

**ECONOMICS. LABOR & BUSINESS**

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the 18th century, the English government pioneered in borrowing and created a public debt to meet day-to-day administrative expenses while carrying on wars. The proportion of English war expenditures financed with bonds and other securities rose from 31 percent in 1800 to 60 percent during the height of the conflict with France.

From 1790 to 1830, war needs transferred 20 percent of English national income to the government. Levies such as the tax on imported raw materials did raise consumer prices, and they reduced individual investments. But government spending spurred the economy with purchases of armaments, uniforms, and other goods. In effect, the public sector, concludes Hartwell, built the nation's industrial infrastructure.

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*A Two-Class  
Black Society*

"Black Social Classes and Intergenerational Poverty" by Martin Kilson, in *The Public Interest* (Summer 1981), P.O. Box 542, Old Chelsea, New York, N.Y. 10011.

The decline of black family median income relative to white families'—from 62 percent in 1975 to 57 percent today—is widely taken as a sign that black economic progress has slowed. But Kilson, a Harvard political scientist, contends that this aggregate "lag" masks the emergence of two black classes—the "haves," an employed black majority who have "made it" economically, and the "have nots," comprised increasingly of female-headed households.

Today, writes Kilson, 33.5 percent of employed blacks hold white-collar positions, and 30 percent hold stable blue-collar jobs. These "haves" are giving their children a real shot at prosperity—via higher education. Blacks today make up 11 percent of America's population and fully 10 percent of the nation's college students. Blue-collar and middle-class blacks are sending their offspring to college at rates slightly higher than are comparable whites. Moreover, by 1973, college-educated black men aged 25 to 29 were already earning nine percent more than were their white counterparts (\$11,168 versus \$10,242), thanks largely to federal policies that induced national corporations to hire more minority managers and professionals.

Meanwhile, due to high rates of divorce and unwed motherhood, the proportion of female-headed black families has risen, from 28 percent of all black households in 1969 to an estimated 41 percent today. The median income of these families was only \$5,598 in 1977. And nearly half of their youngsters dropped out of high school. Such youths, writes Kilson, "will find it well-nigh impossible to pass on to their children a capacity for upward mobility."

The institutions that helped black "haves" and other minorities get ahead are not likely to continue doing the job. Trade unions now speak

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for the relatively affluent. And government seems less inclined to pursue "interventionist" social policy. "The white poor," writes Kilson, "fashioned a variety of cultural patterns, often aided by religious organizations, which enabled them to [reduce] those features of lower class life detrimental to upward social mobility." Poor blacks need the same "self-help." Neighborhood church youth programs, the Rev. Jesse Jackson's efforts to stir black children's zeal for education (PUSH), and new "back-to-basics" black-run private schools—all represent promising ways to break the cycle of poverty.

*The Elderly:  
A New Breed*

"The Long Reach of 1914" by Jane Newitt, in *American Demographics* (June 1981), Circulation Dept., P.O. Box 68, Ithaca, N.Y. 14850.

The "graying" or aging of America was one of the major demographic stories of the 1970s. Virtually ignored, however, have been the change in the characteristics of the growing elderly population and its origins in the early 20th-century Age of Immigration. So writes Newitt, a Hudson Institute researcher.

Between 1905 and 1914, roughly one million foreigners—mostly young, male, and uneducated—sought new lives in the United States each year. Their numbers created not only a regional but a generational "bulge." By 1910, immigrants comprised 75 to 80 percent of the popu-



Climbing into America, 1908. *Lewis Hine's photograph movingly portrays the early 20th-century immigrants who recently comprised much of the nation's elderly population.*

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