Religious fundamentalists often succeed in bringing their own religion into disrepute. That is because of a peculiar habit they have developed:

They cannot afford so much time as to read a single chapter in any one book of the whole bible.

[Erasmus (1509) p.140]

The world is full of capitalists who have never read a word of Adam Smith and socialists who have never read a word of Karl Marx.

**The Gospels According to Saint Adam and Saint Karl**

In his criticism of the capitalist system, Karl Marx pulls no punches:

> It has pitilessly torn asunder the motley feudal ties that bound man to his “natural superiors,” and has left remaining no other nexus between man and man than naked self-interest, than callous “cash payment.” ... It has resolved personal worth into exchange value, and in place of the numberless indefeasible chartered freedoms, has set up that single, unconscionable freedom – Free Trade. In one word, for exploitation, veiled by religious and political illusions, it has substituted naked, shameless, direct, brutal exploitation.

[1848, p.38]

The nature of the capitalist exploitation of labour can be summarised by stitching together a few quotations:

> The produce of labour constitutes the natural recompense or wages of labour. ... But this original state of things, in which the labourer
enjoyed the whole produce of his own labour, could not last beyond the first introduction of the appropriation of land and the accumulation of stock. ... In all arts and manufactures the greater part of the workmen stand in need of a master to advance them the materials of their work, and their wages and maintenance till it be completed. He shares in the produce of their labour, or in the value which it adds to the materials upon which it is bestowed; and in this share consists his profit.

The workmen desire to get as much, the masters to give as little as possible. ... It is not, however, difficult to foresee which of the two parties must, upon all ordinary occasions, have the advantage in the dispute, and force the other into a compliance with their terms. ... Many workmen could not subsist a week, few could subsist a month, and scarce any a year without employment.

There is, however, a certain rate below which it seems impossible to reduce, for any considerable time, the ordinary wages even of the lowest species of labour. A man must always live by his work, and his wages must at least be sufficient to maintain him.

The fact that these are all extracts from chapter 8 of the first book of the Wealth of Nations suggests that there is more in common between Adam Smith and Karl Marx than their self-appointed disciples care to admit.

To Smith, the exploitation of labour is simply an instance of unequal competition. Like any other violation of the rules of competition, it is to be seriously deplored. But it is not the fault of the market; it is an abuse of the market resulting from the exploitation of monopoly power by employers against workers. The remedy for unequal competition is not to abolish the market but to make competition more equal. Smith is an optimist who pins his hopes on the accumulation of wealth:

When in any country the demand for those who live by wages ... is continually increasing; when every year furnishes employment for a greater number than had been employed the year before ... the scarcity of hands occasions a competition among masters. The demand for those who live by wages ... naturally increases with the increase of national wealth, and cannot possibly increase without it.

[1776, vol.I, pp.70,71]