The Context of the Farm Worker Paradox

In the early days of economics, or political economy as it was then called, the farm worker paradox hardly appeared paradoxical. The vast majority of economists, prior to and in the early days of the Industrial Revolution, advocated a world in which all but a select few people would work as many hours as possible for a subsistence wage. Women, children as young as three, religious orders, and convicts all appeared as cheap sources of labor power (Perelman 2000a).

Consider the words of Bernard Mandeville: “in a free Nation where Slaves are not allow’d of, the surest Wealth consists in a Multitude of laborious Poor” (Mandeville 1723, p. 287). In a similar vein, Smith’s contemporary, the Reverend Townsend, writing as “A Well-Wisher to Mankind,” wrote:

[Direct] legal constraint [to labor] . . . is attended with too much trouble, violence, and noise, . . . whereas hunger is not only a peaceable, silent, unremitted pressure, but as the most natural motive to industry, it calls forth the most powerful exertions . . . . Hunger will tame the fiercest animals, it will teach decency and civility, obedience and subjugation to the most brutish, the most obstinate, and the most perverse. (Townsend 1786, pp. 404 and 407)

Some of Smith’s contemporaries also insisted that a small group of affluent people must have the means to purchase the goods that the majority produced. The aristocrats seemed to be more than willing to take on that role. Egalitarian thoughts never crossed the minds of the privileged classes whose ideas constituted the intellectual heritage of the age. How else could the wealthy enjoy their prosperity except through the poverty of the masses?
So, while the farm workers whom Adam Smith observed wracked their bodies in obscure poverty, the aristocratic landlords ostentatiously displayed their lavish wealth. This situation seemed to be the natural order of things.

True, a handful of economists, such as Adam Smith, did occasionally seem to express what might seem to be some mild egalitarian sentiments, but, in the case of Smith, his real purpose was not really egalitarian at all. Instead, he was intent on preaching quiescence. Like modern economists, he attributed rural poverty to the absence of market norms. He wanted the poor to believe that acceptance of market norms would lead to a modest prosperity for the working class (see Perelman 2000b, chapter 9).

The fairness of the system that Adam Smith advanced rested on a questionable foundation—that the existing distribution has some basis in justice. Landownership, however, rarely has honorable origins. The great French novelist, Honoré de Balzac, once perceptively observed: “The secret of great wealth with no obvious source is some forgotten crime, forgotten because it was done neatly” (Balzac 1991, p. 103).

Adam Smith displayed clear insight into the calculations that go into the perpetrations of such a crime:

But the ambitious man flatters himself that, in the splendid situation to which he advances, he will have so many means of commanding the respect and admiration of mankind, and will be enabled to act with such superior propriety and grace, that the lustre of his future conduct will entirely cover, or efface, the foulness of the steps by which he arrived at that elevation. (Smith 1759, I.iii.8, p. 64)

Indeed, some crimes are only vaguely remembered and largely forgiven—at least in the eyes of the law. Typically, those who were the most powerful, whether they were members of the existing society or invaders, were able to lay claim to land by virtue of superior force. If nobody could wrest the land away from them, they could pass their land on to their heirs. After a few generations, the bloody origins of ownership began to become clouded and maintenance of existing property relations became the fundamental principle of justice.

In countries where modern imperialist powers have only relatively recently confiscated the indigenous people’s land, say in the last 150 years, the role of force in determining the pattern of land ownership is fairly obvious to anyone who cares to study such matters. For example, I live on property that the Spaniards once stole from the Native Americans. The Spaniards, in turn, lost the land in the Mexican revolution, only to have the United States capture it later. Because my part of the state was too dry