

A Farewell to Marx: An Outline and Appraisal of His Theories. By David Conway. New York: Penguin Books, 1987.

David Conway's book supplies what many have been seeking for a long time—a reliable introductory study of Marxism which can be recommended without reservation to students. But he has also accomplished more. Even experienced scholars will find his discussion insightful and original.

The author concentrates his discussion around one central question: on what grounds did Marx condemn capitalism and wish to replace it with socialism? Three issues come to the fore in Marx's response. First, Marx believed that capitalism causes alienation, a dire though nebulous state of affairs which socialism would overcome. Second, capitalism rests on exploitation of the working class. Third, capitalism, once a progressive system, now blocks the growth of the forces of production. Inevitable economic crises will replace it with socialism. In this system, central planning will enable production to increase to a vast extent.

Conway rejects all of these Marxist claims and in the course of his analysis of them gives a masterly conspectus of the entire Marxist system. To turn at once to the first issue on Conway's agenda, our author gives short shrift to "alienation," a much discussed word that has behind it little substance.

Marx believed that workers under capitalism lack autonomy, since they work for capitalist employers and do not decide for themselves what they wish to produce. Nor does the capitalist have in mind the development of the laborer's creative powers. On the contrary, capitalism rests upon the division of labor. The consequence of this method, in which tasks are split up into small, specialized operations, is that work often stultifies creativity.

Conway disposes of Marx's indictment quite easily. If workers want "creative" work, they are free to demand this, and whatever other conditions they wish, from their employers. Workers are also free under capitalism to establish firms under their own control: what could be more autonomous than this?

There is, however, one "catch." No guarantee exists that workers in "creative" conditions will be able to earn enough money to justify

the greater production costs of these conditions. If workers do cover the increased costs, it is hardly likely that their salaries will be as high as under capitalism.

For this the reason is evident. If creative, "non-alienated" conditions were more productive than those that at present exist, employers would rush to establish them. As Marx himself noted, capitalists aim constantly for profit and they are hardly likely to overlook a superior way of inducing more and better work.

The facts, unfortunately for Marx, are entirely otherwise. It is just the system of division of labor which he condemns, not his non-alienated utopia, that is most productive. If so, then a well-established economic theory tells us that wages will be higher here than under alternative methods of production. Labor receives the discounted marginal value of its product. Less technically, the wages of labor depends on what it produces. If, then, "better" working conditions reduce production, wages will also fall.

Much to the surprise of some Marxists, if no one else, workers usually prefer higher wages to the "creative" work others think best for them. If workers choose more pay over the alleged benefits of "non-alienated" work, is this not a supreme example of autonomy? By earning more money than otherwise possible, workers increase the goods and services available to them. Some workers are benighted enough to prefer watching baseball on television to spending time in socialist "re-education" camps.

But, the socialist will say, why choose between better working conditions and more goods and services? Under central planning, one can have both. A "higher" stage of socialism, at any rate, will in Marx's words make "the free development of each the condition for the free development of all."

Such promises have by now a hollow ring. No reason exists for thinking central planning will aid in overcoming alienation. As Conway notes: "Let us first consider the claim advanced by Marx that communism permits each individual to do what he likes, as he likes, when he likes during the period of work. This, surely, must be rejected as purest fantasy. Apart from anything else it seems totally incompatible with having a centrally planned economy. How could planners ensure that there would be enough people in each branch of industry at each moment of the working day should each individual have complete freedom to decide what he does during it?" (p. 47).

Further, a socialist economy of any complexity would not work at all. Here of course the calculation argument of Ludwig von Mises is decisive: without markets, a developed economy will be unable to produce capital goods efficiently. Briefly put, Mises has removed socialism as a "live option."

I venture to suggest that Conway ought to have made more use of

this decisive point. He does mention the calculation argument, which he terms "the argument from ignorance" (pp. 184-85). But he credits it to Friedrich A. Hayek, not Mises; and he thus does not state it in its strongest form.

Though Conway's treatment of alienation on the whole deserves high praise, the most outstanding part of the book is his section on exploitation under capitalism. As Conway notes, "exploitation" is a technical term in Marx's economics. Marx believes that workers sold their employers their labor power—their capacity to labor—while their wages were determined by the cost of the commodities workers required to subsist. More exactly, the "cost" of labor depends on what a particular society regards as an acceptable standard of life. As Conway notes, this need not be bare physical subsistence (p. 97). The gap that existed between labor power and the cost of labor explained the secret of capital. How, if a capitalist both bought and sold everything at its value, could he make a profit? Marx's account of labor provided his answer, and it is this very gap that constitutes exploitation.

