good for all business and is not necessarily good for America. America comes before your particular firm and your particular business.

With the growing world economy, markets now are vast and fast. What might have been a small profit or small rate of profit in 1950 now can be a huge profit and a big rate. The profit often is temporary but it lasts long enough to confuse business people, investors, politicians, and the public. This change in market size and action has confused how we look at profit, business, firms, business conduct, and their relations to the state and public. Business people think they are important because they have a fairly large rate of profit for a while in a world market, as with a hit movie, sugary caffeinated drink (“energy” drink), or app. Don’t make this error. Don’t mistake making profit in a big world market for something superior, superior people, or superior minds. The owners of Google, Microsoft, Amazon, and Ali Baba (China’s version of Amazon) are smart but they are not superior. Don’t think making a big profit in a world market gives a particular business, a particular business firm, or leaders of a firm, more of a voice in general affairs. Keep your eyes from popping wide.

-Even in America with our constant innovation, structured markets play too big a role in profits. Both structured markets and the profits they generate are flaws that lead to further problems. Links between structured markets make it all worse.

Financial markets are structured and often are at the center of problems with other markets and the economy. Structured financial markets start a chain of bad effects. We can often see problems in the economy by looking at structuring in financial markets and looking at the problems that come from their structuring. Markets for housing are structured, structuring in housing markets worsened structuring in markets for financing housing, structuring in financial markets worsened structuring in housing markets, and all this added to the Great Recession. Markets for finance support sexism and racism. Markets for housing support racism. Much the same is true of markets for credit cards and other personal debt such as payday loans and check cashing. Since about 1980, Americans increasingly have had to finance costs such as for medical care, education, and cars. All this too is among the flaws that lead to problems that I mentioned above. Senator Elizabeth Warren is right often enough, more often than her critics.

The themes of entitlement, new normal, and productivity are over. Now I move on to other topics.

Seeing State Programs in Proper Perspective.

-It is easy to come up with state programs that sound great at first hearing but do not live up or that fail. We think about the first benefits of a program but we don't think about the waves of results that follow, and many following waves are bad. Want to pay the national debt? Easy, print a lot of money. Worried about Chinese imports? Easy, put a 200% tariff on it all. Worried about stagnant low American income? Easy, guarantee everyone \$60,000 per year or make the minimum wage \$30 per hour. Worried about small business? Easy, let all business firms write off their losses for 20 years and not pay tax on profit for 20 years. Worried that people don't save enough for old age? Easy, let them voluntarily open accounts called IRA or 401K, and stop giving to Social Security. Worried over unemployment and bad jobs? Easy, make work for everybody. You should see what is wrong with these ideas. You should practice thinking about what happens next, and what happens then, and then what, until you can't see any more hidden results, good and bad. Read the economist Thomas Sowell.

-With state programs, it is easy to hope for maximum good results, easy to hope for only minimum bad results, and hard to force yourself to see bad results. This bias is true of any state programs that you like, including social, military, and business. Business people don't even see state programs for business as state programs. State programs ALWAYS have both good and bad results. The good and bad results can be both practical and moral. The programs can give money but erode character or erode social bonds. Often, bad results outweigh good results so we have a net loss but we did not see it coming. Then, too often, it is impossible to back up.

In the opposite case when someone opposes a program, he-she will reverse the pattern, putting undue stress on bad results while not even seeing good results. You must force yourself to see both good and bad results not in your wishes or fears but realistically.

Dual results happen with all tax breaks. The bad results of letting people write off mortgage interest payments on houses outweigh the good results but people are so used to it that we cannot stop. Letting people write off state and local taxes on their federal income taxes is overall bad, but, when Republicans in 2017 tried only to reduce the practice, people nearly revolted – and ALL the media both Left and Right reported only the bad effects of reducing the write off, no bad effects of the practice to begin with, and no good effects from reducing. Republicans insist that the bad results of welfare and all entitlement programs, in particular bad effects on character, outweigh the good results - but we can't stop now. The bad results of corporate welfare clearly outweigh the good results, including the bad results on business integrity and the character of business people - but we can't stop now.

You have to think through state programs for good and bad results. You have to be willing not to start what seems like a good state program if you think the bad results would be too much – we should never have started corporate welfare or most personal tax breaks. Sometimes you have to take a chance on overall good results as with Social Security and public health vaccines. You have to think through how to back up in case bad results surprisingly outweigh good results. People will go through this exercise for dams and roads but will not do it for programs that give and take money directly such as welfare and tax

breaks. Think about that too. If you want practice, watch the movie “Mr. Smith Goes to Washington” and think if you would support Mr. Smith’s proposal for helping a group of children.

-In assessing state programs, we should consider whether private action might work better. To do that, we have to ask ALL the same questions as about private action and a few more that I don’t go into here. Stereotypically, Democrats say state programs always work better even though private action can work well sometimes while Republican say private action always works better and state programs never work. The truth is in between. For instance, the private sector runs the food business better than the state ever could but the state builds dams, runs Social Security, and runs the military better than the private sector could. The state has to regulate food, drugs, and financial markets. I see proposals to use private action as genuine and not merely as Republican pandering to business or as Republican propaganda. Maybe it does make sense to let private firms run airports and prisons as long as we oversee them. We can try and see what happens. We did try with prisons, and now we might have to back off. I also take proposals for state action seriously. I think national health care is overdue as long as it is moderate and does not try to cover everything for everybody. Here is not the place to argue particular issues. I only remind readers to take both bases of action into account fully and to choose the best.

