The Economic Decline of the Family

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False Promises of Liberalism

By

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Praise to Lord Jesus Christ

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PREFACE

International evidence points to a widespread and persistent decline in the economic standard of living for the family. This trend of the financial deterioration of the family is reinforced by a number of underlying tendencies, including the stagnation of wages, the rise of unemployment, a decline in the labor participation rate, poor housing affordability, limited savings, and skyrocketing personal debt. Moreover, upward economic mobility has been systematically devastated to such a degree that the chance of transferring from the bottom quartile to top quartiles is less than five percent. As a consequence, an unparalleled redistribution of income, wealth, and power has developed. Additionally, job losses, especially in manufacturing, are particularly visible in developed countries, which cause a labor shift to low-pay sectors of the economy.

The social and economic dynamics of the deterioration of the economic standard of living for the family have been even more visible since the 2008 financial crisis. Over 60 percent of families in most developed countries have seen wages and incomes either flatten or decline between 2005 and 2014. This trend of declining income has adversely affected the equivalent of about half a billion people in developed countries. Moreover, these negative trends no longer affect only underprivileged and disadvantaged clusters of the population, such as low-income families or the diminishing middle class; rather, they impact the entire social strata.

A special group of individuals who are disproportionately affected by this economic deterioration of wellbeing are young adults, who, as research confirms, are expected to be worse off than their parents, something that is historically unprecedented. In the past, subsequent generations have been able to improve their financial wellbeing over their predecessors. Now, however, young individuals are likely to have problems beginning careers and earning reasonable wages, even with a strong educational background. Young but less educated adults are similarly anticipated to see a downward pressure on wages throughout most of their adult lives. Although education is normally correlated with higher wages, a basic university education is no longer a guarantor of higher and increasing wages, stable employment, or a secure career.

A decline in the economic standard of living has many direct and indirect implications and consequences for the family. The first and most detrimental implication of the decline in the economic standard of living is the inability for a significant portion of the population to pay for basic necessities, such as food, shelter, medication, and education. Secondly, worsening family economics is likely to directly translate into increased poverty rates for significant parts of the population. Thirdly, poorer families are unlikely to have the financial resources to engage in leisure, cultural, or recreation activities, which are required for well-rounded human development. Poor family economics can also negatively affect a child's potential to engage with sports, music lessons, hobbies, and other extracurricular events. Finally, poor economics may ultimately lead to the loss of interpersonal relationships and connections.

This book is unique from others focusing on the family in a number of ways, the first of which is that this text solely aims to understand the historical reasons behind the decline in the economic wellbeing of the family. This book comprehensively considers the subject of the family's economic wellbeing in the context of economic development, political changes, ideological shifts, and so on; thus, the empirical long-term perspective offered with regards to family economics is one of the major strengths of this book. Secondly, the book provides a comparative analysis of the economic wellbeing of the family in the three Anglo-Saxon countries of the United States (U.S.), the United Kingdom (U.K.), and Canada. This analysis illuminates key similarities and differences for the family and labor in comparison to the other countries under examination. By looking beyond issues of the middle class, class divide, and social mobility, this book assesses key components that affect family economics directly. Thirdly, the book focuses on the political context surrounding family economics and investigates whether political party leaderships have led to an economic improvement for the family's financial wellbeing. The book furthermore delineates the performance of various political leaders in these countries in terms of key economic indicators related to the family. Fourthly, the book discusses how the modern economic system has promoted the dependence of the family on excessive debt. Lastly, the book covers other related topics, including, greed, the pursuit of money, wealth, and materialistic possessions, as well as the consequences intrinsic to such acquisitive pursuits.

Book Structure

The book is comprised of three sections and ten chapters. The introductory section of the book is called "Economic and political ideologies against the family". The first chapter of the book focuses on providing the foundational perspectives on various schools of economics, including classical and new classical economics, Keynesian economics, monetarist economics, behavioral economics, and so on. These schools of economics, along with their advantages and disadvantages with regard to the family, are discussed in detail. This first chapter also explains that the development of economics as they are understood today has not occurred in a vacuum. The roots of modern liberal economics, economic systems, and capitalism date back to economic transformations that started to occur in medieval society. Moreover, the development of modern economics throughout history has also resulted in the divergence from classical metaphysical foundations and a complete redefinition of morality and ethics: this trend of removing morality and ethics from economic consideration started with Adam Smith and continues today. Smith's description of the transition of old commerce to new commerce in the context of the success of the Newtonian laws of physics is also presented in this chapter.

