

WHY MARX WAS WRONG

*A comprehensive refutation of the
major tenets of Marxist Economics*

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INTRODUCTION

Most people today would probably assume that, with the Soviet bloc defunct, and with the world's remaining Communist countries turning to the pursuit of capitalist profits, a book on Marxist theory would be as irrelevant as it is likely to be dull.

It's true that Marx has been, in one sense, discredited by the collapse of the empire built on his theories; but that doesn't mean his denunciation of capitalist societies has lost all credence, nor does it necessarily close all discussion on the matter. There are still unresolved issues of interest concerning the erstwhile Communist empire, such as: Was the demise of the USSR just the result of an unlucky concatenation of adverse circumstances? Was it a result of "deviations" from True Marxism introduced by Stalin, or Lenin, or somebody else? Or was the USSR perhaps doomed from the start because it was built on theoretical sand?

My own belief is that Marxist theory is a huge, convoluted sophistry, and that in basing their society on it the Soviet Communists were from the start in a position of trying to "square the circle." The theory was a sham, and therefore attempts to put it into practice were doomed from the start.

That's what I believe, but then that's probably what most people believe. The point is, has anybody been able to prove it? And until it is proved, all the right-thinkers and leftist opinion-makers in our own and other societies will go on demonizing capitalists, big business, "obscene" profits, greedy multi-nationals, and the rest of the cast of Communist comic-book villains. This is so, regardless of what mere events may have happened in the USSR and other places.

The difficult fact is that the demise of Communism has discredited only half of Marx's theory. Liberals or leftists may no longer accept all the grandiose claims that Marx made for the brave new world to be built on his theories, but paradoxically, they still accept, in a subliminal and half-articulated form, all the criticisms and accusations made by him in his "case against capital."

David Horowitz makes this point in his book, *The Politics Of Bad Faith*. He refers to

. . . the two destructive illusions in whose name the Left has caused so much suffering in the Twentieth Century: the inherent evil of capitalist society and the humanitarian promise of the socialist future. In the wake of the Soviet disaster, of course, the hope of this socialist future is only

tenuously put forward by sophisticated radicals . . . It is the negative assault on democratic capitalism that inspires their commitment and that leads their public agenda. *

That “negative assault on democratic capitalism,” instigated by Marx, is the subject of this book. The anti-business animus inspired by his writings has fueled campaigns against companies as diverse as mortgage banks, “Ma Bell,” and the tobacco industry, and it is still in force today. It motivated anti-business crusades like President Obama’s siege against the medical industry, wherein he accused doctors of amputating limbs unnecessarily in order to make money, and insurance companies of “filling the airwaves with deceptive and dishonest ads.”

It has to be granted that the anti-capitalist economic thought of today’s leftists, liberals, and such people is not explicitly Marxist. It might be called “vulgar Marxist” or soft-core Marxist: it is derived from Marx at second and third hand, without the benefits of formal Marxist theory.

But so what if these people don’t really know Marxist theory or understand the source of their attitudes? The fact still remains that no one has ever completely refuted Marx or his case against capitalism; and the socially fashionable, morally superior stance is still to denounce the “fat cats” of industry. It’s good to stand up for capitalism and to write of its beneficial effects, as many stalwart authors have done; but the job is not finished as long as Marx’s brief against capitalism remains in effect to give it a black eye.

Another consideration is this: Marx’s snow job was considered authentic science by many people for over a century. It should be of interest, in the field of the philosophy of science, to ask how that could be true, and to ask what Marxism actually is, if it is not science.

The purpose of the present book is to show that Marx’s central accusation against capitalism—that it enriches capitalists only via their exploitation of laborers, through the extraction of unpaid “surplus value” from them—is a fallacy. Some readers might think that is a hopeless task; others might consider it irrelevant.

To the first view I respond, The proof of the pudding is in the eating. To the second, I can only say that I believe this issue is still a matter of some importance.

* Horowitz, David, *The Politics Of Bad Faith*, New York: Free Press, 2000, p.25.