-The middle, upper middle, and upper classes get considerable benefits through the state but they do not think of those as benefits because they do not get checks from programs such as welfare or SSD. The middle, upper middle, and upper classes benefit greatly from tax breaks, often breaks that they can take but that the poor and working class cannot take. They get good police protection, good streets, good utilities such as water and garbage, good sewer service, parks, fire protection, inspection, nuisance and animal control, write off the interest on mortgages, write off state and local taxes, pay less in sales taxes, and, most important, good schools and good colleges with considerable subsidies. The middle, upper middle, and upper class get at least as much back for their tax dollars as do the poor and lower working class. If all the support that the middle class and upper middle class get really were to go away, as called for by the Tea Party and by Trump followers, the middle and upper middle classes would revolt violently.

-Reminder: The real buying power of wages of the poor, working class, lower middle class, and most of the middle class has stagnated or declined since about 1980. The real buying power of incomes of the secure middle, upper middle, and upper classes has increased. Income and wealth have concentrated ever more in the hands of 20% of people and yet more in 1% of people. Stagnation and concentration is not all bad, yet it is a big change that we should have dealt with long ago; but we have not. Stagnation and concentration have considerable political and social effects. These are some of the problems that come from flaws.

Endemic Socio-Economic Classes.

-All states (countries), including all states with a modern capitalist economy, such as America, have endemic socio-economic classes. I do not explain why. Intrinsic to socio-economic class is that class perpetuates across generations. Children are quite likely to be in the class of their parents or near the

class of their parents. If parents are working class, children are likely to be in the working class; if parents are upper middle class, children are likely to be upper middle class. Until about 1980, America was quite good at making ways for talented children to rise in class and to use their talents for the good of the country, but not even America can make class irrelevant for all children or all children with talent.

There is no way to completely get rid of socio-economic classes. The best we can do is deal with the big problems created by classes.

Americans deliberately overlook that we have socio-economic classes, and that class perpetuate across generations. Class is a reality of life even in America. Deal with it.

You should work out yourself what the classes are and the criteria for being in one class or another. It is not easy but it is worthwhile, like defining art or fairness. Don't expect definite conclusions.

-Socio-economic class falls differently on various social groups such as by ethnicity, religion, national origin, gender, and age. Single poor mothers are likely to have children who end up in the working class or middle class. Think of the TV shows "Mom" and "Atlanta". White and South Asian (Indian or Pakistani) upper middle class parents have children who are likely to be in the upper middle class, secure middle class, or even upper class. Think of Raj on "Big Bang" and his upper class parents. Socio-economic class affects lifetime chances and the chances of children. The interplay of class and social group affects lifetime chances and chances of children. Americans also deliberately overlook relations between class and social groups.

-That we have socio-economic classes, and that class falls differently according to social group, is not an unmitigated disaster and an affront to God. Class has been around for a long time. That we have class does not mean we have to tear apart America to its roots so as to eradicate all socio-economic class and its impact on social groups. We do not have to destroy the village in order to save it. We cannot cause so much damage to America in trying to end socio-economic class and its impacts that we actually hurt the lower classes and the damaged groups more so than if we did something else, more so even than if we did less. We cannot fully and finally get rid of all class and its different impact on social groups. We should recognize the problem and do what we can that really works. Grow up about this.

-We should try hard to provide equal opportunity, especially to children. We cannot fully succeed even at equal opportunity, even only for children, but we can do pretty well and we can take away the worst bad effects on children. We should not push "super hard" even for equal opportunity. We can make sure that nearly all schools are adequate and we can provide food and medical care to most children.

We should never try hard-and-directly for equal outcome, not even for children, not even between all public schools. We should achieve a high level of "good enough" for every child and all schools. Trying hard-and-directly for equal outcome only hurts equal opportunity.

Stupid, Wrong, and Harmful Myth of the Rising Tide.

-A rising tide does NOT float all boats. Repeat that to yourself a dozen times to counter a lifetime of bad propaganda. If you see a pie with some empty pieces and some moldy rotten pieces, and then make the pie bigger, you do not get a healthy pie with all the holes filled in and all the moldy pieces replaced with fresh pieces. You don't change the ratios of healthy and unhealthy. Along with the bigger pie, you get bigger holes and bigger moldy rotten ugly pieces. If you see a dingy with a hole in it and the tides rises, the dingy will be under water. If you see a great big beautiful sailing ship with a hole in it and the tide rises, the beautiful ship will be under water. The economy has endemic flaws and problems including unemployment and bad jobs.

Forcing the economy bigger does not automatically cure any endemic flaws and problems let alone cure all. Forcing the economy bigger usually makes problems worse by increasing disparity between haves and "have-nots". Forced faster growth does not necessarily make the economy permanently bigger and it does not solve endemic problems. Forcing the economy bigger with state programs such as corporate welfare is not real economic growth and often it is bad expansion. It does not solve the endemic flaws. It often leads to worse later contraction as after the administrations of Reagan and G.W. Bush (2).

Back to Classes and Their Effects.

-We do need a certain minimum of wealth to work on flaws and problems. So we need an economy that is big enough. We already have that now. We don't need to force the economy to expand so we have enough wealth to work on flaws and problems. Forcing the economy to expand so we think we have more wealth so we can use the extra wealth to deal with the endemic problems, never happens. People feel as if they never have enough for their own needs and we never use added short term wealth from a forced expansion to deal definitely with the problems. At most, we use any temporary extra wealth for "band aids". Then, in a very short time, we feel that we don't have any extra wealth anymore, we rip off the band aids, and we are back where we started.

-We have to deal clearly with the problems first before we can try to make the economy grow to make sure almost everybody has enough. There is no simple easy automatic way to deal with the problems. There is no magic policy wand. You cannot deal with endemic problems only through throwing money such as by welfare, you cannot deal with endemic problems by giving poor people tax breaks, and you cannot deal with the problems by being nasty to the poor or to groups such as ethnic groups, oldsters, and women. Not to admit these facts when you know these facts to be true is simply deliberate lying. Both political Parties deliberately lie about this situation.