While different schools of economics aim to carve out their own unique roles and positions in economic and policy development, they are also bound by many unifying ideas, themes, concepts, and ideologies. As demonstrated in chapter two, various schools of economics are actually more similar than they are distinct, which is illustrated by the fact that they often rely on virtually the same sets of economics tools and mechanisms for the implementation of their ideals. Unfortunately, this common economic apparatus seems to cause impairment to the family and labor. In contrast to chapter one, this chapter focuses on liberal economics and its key unifying concepts such as the removal of ethics and morality from economic consideration, hyper-individualism, an obsession with free markets and free trade, unrestrained competition, and the commoditization of labor. The chapter also features a discussion of the troika of modern liberal economics, which is comprised of privatization, austerity, and tax reduction, and examines how these three elements impact the family in practice.

Chapter three focuses on various forms of liberalism, which, as described in the chapter, have slowly, deliberately, systematically, and forcefully penetrated the entire economic, political, moral, and social chessboard of the family. In essence, while one form of liberalism has affected society through economic means, the other affected society through civil means. The first part of the chapter focuses on the key constituents of liberalism, such as freedom, liberty, and individualism (i.e., concepts which were crystalized at the time of the French Revolution), as well as various manifestations of liberalism, including classical liberalism, neo-liberalism, and social liberalism. This chapter also presents the most common ideological reflection of liberalism, specifically the liberal left and the liberal right, and their key features. The distinction between the liberal left and the liberal right is critical for the analysis presented in subsequent chapters so its foundations are established in chapter three. The following chapters aim to illustrate how economic and public policy has moved from one policy area to another in the three countries under consideration, namely the U.S., the U.K., and Canada. Finally, the liberal left and the liberal right are described in terms of two conceptual clusters: economic liberalism (i.e., economic and political focus) and civil liberalism (i.e., moral concentration and social emphasis). Since chapters one and two predominantly focus on economic liberalism and its historical antecedents, this chapter also provides the historical evolution of the liberal left, including Marxism. Conservatism is also discussed as a unique dimension of the liberal right.

The second section of the book is titled “The family and its economics in three countries”. Chapter four, which begins this section, presents a detailed analysis of data from three Anglo-Saxon countries. The main theme of this chapter is the commonality in the frequent shifts in socio-political and economic ideologies experienced in each country, which often oscillated between opposing and contradictory economic, political, and social policy paradigms, resulting in dubious outcomes for the family. The basic analytical framework for the chapter is two-fold: the first form of analysis is captured in the form of a graphical representation that describes the process of interaction between various strands of liberalism under each political leader in each country under investigation over the last 50 years. Put simply, ideological shifts from one political leader to another are graphically documented. There is also a tabular form of analysis, which describes the key accomplishments of each political leader in the context of the ten main characteristics of economic and civil liberalism. The chapter illustrates the dialectical approach of the socio-political and economic system in each country between 1965 and 2018 and describes each subsequent political leader in each country with his or her economic, political, and social achievements.

The fifth chapter focuses on empirical data between 1965 and 2018 for the three countries. The key indicators include general economic indicators (i.e., GDP growth rate, inflation, public debt, and the debt multiplier), as well as family and labor-related economic indicators (i.e., unemployment, labor participation rate, nominal wages, real wages, productivity gains, and the family income growth rate). Data for each country is aggregated and analyzed for each political leader in his or her term in office. The chapter also includes a discussion of other key parameters that underline the economic standard of living for the family including quality of employment, housing affordability, and other economic indicators, such as the impact of inflation. Another section of the chapter aggregates the economic record of a political leader along the party line. For example, in the U.S., the data is aggregated with respect to the Democrats and the Republicans along ten different economic indicators. Therefore, this chapter provides empirical evidence to confirm the widespread notion that politics and shift from the liberal right to the liberal left (and vice versa) do not seem to make a difference in the family's economic wellbeing.