If capitalism has a "secret," then as Conway shows, Marx's account leaves it a very well kept secret indeed. His explanation of profit relies on the labor theory of value. Conway, here following the classic treatment of Böhm-Bawerk, demolishes this theory quickly and effectively. It assumes that in an exchange, each commodity traded has an equal value with whatever in that exchange is given up for it. On this assumption, Marx inquires: what do all commodities have in common that enables us to determine the ratios at which commodities equal each other? He locates the answer in labor. Two commodities exchange in proportion to the average socially necessary labor time required to produce each one.

This account goes wrong from the start. An exchange is not an equality, far from it. Each person in an exchange prefers what he obtains to what he gives up: how could the trade otherwise voluntarily take place? An exchange is then a double inequality, not an equality. And on this sounder theory, one can readily build up a theory of value much superior to the Marxist account. Conway presents this competing view, the subjective or marginal utility theory of value, in a clear and simple way (pp. 98ff). And on this account, the worker is not "exploited."

Perhaps wisely, Conway passes by the complicated "transformation problem." This is Marx's convoluted attempt to square the circle—his attempt to show that his labor theory could explain why prices of production do not correspond to labor values. Böhm-Bawerk exploded for all time Marx's manifold fallacies here.

Instead, our author turns to ethics: does capitalism wrongfully exploit the worker? Here "exploit" is used not in its technical sense in Marxist economics, but in its ordinary language meaning. Inciden-

tally, Marx's choice of the term "exploitation" has considerable rhetorical force. It would not follow, if his view of economics were right, that there is anything unsatisfactory in labor's receiving less than its capacity for labor enables it to produce. But the use of the word "exploitation" serves to make part of Marx's case for him. It is quite easy to forget Marx's technical meaning and slide over to the ordinary language use, in which exploitation by definition is objectionable.

But to return to Conway, on what grounds do Marxists claim workers are exploited? Much of their case rests on the false assumption that the capitalist is not doing anything. But surely providing capital is an essential task of production. Nor is Marx justified in ridiculing the theory that interest payments reward capitalists for abstinence. No doubt capitalists could not in all cases readily consume personally the wealth they now invest: but they need not invest anything. The fact that they do invest, then, does indicate a sacrifice of possible consumption (p. 112). Conway's case could have been made even more effectively had he explicitly brought in the Austrian view that interest payments reflect the rate of time preference.

Suppose one grants that Conway is right. Capitalists are not useless drones but exercise a productive function of vital significance. A socialist might attack on a different front: he might admit that capitalists are productive but deny that they have justly obtained their property.

To this Conway has a ready reply. He denies that it is unjust for individuals to hold land and other resources for productive purposes. Appropriating unowned land, e.g., need not prevent anyone else from access to the means he or she needs to have a fulfilling life. Hence morality imposes no bar against appropriation.

In this argument, Conway appeals to a principle of rights that strikes me as dubious. Following the philosopher Samuel Scheffler, Conway states: "we shall construe every person as having a natural right to a sufficient share of every good capable of distribution whose enjoyment is a necessary condition of a person's having a reasonable chance of living a decent and fulfilling life." (pp. 117-18). (Conway holds that the right is subject to one qualification, but this does not affect our discussion.) As Conway interprets this principle, it allows property acquisition subject to something quite like the "Lockean proviso": there must be "enough and as good" (p. 19) of whatever is appropriated left over for others.

I cannot think that the restrictions Conway's principle impose on acquisition of property can be defended in the fashion our author sets forward. *Why* does everyone have so extensive a natural right as Scheffler's principle mandates? Do persons physically unable to provide for themselves have a natural right that others provide them with medicine and nursing care? Are those with high standards of

living obligated to devote large shares of their resources to aiding the destitute in Ethiopia and Bangladesh? Though I cannot argue the point here, I think that the straight-forward Rothbardian variant of Lockean rights avoids these and other problems.

But even if Conway's view of rights is wrong, his adoption of it serves a useful purpose in the case against Marxism. If even his overly permissive view of rights allows property rights, how much more can they be supported on a more restricted view of the goods and services people are entitled to claim from others?

One escape remains to the Marxist. He may hold that, whether or not there is in principle an objection on moral grounds to private property, in practice the question admits of but one response. In actually existing capitalism, wealth was mainly acquired through plunder of colonies and the use of slave labor.