-In dealing with social class and its impacts, in dealing with the facts that (a) poverty, unemployment, and bad employment do not fall equally on all social groups, and (b) inequality perpetuates across generations, we must avoid: blaming the groups hardest hit, entirely absolving the groups hardest hit (effected groups do contribute with bad attitudes, poor education, and violence), blaming only groups that benefit, absolving groups that benefit, blaming simple prejudice for everything, and so not seeing roots of problems in flaws of the economy. We must avoid: reverse discrimination; thinking we can

solve the problem only by throwing money; thinking we can deal with the problem only by condemning racism and sexism; or thinking we can solve the problem by being nasty to the affected groups by taking away all help, forcing them to find whatever work they can, and putting them in jail.

-Socio-economic classes feel that other classes are their competitors. Ethnic, religious, national origin, age, and gender groups feel that other groups are their competitors. Especially socio-economic classes and social groups feel this way about the classes and groups immediately below them. They feel the others are out to get our jobs and are out to have their children get the rightful jobs of our children. To a big extent, classes and groups are right to worry. Working people with insecure bad jobs fear the poor; and working people with fairly secure good jobs fear the poor and working people with insecure jobs. The middle class fears the working class and poor. Working people and middle class people fear legal and illegal immigrants. The upper middle class fears the poor and the working class and sometimes it fears the middle class. The upper class fears but they also have protection. Working and middle class people fear recent immigrants, especially Hispanic immigrants. Whites fear Blacks, Hispanics, and often Asians. Blacks fear Asians and Hispanics. Blacks often hate Whites. Asians are uncomfortable with Blacks. Muslims fear Christians and Christians fear Muslims. All this is ugly but it is real and you have to get used to it. If you don't like it, do something about it other than fear and hate the people who fear and hate you.

-To fight competitors, you can build up your group or you can hurt competitors. Usually people try both. Some ways to tear down competitors include: legal harassment as through drug laws, make sure their schools are inferior, make sure they get poor medical care, make sure they are "last hired, first fired", make sure their jobs have low pay and no benefits, stop them from making strong adaptive families as by forcing their families to conform to unrealistic stereotypes such as the ideal nuclear family, enforce your ideas of gender roles, prevent them from managing reproduction by denying them birth control and abortion, inhibit their ability to vote, use guilt to make them pay for programs and benefits for other people, and appeal to the plight of children to make them pay for programs and benefits.

-To use any of these competitive tactics, positive or negative, you need political help and protection. To get those, you have to be a client of a political party. To become a client, you trade your votes. The poorest welfare mothers and the richest business firms do the same.

-While some good has come of state programs to help the poor, such as Head Start, largely programs have failed, such as Affirmative Action and housing projects. You should repeat that until you accept the idea: Many programs have failed and will continue to fail. The failed programs can reduce poverty a bit for a while but not nearly enough to justify the money costs, the costs to national character, the political fights, and the antagonism between groups as between Blacks and Whites. They have not improved the status of Black Americans much and they never will. The failure is due to human nature, the culture of recipient groups, how the economy works, and how politics works. I do not try to sort out which factor is most important when. Continuing bad programs in their present form is not useful. We should end or radically change the programs.

The programs do little or no good. Yet we continue to pay for the programs, partly to assuage our guilt and partly to control clients such as poor Blacks and poor Whites. If the programs do no good, then why continue to spend on them? It is like paying for heat and leaving the windows wide open. Learn to shut the windows before you turn on the heat. If you can't shut the windows, then there is no point turning on the heat. You would be better off using the money to buy a good coat or to move elsewhere. If we stop the programs, the clients will scream for a long time, but, in the end, they will be not much worse off than now, and we will have saved money that can be put to better use. The other better uses might even help the abandoned clients even more than did the old programs. If we let go of the programs and the clients get no obvious state help, then maybe we will see the problems more clearly and go after problems in ways that do real good. Of course, if spending the money to assuage guilt, to keep clients only bitterly resentful, and to give their leaders a permanent job from which they can rail, is a good use of the money, then we should continue doing what we do now.

Continuing failed programs is more harmful to recipient groups than doing nothing or doing something else. Failed programs do not really help poor people. They give the poor just enough to keep them in their "down" place and so not be a big threat. They are more of a tool for other people to manage the poor, working, and insecure middle classes than to help them. The poor, working class, and insecure middle class would be better off if all programs were ended and they had to find better leadership to do better things, even if they had to do it mostly on their own.

-The people who pay for programs feel they both (a) waste money paying for useless programs and (b) pay for competitors to gain an advantage on them. It is possible for a program to fail even if it also leads recipients to gain on payers. The payers resent it deeply. In particular, working White Americans feel they pay for Blacks and Hispanics to gain and to gain on them. Paying for Blacks and Hispanics not only helps Blacks and Hispanics but it also drags down Whites – the "double whammy" described above.

-While sometimes sad, the attitudes of the socio-economic classes and the various social groups are not irrational. In fact, they make good sense. We have to accept that the attitudes make good sense or we will respond badly, as we have since the 1950s. We might not like that Whites fear Blacks, Blacks fear and intensely dislike Whites, working class and middle class people fear immigrants, working men fear women in "their" work place or fear all women in the work force, or working women often despise their women co-workers and their women superiors, but it all makes sense.

If we write it all off as mere prejudice or ignorance, then we are the ones who are prejudiced, ignorant, have an opinion of ourselves that is too high, and have an opinion of others that is too low. We cannot attack these problems if we see them as due only to prejudice. To approach them that way only keeps up the problems and makes them worse. We do have to attack all prejudice and ignorance but we also have to attack the roots. Prejudice cannot and will not go away until we attack the roots. If you attack only prejudice, then, really, you support prejudice in the long run. Is that really what you wish to do? Especially if you and your group(s) are the victim of prejudice, is that really what you wish to do for your people and the children?