The sixth chapter focuses on the economic record of two political leaders, namely Margaret Thatcher and Ronald Reagan, who have historically been promoted as strong economic managers. This chapter proves this economic assumption to be incorrect as far as the family and labor are concerned. Before proceeding with a brief analysis of Thatcher and Reagan, the chapter illuminates the key characteristics of the economic conservative mindset, which is grounded in Austrian economics and monetarism. The remaining part of the chapter deals with a detailed analysis of key economic indicators in reference to Thatcher and Reagan and outlines how their historical economic records impacted the family and labor.

The third major section is called "Pursuit of economic life fulfillment through economics and debt". The seventh chapter begins this section focusing on the family's pursuit of happiness, wellbeing, and satisfaction. As noted in this chapter, this pursuit is often grounded in monetary quests and acquisitions; thus, the chapter focuses on the widely held but erroneous belief that materialistic possessions, money, and wealth directly convert into happiness, fulfillment, freedom, satisfaction, joy, and wellbeing for individuals and the family. Most individuals continue to maintain a notion that their problems would be resolved if they only had more money, which is something that is proven to be false. While some studies claim that money can be effectively exchanged for unique life experiences, extravagant goods, and a secure future that may ultimately convert into amplified life satisfaction, wellbeing, and happiness, correlations here are usually very small or outright negligible. In comparison, the vast majority of studies indicate that money, wealth, and materialistic pursuits do not lead to elevated happiness and wellbeing but rather to the opposite outcomes. The chapter explores the degree to which these strong opinions about the power of money, wealth, and materialistic possession are driven by various internal beliefs and external stimuli. The chapter also explores the antecedents of human obsessions with money, wealth, and materialistic pursuits as well as other concepts such as greed, excessive consumption, and economic temptation.

The eighth chapter of the book extends the discussion from chapter seven and focuses on specific means of achieving economic wellbeing. Once individuals and the family falsely decide that money, wealth, and materialistic possessions are their key central areas of life focus (which are expected to yield happiness, satisfaction, contentment, and joy), they begin to pursue specific actions such as working excessive hours, pursuing additional employment opportunities, chasing entrepreneurial endeavors, and searching for various investment prospects. And yet, the consequences of such actions for the family are often disastrous; the family often breaks up, relations with children become dysfunctional, physical and mental health issues begin to appear, and general life satisfaction diminishes. Therefore, the economic pursuits, which were supposed to bring the family satisfaction and joy instead, sow the seeds of familial destruction.

Chapter nine focuses on the most negative economic feature of the family in the three countries, namely elevated levels of personal debt. This critical economic indicator has clearly been on the rise in the U.S., the U.K., and Canada in recent years. However, this comes as no surprise as deteriorating real wages, stagnating family incomes, limited savings, increased precarious employment opportunities, along with elevated levels of consumption, can only lead to skyrocketing personal debt. This chapter explores personal sources of debt and reasons for debt levels increasing. The consequence of increased personal debt outlined in this chapter is economic enslavement for the entire family. Chapter nine also explores national debt dynamics in each country, dis-aggregated by political leaders.

The last section of the book offers concluding remarks on the economic assassination of the family. The closing chapter of the book once again revisits the concepts related to liberalism and the shifts from the liberal right to the liberal left and vice versa. It also reflects on two sobering events produced by the liberal right and the liberal left, namely the famine in Ireland and starvation in Ukraine. It also focuses on the question: *cui bono* or who wins. In other words, this chapter ponders the question who are the beneficiaries of the economic development over the last 50 years.