This Conway denies. He claims that "landed and colonial wealth played virtually no part in financing the first capitalist industrial ventures." In fact, capital expanded through exactly the account Marx ridiculed; businessmen in the Industrial Revolution tended to "plough back" nearly all their profits in further investment (p. 111. Conway's sources are works of R. Cameron and F. Crouzet, as cited at pp. 214-15.)

Capitalism, Conway has abundantly shown, stands acquitted of the charge of exploitation. But what of the Marxist claim that the capitalist system leads inevitably to crisis and collapse? Here, space compels me to be brief. Suffice it to say that this claim too stands bereft of support.

Marx's theory of capitalist development has both a general basis in the "laws" of history and includes specific means by which capitalism fulfills these supposed laws of history. The first of these depends on the view that productive forces—roughly the technology and methods of production that exist at a time—tend continually to grow. The economic system that exists at a particular stage of history is the one that best enables the forces of production to grow. When the system reaches the limits of the growth of capital within it, a new system will replace it. Conway notes that Marx's explanation of the economic system is a functional one. That is, he explains the economic system by its role in promoting the growth of the forces of production.

But this sort of explanation is at best incomplete. The growth of the forces of production does not precede the system whose existence it is supposed to explain. How then is it supposed to explain it? Granted the "function" of the system, some causal account is needed to explain how the economic system exists. Otherwise, our causal explanation will go in the wrong direction—the (later) production forces will "cause" the (earlier) system that enables them to develop. In a detailed discussion, Conway maintains that G. A. Cohen, the

leading supporter of this sort of functional account, has not filled his analysis out in an acceptable way (pp. 73-75).

There is a further point that to my mind invalidates the Marxist theory. Why should we assume that *each* new economic system is the one that will allow the maximum development of the productive forces possible at a particular time in history? Isn't it the case, e.g., that capitalism would have been a more productive economic system than feudalism? (I cannot think acceptable the contention of Douglas North that feudalism is a type of capitalism. But if one thinks there is "something to" this, rephrase the point: isn't a capitalist system that need not be bound by feudal restrictions always more productive than one that is thus restricted?)

Conway shows very well that Marx's specific mechanisms designed to explain the collapse of capitalism fail of their purpose. Marx's account here relies on the theory that the rate of profit tends under capitalism to fall: his argument for this is a tissue of error (pp. 113-39). As Conway notes, on the best account of the business cycle, that of Ludwig von Mises, depression is not intrinsic to capitalism. It results from the collapse of overinvestment due to government-induced expansion of bank credit. Depression is a problem not of the free market, but of governmental interference with it (pp. 140-41).

I have so far been in entire accord with the main lines of Conway's presentation. But I fear I must part company with him in his fifth chapter, "Politics." Here he argues that Marx favored democracy: unlike Lenin and his successors, Marx did not favor the suppression of workers and their subjection to the minority dictatorship of a "vanguard" party. Conway fully and fairly presents the evidence against his view (pp. 148ff); he nevertheless holds that even such phrases as the "dictatorship of the proletariat" are not what they seem. He interprets Marx's advocacy of dictatorship in a way that leaves him still a democrat.

It seems to me that Conway has here fallen into a trap. No doubt Marx did support certain freedoms for "workers." But the proletariat hardly subsumes everyone within society: and there is no evidence that Marx thought of extending "democratic" freedoms to non-proletarian opponents of socialism.

Further, even if one confines the discussion to workers, one needs to distinguish, in a way that Conway fails to do, between democracy and civil liberties. The fact that Marx wished workers to take an active role in government hardly shows that he wished to extend civil liberties to workers who opposed socialism. Would he not more likely have regarded them as "class traitors" to be dealt with ruthlessly?

Conway's last full chapter, "Theory or Ideology," is strikingly original. He denies that Marx has made a case for his claim that morality reflects class interests. What exactly is the argument that

moral judgments are not objectively true? Marx offers none—he simply dismisses morality with a wave of the hand.

Conway's case so far, while perfectly in order, follows standard lines. His originality emerges in his treatment of the related Marxist claim that religion is ideological. Here he counters by presenting with apparent approval Schopenhauer's assertion that some religions—Christianity, Brahmanism, and Buddhism—allegorically present the truth of the human condition. The truth in question is that of the futility of life and the need for a release from the domination of the will. Many will find this more than a little *outré*. A less radical response to Marx might content itself with noting that specific religious claims need to be discussed rather than dismissed *en bloc*. But like all of Conway's book, his view is clearly presented and provocative.

I do not think anyone can finish Conway's excellent book without learning a great deal about both Marxism and effective philosophical argument.

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