I think many people who insist on attacking only prejudice know they do little good and do some harm but either they don't know what else to do or they wish to do little good and some harm. They would rather flail in the dark so as to feel good about themselves. That is just as sad as bad feelings of one group to other groups.

-It costs a lot less in immediate money costs, overall money costs, and social costs, to keep a person on welfare than to keep a person in prison. It costs less to supply a person with an apartment, some food, pot, booze, cable TV, a cell phone, and even pills, than it does to keep him-her in prison. It costs less even if we train and re-train that person for jobs that he-she will not get. It costs less to make work for people than to keep them in prison. The biggest problem is that paying for people is a huge temptation that lures a lot of people with a bad attitude, and lures otherwise good people, into a bad life. Think about all this when you want to kick everyone off welfare.

-Almost everyone but a few White and Asian Liberals knows about socio-economic class, antagonism, failure of programs, and social fears. Yet Democrats, and ethnic, religious, national, and gender groups, won't admit it. Black leaders know it is true but won't admit it. Republicans use the situation to their gain and they use Democratic self-induced ignorance to their gain.

-Almost everyone, including almost all Republicans, but excluding some self-deluded Republicans, knows that the economy has flaws and problems; problems can be serious; socio-economic class is endemic; class and problems fall differently according to ethnicity, nationality, religion, gender, and age; children suffer; the unfairness continues over generations; and what we have done since 1950 has not worked well enough. Almost everyone knows we could come up with better versions of programs even if better versions will not solve all problems. Although Republicans know all this, they don't use their knowing to go after the situation properly.

Instead, to avoid thinking, people pursue something else that "gets them off" short term, but does not solve problems long term. They pursue thrill issues such as racism, sexism, big business, police violence against Blacks, abuse of entitlement programs, Black violence, non-traditional gender, gay marriage, abortion, or abuse of nature. People don't want to do something good over the long run but instead want to "get off" by catching the other side in a flaw that doesn't really matter in the big picture and by insulting the other side through a thousand small cuts.

Republicans don't want to accept the facts above because, in the past, accepting those facts led to bad programs, and did no good; and Republicans don't want to repeat mistakes. Instead, Republicans hide their heads, talk loudly about patriotism, condemn all things Democratic, and avoid thinking of other people. I commiserate with Republican annoyance over what happened in the past but denying facts, and lashing out against all Democrats and against tokens such as gays and nature, instead of proposing something better and realistic, I cannot accept. It is un-dignified, indecent, and not Conservative.

Human Moral Capacity and State Needs.

-People have a mixed moral nature. We are good and bad. Most of us try to be better than worse, most of the time, but we don't succeed often enough. People are good enough in general to make some state programs succeed such as the rules of driving – even there we need constant police watching. People are not good enough in general to make all programs succeed. Sometimes people need to be coerced as with paying taxes. Sometimes good programs fail such as keeping up infrastructure and taking care of nature. People tend to take advantage of programs and programs tend to balloon. On average, people are not good enough for programs like welfare, SSD, corporate welfare, or state building contracts, without a lot of close costly supervision. Sometimes the cost of supervision and the costs of ballooning are more than the good. You have to learn to work within the bounds of real human nature. You also have to give people a chance to fail before you condemn them and you give up on all programs. Use experience to judge. At first, err with too much optimism and compassion; then stop when it is clear things have gone bad; and then do something else better that takes into account selfishness and short sight.

People are good when being good does not cost too much, mostly in the context of good institutions such as good government, church, schools, community, friendship, and a good workplace. People are good when they have good jobs with decent pay and benefits and their neighbors have similar good jobs. They are good when they feel that to help does not undermine the chances of their own family and to help likely will do general good. People will not help if they have had few role models, especially if they have rarely seen examples of successful helping or public concern. People will not help if they think their enemies are in control or might gain control. People will not help if to help undermines the chances of their own families.

Everybody lies, steals, cheats, avoids duties, puts him-herself ahead of the whole, and is selfish. I noted some reasons why. Even if people otherwise are often good, people act selfishly when they think they can get away with it. People are more apt to act selfishly when they think “the state” in general pays the price for their selfishness rather than see that all the individual people who make up the state each pays part of the price. A health care scam raises everybody's rates enough to make a difference but the scammers don't let that fact register in their heads. Otherwise average people ruin well-intended programs, such as welfare, by selfishness. Through selfishness, people cause other deserving people to lose out because we cannot take the harm done by the greed of the selfish people. The harm done by the greed of selfish people in programs often outweighs the good done by programs.

Even when most people in a group are reasonably good most of the time, in nearly all groups, some of the people are basically bad. In some groups, such as maybe the Amish or a good Buddhist parish, few people are bad. In some groups, I cannot say which because of PC, many people are bad. A person does not have to be a full-blown sociopath or psychopath to be bad. A person can otherwise have many good features but still have a few bad flaws that make him-her more trouble than benefit, and so bad.

When enough people in a group are bad, the people in the group who would have been good have to adopt bad habits out of self defense. They also adopt bad habits beyond self defense because they see that badness works, so make the overall problem worse, and so make people in general adopt more bad

defensive habits. Then it is hard to change the overall badness in the group. When enough people in a group are bad, people outside the group expect to deal with badness often when they deal with the group, and they compensate. Often the other people outside the group adopt bad traits themselves such as prejudice and violence. Then it is harder to lessen badness in all groups.