Brandon, Manitoba Darek Klonowski
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PART I:

ECONOMIC AND POLITICAL IDEOLOGIES AGAINST THE FAMILY

CHAPTER ONE

ECONOMIC PERSPECTIVES AND IDEOLOGIES AND THEIR HISTORICAL ANTECEDENTS

Introduction

National economies suffer from high unemployment, low wages, and frequent economic downturns, such as slowdowns, recessions, and crises. Often, more people live in poverty and struggle to survive, while upward mobility has been systematically devastated, with the chance of transferring from the bottom twenty percent of income generation to the top one is less than five percent.[1] In comparison, there is also unparalleled redistribution of income, wealth, and power to the top one percent of the population. Meanwhile, individuals, families, and societies continue to be subject to experimentation and mismanagement by economic luminaries. Modern economics wants consumers to be simultaneously wealthy, for the sake of generating strong market demand and consumption, and poor, as capitalists want to reduce labor costs in search of profit.[2] Of course, both the consumer and the worker are the same individual.[3]

However, who are these economic celebrities and luminaries? What are they celebrated or known for? There are many economic streams of thought, which are each recognized for distinctive features: Adam Smith for individualism, Karl Marx for collectivism, John M. Keynes for interventionism, Milton Friedman for monetarism, and Ludwig von Mises for liberalism.[4] Of course, these schools of economics rarely appear to agree on anything, as they often hold contrary explanations for historical world events that are consistent with their own ideological bent, and they each desire to fix human problems in unique ways. For example, to fix economic problems, Keynesians blame inadequate fiscal stimulus while monetarists find the inadequate control of the money supply, or lack of sufficient money supply, to be the issue at hand. When these arguments fail, they resort to accusations of dis-coordination and distortion of fiscal stimulus. The Austrians blame the state, including regulations, taxes, and state ownership, for all human and economic ills. Meanwhile, behavioral economics find irrational human behavior to be the problem, and Marxists fault capitalists. It seems that each school of economics wishes to plant their ideals firmly in the ground while rarely considering another school's position or arguments, and as such, conflict between these schools is clearly visible. But, this conflict may only be in the public realm.[5]

Even though each school of economics wishes to carve out its own unique niche and provide a distinct solution, different schools will cooperate with each other behind the scenes, with this collaboration occurring either formally or informally. In terms of formal collaboration, for example, fiscal and monetary policies are often utilized jointly under the auspices of Keynesian economics. Keynesians subscribe to the convention of central banks while monetarists are open to fiscal stimulus, but both schools have found a common ground in controlling the state, in their individual, unique manner. With regard to informal collaboration, a key example is the Mont Pelerin Society, which was established in 1947. As noted in the Society's founding statement, it is a place where economic, social, and philosophical celebrities have collaborated with the aim to protect individual freedoms, private property, rule of law, tolerance, and moral standards with strong political and financial support as well as prestigious awards granted to its top economic luminaries, such as Friedrich von Hayek and Milton Friedman in 1974 and 1976, respectively.[6] Moreover, while each school proclaims to achieve strong economic growth by its own merits and policies, in reality, growth has predominantly been achieved by a single component unifying the economic schools: debt. These economic schools also offer a consistent fusion of three other major themes, namely the maintenance of low wages, the protection of the rich, and the positional fortification of business monopolies.[7]

The predominant school of economics, which reigned for over 150 years, has been classical economics, but the prolongation of economic stagnation after the 1929 Great Depression led to an explosion of other schools, namely Keynesianism. It commanded economic policy in the post-war period, which resulted in over three decades of unparalleled economic growth. When Keynesian theories steered into stagflation (high inflation and high unemployment) in the early 1970s, monetarists became the new champions of modern neoliberal economics.

In the wake of the 2008 financial crisis and other economic predicaments, it is important to question the merits of modern economics and its foundations, often based on lofty mathematics, which mainstream economics inherently defend after spending years learning it, and theoretical constructs, which appear removed from everyday human reality. Surprisingly, after more than two hundred years of development, economics lacks a robust and commonly agreed theory of business cycles and does not offer any meaningful manner of predicting adverse economic occurrences, with perhaps the notable exceptions of a few single economists and individuals. Each economics stream has its own explanations of business cycles, but the ultimate endgame of all these experimentations is to pass failure onto the population in forms of higher taxes and debts.

