

- E D I T O R I A L -

WHY MARX WAS A MARXIST

Ernest J. Farmer.

Most of our readers have a fair idea of what it means to be a Marxist. A Marxist is a person with some excellent qualities: a deep sympathy with the poor and oppressed, considerable sense of justice and often a good deal of courage. He is capable of quite a bit of independent thought. He also has serious limitations: lack of understanding of economic fundamentals, especially of the vital difference between land and capital; and a naive belief that a dictator or group of dictators chosen by the proletariat will, once the purpose for which they are chosen has been attained, relinquish their power and give way to a "classless society". While of fairly active mentality, the Marxist is prone to the acceptance of a dogma without sufficient evidence and of holding to it despite proof to the contrary.

Karl Marx's social philosophy was developed mainly during the decade 1830-40: he was born in 1818. His schooling was in Bonn and Berlin, both Prussian cities. Prussia and Austria were among the most completely landlord-dominated countries in the world. The landlord class used their control of the schools and colleges to the limit to inculcate ideas favorable to the retention and enlargement of their privileges. Students were led to look upon land as a kind of property, in the main of the same kind as wealth produced by the owner's own effort, but entitling its possessor to particular deference. In the teaching of economics, the distinction between land and capital was ignored. Britain was about equally landlord-dominated, but there was a little more tolerance: jurists insisted upon the fact that the land of the kingdom was not privately owned but was held of the King, subject to such dues as the King and Parliament might decree. Adam Smith and other economists, while not explicitly defining

the difference between land and capital, took it as self-evident; Smith declared that the tax on "the ordinary rent of land and ground-rent in cities" was the best possible tax.

The distinction between land and capital is no minor matter: it is as vital as that between rights and privileges, another distinction which the privileged classes prefer to deny. This distinction becomes of even greater moment as rent and taxes take an increasing share of production. Taxes on capital limit production and so increase prices while lessening employment and wages. Taxes on land limit the holding of land idle or poorly used; so long as there is idle labor they have an effect in increasing production. Taxes on capital afflict most grievously the poor. Taxes on land take nothing from the really poor and little from those in moderate circumstances. They do not deprive the rich of any luxury, except that of being able to dominate the poor; in fact, substituting taxes on land for taxes on production increases production to such an extent that in most cases the incomes of the rich are higher than ever. (There is a limit to this effect; no doubt; but it has not been reached in practice.)

The academic confusion between land and capital gave the directive to Marx's whole philosophy. In his time most of the people of Europe were in a state of abject poverty. Possessing no land and little equipment of any kind, they were obliged to work for such wage as those in a position to give employment chose to pay. This was generally less than the subsistence allowed a slave in the parts of America in which slavery was in force. To Marx as to others who lumped together land and capital proper under the head of "capital" or "the means of production" the only logical conclusion was, that the sole hope for the workers lay in the workers (or the government on their behalf) taking over the "means of production" and utilizing them primarily for the benefit of the laboring masses. Marx became a Marxist for the same

reasons that a multitude of others have done so - because he had an urgent desire to see the masses enjoy some of the amenities of life beyond a bare subsistence, and because he did not understand that land and capital are essentially different.

Not a few professors of economics on this continent have said that they were teaching the "Austrian" system - which is more Prussian than Austrian. This doubtless explains how Professor J. K. Galbraith could say that "many economists doubt whether there is much difference between land and capital, since both are used in production", or how a brilliant third-year student at Victoria College could say that "Toronto University is turning out graduates in Honor Political Economy of whom 50 per cent are Marxists, 10 per cent confirmed reactionaires, and the other 40 per cent have not the slightest idea of what it is all about." It also makes understandable the tolerably well-known fact that there are proportionately more Marxists among university graduates than among the people generally, and more among those majoring in economics than among those majoring in other subjects.

A young lady of the writer's acquaintance took a course in economics designed for high school girls, and taught by a woman graduate in Honor Political Economy of Toronto University. The teacher repeatedly warned the class of the fallacies and dangers of socialism. After the course had ended, the girls all met together to talk things over, and came to the unanimous conclusion that since there was certainly much in our economy which was seriously wrong, and since the teacher had suggested no alternative, the only thing left was to give socialism a try. Recent university graduates in Honor Political Economy with whom the writer has spoken have said that most graduates in Honor Political Economy had come to believe that the only possible system for Canada is one of "modified socialism."

What we now have in Canada, of course, is not free enterprise and is not capitalism; it is modified

landlordism - landlordism modified by socialism. Much to be preferred to the landlordism unlimited in force in Russia, France, Britain and especially Ireland in Adam Smith's time.

Marx was not of the Bolsheviki: he was averse to violence, believing that socialism could be brought about by constitutional means. This aversion was not shared by his antagonists: the Rheinische Zeitung, of which he became editor at the age of 24 was forcibly suppressed a year later. Making his way to Paris, Marx was before long expelled from that city, and was later expelled from Cologne. At the age of 30 he went to London, where there was more tolerance. If in London he made much acquaintance with British economists, this came too late to be of much effect. Possibly the British influence prompted him to state finally that the exploitation of the workers began with their separation from the land. This statement occurs in Vol. III of "Capital" (Das Kapital). As this volume was published only after his death, and few of his followers have read so far, it has had little influence on current thought.

In one respect many university economists have out-Marxed Marx. Vladimir Ulanov, more widely known under the name of Nikolai Lenin, declared that an important step on the road to communism was the destruction of the purchasing power of the currency. A large number of economic professors, somewhat distorting the teachings of J. M. Keynes, have argued that the only way to forfend widespread unemployment is through the continual debasement of the money supply. While this argument is fallacious, patently so to anyone who understands economic fundamentals, it has strongly influenced governmental policies - the more so as it is pleasanter and easier for politicians to spend money than to raise it. There are persons still living who remember when the salary of the President of Toronto University, expressed in current dollars, was less than the present wage of a subway laborer. But still, the subway laborer has little if any hope of ever owning a home of his own. Of course, professors'

salaries have risen, though not in the same proportion, but while a neophyte professor may reasonably expect to own his own home in time, for him to do so is much more difficult than it was for his predecessor of half a century ago.

However, much or little attention governmental officials pay directly to university teachings, these do in one way or another influence policy. In recent years the government of the USSR has gradually been allowing a little more and a little more of something resembling free enterprise. Our own government has been becoming more and more socialistic and bureaucratic. Unless present tendencies are materially changed, the time will come - not so very far in the future - when the difference between Communism and what is ironically called "free enterprise" in this country will not be worth fighting over - or even arguing about.