We can see business firms as big persons and-or big groups (see below), so firms also can show greed and firms can act well or badly. Business firms have good and bad attitudes. We have to foresee what good and bad acts business firms likely do when we make programs that impact them. Business firms usually have greater ability to manipulate the system and manipulate politicians than do plain people or groups of plain people. Business firms can ruin well-intended programs by their selfish greed, as they have done with the programs that make up corporate welfare and as they have done with the tax breaks give to lure them to particular locations.

We Really Think in Terms of Groups, and We Should Accept This Fact and Deal with It.

Although, as Americans, ideally we would like to think in terms of individual merit, in fact, sometimes we have to think in terms of groups, and often we do think in terms of groups.

Attitudes (cultures) run in groups. There are good attitudes such as consideration for neighbors, not making noise, cleanliness, respect for the truth, and often putting the welfare of the whole above your short-term gain. There also are bad attitudes such as a tendency to violence, chronic lying, cheating, making noise, stealing, making a mess, and not considering others or the social whole. In good groups, some people do bad things and there are some bad people; but mostly we can take the goodness of the group at face value until we have repeated bad experiences. Even in bad groups, many people act well sometimes and there are always some overall good people; but we still have to beware of bad acts by most members of the group most of the time. We have to be careful. It is hard to change group attitudes and hard to change our attitude toward particular groups.

When a group that is mostly good faces a group that is often bad, the mostly-good group has to treat the often-bad group as nearly all bad. This is how innocent people behave when they find themselves in a bad neighborhood. Groups do unfairly paint other groups as “them”, as mostly bad, so they can treat the other groups as all bad; groups use stereotypes as a tool of “us versus them”, a tool of prejudice and discrimination. Yet even so, some groups really are worse than others, and the good groups have to do what they have to do to protect themselves. I don’t like this reality, and you might not like it, but it is true nonetheless and we have to deal with it. Even besides poverty, there are reasons why some areas have a lot of crime and why good people stay away from there.

When thinking about the impact of a program, we have to think which groups are likely to gain and lose, and how group attitudes affect the success or failure of the program. We are unfair to individuals when we think in terms of groups. We should try to make programs benefit good individuals despite the bad attitudes of their groups. We should seek out good individuals when we can. We should help individual people to act well, especially children. But sometimes we don’t succeed; and sometimes we have to

think in terms of groups anyway. Liberals, Conservatives, Whites, Blacks, Hispanics, Asians, women, men, old people, young people, labor unions, and business firms, all think in terms of groups but don't like to admit it publicly because of modern PC (political correctness).

Thinking in terms of groups leads to bad acts such as prejudice and discrimination. It leads to "us versus them", to finding enemies, and labeling not-us necessarily as enemies. We have to fight the bad effects but we still have to think in terms of groups anyway.

ALL GROUPS HAVE PREJUDICE, INCLUDING GROUPS THAT CLAIM THEY ARE MORE OFTEN VICTIMS SUCH AS BLACKS, WOMEN, CHRISTIANS, MUSLIMS, CONSERVATIVES, BUSINESS, LABOR, AND WORKING CLASS WHITES.

YOUR GROUP IS MORE PREJUDICED THAN YOU THINK. YOU ACT MORE ON PREJUDICE THAN YOU THINK YOU DO. HOW PEOPLE SEE YOU AND YOUR GROUP, AND ACT TOWARD YOU AND YOUR GROUP, IS DUE MUCH MORE TO YOUR BAD BEHAVIOR, BASED ON YOUR BAD PREJUDICE, THAN YOU THINK. YOU ARE A HATER TOO, AND OTHERS RESPOND TO THAT. YOU HAVE TO CHANGE YOURSELF AS MUCH AS YOU TRY TO CHANGE OTHERS, AND HAVE TO CHANGE YOURSELF FIRST. THIS ADVICE APPLIES MORE TO GROUPS THAT ARE USED TO THINKING OF THEMSELVES AS WRONGED RATHER THAN AS WRONGING SUCH AS BLACKS AND WHITE UPPER MIDDLE CLASS WOMEN.

THIS ASSESSMENT DOES NOT MEAN YOU HAVE TO BE A DOOR MAT. IT DOES NOT MEAN YOU CANNOT SEEK SOCIAL JUSTICE. IT DOES NOT MEAN YOU CANNOT CONDEMN BAD BEHAVIOR IN OTHER GROUPS. IT DOES MEAN YOU HAVE TO REALISTICALLY ASSESS YOUR GROUP AND CHANGE YOUR GROUP.

We try to avoid the faults of thinking in terms of groups by denying we do think in terms of groups and by pretending we don't think in terms of groups. We cannot fully stop thinking in terms of groups, and it is not useful to try to stop fully. Pretending we don't think in terms of groups, we are not prejudiced, but all other people do and are, make it all worse. Rather than deny, we should try to manage. We can't manage if we don't admit it first. Even groups that see themselves as victims have to admit they use group thinking, prejudice, and enemies. When we admit that we do think in terms of groups, it is easier to manage, but, even then it is not easy. It is good to try to manage.

Big groups such as political parties are not made of one homogenous group, much as they would like to hope so. They are made of subgroups, some of which are in control and some of which are clients. Subgroups don't always get along, and, to know what's what, we have to look at subgroups and their relations. Sometimes dominance moves from one subgroup to another and sometimes core and clients change roles. This account quickly gets complicated. I pare it down as much as possible, into two major parties, simple core, a few clients, the big relations between parties, and the big relations between the core and clients within the parties.

The State, General Morality, and the Morality of Your Group.

The state must enforce a general morality. For example, part of the general morality might be “don’t steal”. The state must aim at some general good goals such as “everyone should feel secure at home and on the street”. The state should aim at some specific good goals such as “educate every child who is smart enough and has a good attitude”. The state must enforce general order such as that you cannot “do it in the middle of the road” or drive any way you wish. The state should seek some conditions of general good such as a distribution of wealth that is not too skewed or that all schools are adequate.