As already noted, it is questionable whether economists' interest lies in real-world issues, but if not, then where does it lie? It is vital to question whether economics has become unduly compromised by special interest groups, research grants and endowments, special fees, consultancy assignments, various professional appointments, and corporate board membership. Furthermore, it is also important to ask why mainstream economics extensively and uniformly rejects principles related to social order, solidarity, justice, and fairness, which have been the organizing and unifying foundations of humanity in the past. Academic centers have become the centers of production for economic ideologies rather than truly unbiased and impartial economic ideas.[8] While economics appears to offer theoretical background noise, human financial challenges are real, with individuals suffering from declining wages, increased debt, persistent income inequalities, poor employment prospects, and precarious jobs, to name a few. These difficulties cause people to have insufficient income available to maintain steady consumption levels and reasonable standards of living. However, economics should not be removed from society and its complex social, political, and human interactions; it should be part of it. Moreover, economics functions as a simple mechanism for aggregating individual choices and maximizing utility and self-satisfaction, as the discipline frequently and mistakenly assumes that small equilibriums lead to aggregate equilibriums for the entire economy. Lastly, in line with its historical antecedents, economics continues to misalign the interests of consumers, producers, and laborers. In simple term, "economics, as it has been practiced in the last three decades, has been positively harmful for most people".[9] The contribution of economics to human wellbeing appears debatable.

It is also important to note that in the past, economics had a different focus. Firstly, in its distinctive orientation toward the political economy, economics concentrated on the state's duty to its nation, citizens, and the family. Secondly, economics focused on household management, demonstrated by the Greek *oikonomia,* meaning household management.[10] The term *économe* is still used in France, and signifies income and expenditure management.[11] Unfortunately, classical and liberal economics today have limited room for familial economics, including the consideration of economics in the context, and for the benefit, of the family. And yet, the family continues to be the basic unit of society, with the entire economy made up of many such familial units. In point, the family represents the basic unit of economic consideration. Therefore, if we ignore the family, we are hardly able to understand how the entire economy works. Furthermore, if economic ideologies and theories are destructive to the family, the family has little defense; if the family struggles financially, and perhaps in other areas as well, the entire economy is likely to struggle as well.

In this chapter, we will provide a brief overview of the main streams of economics, with the discussion beginning by revisiting the forefather of modern economics, Adam Smith, and his contributions. The objective in this chapter is not to provide an exhaustive description of each school, but rather, to provide sufficient background information to serve as a useful canvas for discussion in subsequent chapters. It is important to provide an introduction to economics because individuals do not operate in unrelated "bubbles", but within a unique economic context and environment.

The Historical Antecedents of Modern Economics

Before we move on to our discussion of modern economics, it is important to provide an appropriate historical context in which Adam Smith developed his economic theories, perspectives, and ideologies. It is only in this context that we may fully understand subsequent consequences, implications, and outcomes. Our brief discussion centers on moral development and is based on E. Michael Jones's book *Barren Metal,* as well as other works. Therefore, we must go back more than two centuries prior to Smith's writing of *The Wealth of Nations* in 1776 to truly understand the reality of economics today.

Confiscation and Theft as Foundations of Modern Economics

In medieval society, there was an economic, social, and ownership system where one third of the land was owned by the lord, one third was in possession of the peasant, who often called it his land, and the final third of the land was common, such as pasture.[12] This structure of land ownership and possession worked well during this period, as different owners or co-owners kept each other in check.[13] The system protected labor, but also safeguarded against the unrestrained explosion of oligarchy and mass land consolidation as the consolidation of wealth was not permitted.[14] In these days, land was widely distributed among a massive number of families. There were also self-governing corporations and guilds, which controlled production. In the Medieval Ages, "property was an institution native to the State and enjoyed by the great mass of its citizens. Co-operative institutions, voluntary regulations of labor, restricted completely independent use of property by owners only in order to keep that institution intact and to prevent the absorption of small property by great".[15] Co-operatives such as guilds prevented consolidations and monopolies.[16]