Despite the historic roots of democracy in Western Christianity and philosophy, the state should never take up the moral code of any one particular group as its moral code, any more than the state should take up the religion of any one group. The state can take ideas about morality from particular groups, and likely should take ideas from several groups, but should not use the morality of one group as official morality. The official morality of Roman Catholics, Shiva Hindus, Calvinists, Lutherans, Taoists, liberal academics, conservative middle class people, the Religious Right, or Donald Trump, should not be the official morality of America.

The rule against taking up the morality or religion of any one group is as much to protect that group against other groups as to protect other groups against that group. It protects all groups against each other. It is a necessary condition of freedom. Groups often don’t understand this point, pretend not to understand it, or pretend other forces prevail, and our group must take charge anyway. You personally should practice appreciating this point and practice applying it to your group. What happens if another group takes power and enforces its morality on you?

Morality and the law are not exactly the same. Almost everyone, and most groups, might agree on a point of morality but still we cannot necessarily pass laws about the issue or we might wish not to pass laws on the issue. Almost everybody agrees lying is bad but no state has many laws against lying. All states have laws against lying in some situations as under oath, in a contract, or in advertising. Everyone agrees stealing is bad but we don’t enforce laws against stealing paper clips. Laws against sex outside of marriage have generally failed and are not worth passing or enforcing. There is a small role for symbolic laws that can’t be enforced, are not meant to be enforced, and should not be enforced, but here we can ignore that case.

The general morality is likely to be “smaller” (“lower”) than the morality of any particular group. The state will not be concerned with some things that particular groups care about such as not eating meat or observing a day of rest. The law is smaller than general morality, so the law will be smaller (“lower”) than the morality of most particular groups.

Even so, general morality and the law are enough to carry on social life, carry on political life, and lay the basis for good people and good citizens. Particular groups have to accept that the general morality and the law are smaller than their morality, accept that they care about some points that the state cannot be concerned with, and especially that they care about points that the state should not pass laws about. Groups have to accept living stricter lives than in the general morality and the law. Groups have to put aside worry that state morality and the law will corrupt their youth and their way of life, or else they

have to leave that state. Most people don't like abortion but the state should not pass laws against it. Many people don't like guns but America should not ban all guns. Many people want all guns to be legal but some guns should be banned.

We all should be wary of groups that wish to make their morality the official morality of the state. We should see attempts to make your group morality the official general morality of the state as immoral and illegal. You may still argue particular points of morality, try to add to general morality, hope to end laws that you consider mistakes, and hope to shape general morality and the law.

Think about what is needed for general morality, and how we can limit laws about morality to only what is needed. If you are a legal professional or you have a strong stake in the law, think how the law can and cannot carry general morality and how it can and cannot carry the morality of a particular group.

Both political Parties have sought to make its morality the official morality of the state, and, in effect, to exclude the morality of the other Party. Neither Party is adept at explaining what its morality is, giving an overall rationale or "spirit" for its morality, justifying particular points of its morality, or justifying its morality as a whole. The morality of each Party is contradictory. Each Party has points of its morality that contradict other points. Each Party uses the confusion and contradiction to argue nonsense and to advance hidden agendas. Neither Party has good arguments for why its morality should be the official general morality of the state but pushes for that goal anyway. The reason for all this confusion is that Parties do not really seek morality but use morality as a tool in gaining clients and power, and, if Parties were clearer and more consistent, they would lose some clients and some power. Parties try to satisfy all clients at all times by saying the Party makes a moral appeal on behalf of each client, and each Party has to make sure that all its clients don't look closely at the moral appeals made on behalf of all other clients. The moral appeals made on behalf of Blacks and LGTGBQ people cannot be fully consistent. The moral appeals on behalf of middle class families and fervent gun owners cannot be fully consistent, not after all the mass shootings in America.

At times, particular Churches wish to do the same and have tried to use political parties to get the job done, as now Churches that oppose abortion are trying to take over and use the Republican Party. At times, particular interest groups have done the same, as has the NRA when it resists bans on weapons and components that have no practical self-defense or hunting use such as assault rifles and extended magazines. We should resist these bad moves even if we agree with many particular points of their morality, even if we hate abortion or love guns.

Morality and Practicality.

Morality and practicality usually coincide as when we realize honesty usually is the best policy, we wish for all children to be reasonably honest, and we wish everybody to respect traffic rules. When morality and practicality are close enough, usually neither gives much trouble.

Although they often coincide, morality and practicality are not the same. We have to think in terms of both even when they do coincide.

We can see how they differ most clearly in cases when they can't both be met at the same time or when they clash. It might be nice to give every child full health care coverage and three square meals a day but we can't afford to do that. Morality and practicality can't both be met at the same time, and tend to clash, often enough, in a big group such as the modern state. Even simple school board meetings often make the point. You should think of cases.

Some things we would like to do because of a moral call but we cannot afford to do, as give everybody health care. Some things might be practical and greatly help the state but we don't do them because they are immoral such as implant a punishment chip ("guidance chip") at birth. Some things we might like to do because they are moral but they are impractical such as ban all marital cheating and cheating in pair bonds, gay or straight. "Cost too much" and "impractical" are not quite the same but here is not the place to go into the issue so we can take them as the same. When you see one, think of the other.

Some things we might like to do because they are practical and would add to overall good but we are not sure about all the moral ramifications such as make sure every child gets three good meals a day by feeding all children at school. Some things are moral for people to do or not do, but are not the proper concern of the state, so it is immoral when the state gets involved, such as telling people how to have sex, what safe drugs to use, who to fall in love with, to get an abortion, or not get an abortion. It is both immoral and impractical for the state to make everybody worship exactly the same god in exactly the same way. Some things are both clearly moral and fairly practical, such as giving every child a good breakfast and lunch at school, and we can reasonably support them, but we don't do them because of politics and because of mistakes about the role of the state and the role of parents.

Maybe because we see both practicality and morality most distinctly when they conflict, people tend to think of morality only as anti-practical or impractical, only as something that needs sacrifice, something that happens only when we put others above ourselves and face personal annihilation as in the movies "Topper" and "This is the End". Those cases are wonderful, we should learn from them, and should use them for inspiration, but they are not only what morality is, and we err if we think of morality only like that. Morality can be hard but is not always hard. Difficulty is not a sure sign of morality but of normal confusing human life. Learn to see morality and practicality as two kinds of logic that often run parallel but sometimes don't.

When morality conflicts with practicality, we have to decide. To decide, we need to know how much morality costs. Cost is not only the immediate money and trouble but also the cost of what we forego when we follow some particular moral course, the cost of other projects that we cannot do because we used the resources on this moral issue, the cost of setting a bad example if we do not do what we know is clearly moral, and the cost of enabling people in bad habits when we act morally such as cheating to get help from the state or becoming dependants of the state.

Some children go to school hungry. If we do not feed those children, what does that say about us and about our morality? When our children and children in general learn a lesson from our lack of morality, what morality will they hold, or not hold, and what will they do based on their weak morality? If we do feed all those children, they will do better in school. They will have fewer behavior issues. Likely there will be less crime and violence. Likely they will impart fewer bad attitudes to their children. If we do feed all the children who might be hungry, how much money will that cost? If we do feed all the children who might be hungry, what do we have to give up? If we feed the children who might be hungry, do we leave out the children whose parents feed them, and whose parents work hard so as to be able to feed their own children? If we feed all the children including the children of parents who can afford to give them food at home, so as to make sure children who come hungry get fed, and so parents of the happier children don't feel cheated, can we afford that? Then, in that bigger program, what do we have to give up? If we feed all children who might be hungry, then, sadly, many parents will claim poverty to get their children fed free. Many parents will work less because they can get their children fed free. People will have more children than otherwise because they know they can get the children fed free. Women will become single moms, and will have children as teens, because they can get their kids fed free. With all that, what started as a simple program to feed hungry deserving children is three times the original size. What kind of example does all that set for all children, especially the example from bad parents? Are some children worse off a little hungry or a lot morally corrupted? There is no obvious answer. You have to sort it out.

With all the options to choose from, a person or a political party can make pretty much any case that is convenient. It is hard to know the truth before we try the experiment.

Once we try the experiment, if we don't like the results, it is hard to backtrack. Once we give something for moral reasons, or any reasons, it is hard to stop. Once we give a tax reduction for mortgage interest, it is impossible to take it back. This is true of business firms as well as individuals and social groups. Once we give protective tariffs, it is hard to take them back.

At the group level, leaders have to deal with these problems for us, and they have to be able to explain to the people what they did and why. Leaders need to see morality and practicality fairly clearly. They need to see the trade-offs. They need an overall rationale for their morality and their practicality, and for how morality and practicality interact. They need a philosophy of morality and of practicality, and a philosophy of morality and practicality in a modern state. Sometimes leaders get all this from religion. Now, they more likely get it from pop culture and general culture, from Disney or Avatar, including the pop culture of religion.

People and political parties mix up morality and practicality when they argue we should do something or should not do it. People and political parties want to not be clear about morality and practicality and their mix because lack of clarity makes assertions more likely to win. When people argue we should ban guns, they cite the immorality of misuse and cite all the harm that comes of misuse. When people argue we should not ban guns, they cite long American tradition, say the state should not be involved in any ownership, say the state should not get involved in the ownership of guns, and point out how useful

guns are in protection and training character. Arguments for and against abortion (and about choice) are mixes of morality and practicality. In all these cases, you have to listen and sort it out for yourself. You have to decide if morality and practicality are on the same side. You have to decide if they clash. You have to decide if we can be moral and afford it, if we would like to be moral but can't afford it, and if practicality tips the scales in case of a moral close call. You have to decide how all this fits into a context of the state general morality versus the moralities of particular groups. Nobody will sort out the arguments for you.

The political parties each claim they are adept at sorting out morality and practicality, only our Party is adept at this deep task, the other side is woefully inept, its ineptness amounts to constant immorality, and the other side always leads us into errors from which we cannot return. Both parties are wrong about their level of skill. Neither Party is honest. Neither party is adept at sorting out morality and practicality. Instead, they are adept at using morality and practicality as excuses to mobilize and hold clients in the struggle for power. They use moral appeal when that works, practical appeal when that works, use practical appeal especially when they wish to act in a morally questionable way such as take all guns or give big tax breaks to rich people, and they constantly harp that the other side is so inept as to necessarily cause tragedy. Sometimes parties create confusion on purpose and sometimes they fall into a pattern of giving confused information, and then they stick with confusion because that works for them even though it is still confusion and it is wrong. Donald Trump is a textbook example of putting out confusion on purpose and of sustaining confusion when it later works.

You have to doubt what parties say. You need to develop your own big view of morality and practicality. You have to see what is going on and you have to resist even if you agree with some of the points of morality and practicality of your own Party. You have to discount its pressure. You have to weigh the points of the other Party for the truth in them. Then you have to make up your mind about the issues. You should be able to give good reasons.