In 1553, Pope Clement VII announced that the much-desired marriage between Henry VIII and Anne Boleyn was null. In reaction to the Pope's decision, Henry, already irritated but also inspired by Thomas Cranmer, a leader of English Reformation and Archbishop of Canterbury, who was also involved in the effort to annul the King's marriage to Catherine of Aragon, organized a massive confiscation of the Catholic Church's land and associated property.[17] Prior to Henry's confiscation, the Church was in possession of between 25 and 30 percent of agricultural land.[18] The Church also owned about 30 percent of demesne land, which was land attached to a manor and reserved for the Church's use. Both the agricultural and demesne lands were in the hands of Church chapters, groups of monks and nuns, and educational facilities operated by the clergy. In addition to the aforementioned land taken, the act of dispossession also included the immense theft of labor enshrined within the property itself, as well as the seizure of property certificates, gold and silver decorations and ornaments, and other valuables.[19] In 1636, the British Parliament officially sanctioned the robbery and/or the confiscation of 376 parishes, for a total of 645 parishes, 90 colleges, and 100 hospitals that were either robbed, seized, or both.[20] In a nutshell, "every single man who sat in Parliament for a country required his price for voting the dissolution of the monasteries; every single man received it".[21] The process was completed the end of the 17th century when the oligarchical class was now more powerful than the monarchy. By then, half of England was disposed of the land and capital.[22] The property, developed and maintained by the Church for almost a thousand years, was dispersed and disappeared very quickly.[23]

This initiative of theft and confiscation was navigated by Thomas Cromwell, an English lawyer and one of the King's ministers, who, prior to his acts, visited many parishes to ascertain their treasures and possessions.[24] The initial intention was to vest the confiscated land with the Crown and, if this indeed occurred, the British Crown would have been the wealthiest and most powerful state in Europe, exceeding the riches of the French Monarchy.[25] The King would have also had the power to control the newly developing privileged class. However, as the King failed to retain the lands he confiscated, this did not occur.[26] The wealthy class, the land owners, who already possessed between 25 and 30 percent of all land and had strong power over the Parliament in Britain, convinced the King that the lands be granted to them either freely or for a small consideration. Whatever funds the Crown obtained from selling this land was often used for war, which, it is significant to note, is the most prevalent reason for increased state debt. These oligarchs therefore obtained a further 20 percent of the land and became the majority owners of all land in England. The lands and the wealth effectively "passed as a fact, not into the hands of the Crown, but into the hands of an already wealthy section of the community who, after the change was complete, became in the succeeding hundred years the governing power of England".[27]

These confiscations, seizures, and robberies had human consequences, particularly for the poor, who were often sheltered, protected, or employed by parishes. Overnight, the poor became homeless.[28] However, seizing the Church's property also served a useful purpose in the development of commerce; it released additional labor into the workforce to be hired at minimal or subsistence wages. Land rent prices went up, laborers were dispensed from fatherlands (i.e., land that was worked by farmers and tenant labor), and a massive land consolidation process ensued, during which parish property was further sold off, lost due to mismanagement, or acquired and extorted by various legal maneuvers and trickeries. The most ruthless, manipulative, and brutal perpetrators became the owners of the majority of British property, and then became bankers.[29] From this beginning, a new local oligarchical class was born, with theft and confiscation as the founding act of modern capitalism.[30]

This economic theft has been duly observed in the literary writing of Honore de Balzac in *Le Pere Goriot*.[31] Following Balzac, it may be noted that "behind every family fortune is great theft, long forgotten" or perhaps never discovered, due to a perfect execution.[32] Other research similarly describes the thievery in Britain, such as Karl Marx's *Capital*, which acknowledges the theft of the Church's property[33], but frames it as a "glorious revolution", a mechanism that is lucratively used by communists in the future. However, the idea of economic theft and extortion does not pertain exclusively to Britain but has continued in other countries, where railroad barons, a few monopolists, and trusts became the new oligarchs, who often seized state assets.[34]

At this time, usury, the lending of money at high interest rates, was no longer regarded as sinful behavior. British capitalism became the first mass-scale institutionalization of usury sanctioned by the state.[35] More than a century later, property, which was then owned by descendants of the original pilferers, became legalized by John Locke, who affirmed stolen property as private and untouchable; effectively, the system and the state protected descendants from the property rights of the previous owners, like the Church. Property rights and ownership were officially and legally redefined in such a way that they gave descendant oligarchs absolute, unlimited, and unconditional property rights. Such a firm, secure, and absolute redefinition of property rights may have been motivated by the underlying concern that a new thief may come along and appropriate stolen property yet again. The newly passed law prevented such an eventuality, and a new class of owners was again solidified.

The Industrial Revolution's greatest enhancements, occurring in the period between 1760 and 1840, included the transferring of hand production to machines, the application of new chemical-based manufacturing, the development of machine tools, and the use of steam engine. In terms of the significance of the timing of the Industrial Revolution vis-à-vis the consolidation of wealth, it is important to note that the dispossession of land from the state and its citizens, the concentration of the industry, and human enslavement occurred before the Industrial Revolution, not as a consequence of it.[36] This is an important and unique distinction, as the Industrial Revolution is often found to be the chief reason for the worsening of labor conditions and its economic bondage. In a nutshell: "it was the deliberate action of men, evil will in a few and apathy of will among the many, which produced catastrophe as human in its causes and inception in its vile effect. Capitalism was not the growth of the industrial movement, nor of chance material discoveries… The Industrial System was a growth proceeding from Capitalism, not its cause. Capitalism was here in England before the Industrial System came into being; before the use of coal and of the new expensive machinery, and of the concentration of the implements of production in the great towns. Had Capitalism not been present before the Industrial Revolution, that revolution might have proved as beneficent to Englishmen as it has proved maleficent. But Capitalism–that is, the ownership of the springs of life–was present long before the great discoveries came. It warped the effect of these discoveries and new inventions, and it turned them from a good into an evil thing. It was not machinery that lost us our freedom; it was the loss of a free mind".[37]

By the end of the 18th century, the co-operative traditions of the Medieval Ages were all but completely destroyed, with small business ownership and small-scale entrepreneurship effectively dead. The newly developed economic state successfully ruined small shops and business owners. The British entrepreneurial traditions of the Medieval Age have not been resuscitated since, in spite of Margaret Thatcher's ambitious attempts centuries later. By the 18th century, the means of production in England began to be consolidated in the hands of a small group of individuals, and these new oligarchs also destroyed the common rights to common land. The state and its legal system in Britain became the means of protecting the rich against the needs, the demands, and perhaps even the hatred, of masses of dispossessed individuals.[38]

Property and labor theft often rely on terror, or a police state, to continue, which is a combination that has occurred throughout our history; its most violent manifestation, of course, was displayed in the Marxism and communism in Russia. While the case of Britain between the 16th and 18th centuries does not resemble that of Russia, it similarly relied upon terror to prosper. The cases of death by decapitation or burning at the stake were prevalent, such as for Bishop John Fisher or the King's Minister Thomas More, and because parliamentarians were habitually threatened by such methods, the citizens became increasingly oppressed. And, in addition to property theft, Britain also benefited from another form of theft and terror common at this time: piracy.

The predominant form of economics during this period in Britain was mercantilism, which focused on the maximization of exports and the minimization of imports, with high net exports assuring the accumulation of monetary reserves and gold. Mercantilism simply meant trade, and this commercial orientation habitually neglected the expansion of local manufacturing and farming. Similarly problematic, mercantilism led to frequent and continuous wars, conquests, and colonial expansions, which, in turn, meant that morality, honesty, fairness, and loyalty were simply subordinated to the economic gains from mercantilism. The mercantilism system also unduly promoted uncontrolled egotism, brutal use of competitive forces, greed, corruption, and bribery, among other morally questionable practices, and ultimately paved the way for *laissez-faire* economics.

Moving away from Metaphysical Foundations and the World of God

The Age of Enlightenment became the period of establishing new "laws of nature" on the basis of mathematics while ignoring "natural laws." In 1687, scientist, but also investor, student of economics, lender, administrator in the British Mint, and alchemist, Isaac Newton completed *The Mathematical Principles of Natural Philosophy.* This book established the fundamentals for classical mechanics though the laws of motion, which are noted to further demonstrate the connection between Newton and