Republicans and Democrats have their own styles of screwing up a good balance between morality and practicality. Democrats are overly susceptible to moral appeals, even to silly moral appeals, from self-styled victim groups; they are stereotypical "bleeding hearts". So Democrats often enable bad behavior and bad groups. They enable the culture of victim. Because Democrats respond so much to every moral appeal, in effect, they do away with moral appeal. If every appeal is fully moral and fully worthwhile, none are moral and none worthwhile.

Republicans understand the need to balance morality and practicality. They inherited the explicit duty to do this from old Conservatives and from the business ancestors of Republicans. But Republicans do a bad job, deliberately. When I said parties are more adept at using morality and practicality as ploys than in really thinking out issues, I had Republicans in mind. They are masters of manipulating morality and practicality. In using morality and practicality only as tools to manipulate, Republicans effectively negate both. In using morality only as a tool, Republicans thus kill morality and betray their duties to morality and balance.

In the example about feeding children, Republicans would stress practical reasons against it no matter how weak, stress moral reasons against it no matter how weak, and ignore moral reasons and practical reasons for it no matter how strong. Democrats would stress moral reasons for it. Democrats might state practical reasons for it but would not give convincing arguments. Democrats would overlook the moral and practical reasons against it as if those didn't matter. These stances do not serve the children or the general citizenry but serve the clients of this Party and hurt the clients of that Party. I leave you to figure out which clients and how each Party stance serves our clients and hurts their clients.

Maybe the biggest loss due to muddled arguments about morality and practicality is we get annoyed by the whole mess and we make bad judgments. Many bad causes got funded in the past. Programs such as tax breaks got passed for supposedly practical reasons that they did not pan out. We finally learned we can't fund everything. So, we let the other Party have their programs if they let us have ours. Aside from these trade-offs, we don't fund any more causes or programs at all. So we don't fund decent good causes that we should. Moreover, we keep programs such as tax breaks that we shouldn't. We double down on our particular pseudo-moral-and-practical stances, claiming impossible levels of morality and practicality for our pet gains. Even with our aversion to moral calls, still the big deficit gets ever bigger.

In other essays, I hope to lay out the moral and practical points for some particular issues.

The interplay of morality and practicality is so important that I repeat the above points often in various ways where they are needed. I save the reader the trouble of returning here but the repetition also can annoy, so please put up with it.

A Note on Education.

This essay is not about education but the topic comes up often, so it is useful to make clear one big point in one place. Before about 1980, the more education, the more likely a person would get a good job. A person did not have to go to a "name" school for education to get a good job. Unless a person did go to a name school, the cost of education, even graduate school, was not high, and did not lead to debt that took ten years to pay off.

Now, education is more like the advertising in markets such as soft drinks, pickup trucks, and lawyers. If you don't advertise, you are dead. If you do advertise, it won't get you much, but it will help keep you from dying. You still do have to pay the cost of advertising. If you don't get a degree, you are dead. If you do get a degree, you won't necessarily get a job, but it will help keep you automatic death, and you still do have to pay the cost of a degree. You are damned if you don't, in big debt if you do, and not necessarily saved. But you have to. This is one cluster of reasons why online degree programs have mushroomed.

I don't know if the price of advertising has gone up much since 1980 but the cost of education has gone up. More people are getting a degree, because they have to, and it seems there are fewer chances for a

substantial scholarship. So, people now leave a four-year program commonly in debt for \$50,000, and leave a graduate program in debt for \$90,000. Still they are not guaranteed any job let alone a good job.

More people are trying to get an education, education costs a lot more, you have to go into substantial debt, you can't get a job without a diploma, and you are not guaranteed a job even with a diploma. Two more problems to add: (1)The prices of houses, cars, and medical-and-dental care has gone up much more than salaries. Except for the upper middle class and the upper class, salaries have stagnated. (2) You have to put your love life, family life, and children on hold, sometimes for many years. While men can get by waiting, for women this wait is serious. Rather than focus on finding a mate and starting a family, people tend to accept temporary sexual liaisons as a substitute, until they are about 30 years old. The disparity between men and women is unfair but unavoidable; it adds to tension for women; and it adds to tension between men and women.

I don't explain why all this happened.

This pattern affects the tendency of American schools to split into good schools and bad schools, with not nearly enough schools in the middle able to guarantee an adequate education that gives a fairly good chance of going on and getting a good job or any job. This pattern affects the different lives of different social groups such as single mothers (parents) and their children, women, Blacks, Hispanics, and poor Whites. Naturally, as a result, it also affects politics.

Democrats wish to give everybody a free education through college without considering all the various costs and without appreciating that far too many graduates still won't get jobs. Republicans wish to make everybody go into debt to pay for college and graduate school while not appreciating that many graduates will not be able to get a good job and will not be able to pay back the debt. As it is doing now, the debt will impact young people and families that are below the upper middle class much more than the debt impacts the upper middle class and upper class, will cause further stagnation of incomes, and further widen the income-wealth-and- class gap. I think both Parties actually do know what is going on but, again, rather than deal with reality, they put forward their usual biased un-helpful programs.

Please pause to make sure you can see what is going on and to think what you might do. As a citizen, you really do need not only to see the issues, not only to make sure you understand the issues better than either major Party does, but to come up with a reasonable realistic plan that you could offer to your representatives and to other citizens. That is part of your duty, even if you don't have children.

Until the 2000s, many parents did not know this new world of their children. They did not see why their children had put so much effort, time, and money into school and still could not get a great high paying prestigious job with benefits. They did not see why children couldn't get married right out of school and start producing grandchildren. Now in the 20-teens and soon the 2020s, parents do get the idea more. Some have been through the mill themselves, and many parents are not stupid. I ask that, if you don't understand why your child with advanced expensive degrees cannot get a job and is deeply in debt, or cannot marry and have your grandkids right away, you do some looking before you complain. Thanks.