Episode 1,012: The Fallacies of Marxism, with Gerard Casey

Guest: Gerard Casey

WOODS: Welcome back a bit sooner than you may have thought, actually. Here you are already. It's been barely a week, and here you are again. Well, I couldn't resist. I've got this book on every interesting topic under the sun and a guy who's so genial he's willing to talk to me as often as I like, so, well, I'm going to take advantage of that situation. So we thought we'd talk about Karl Marx today. I've done some episodes on Marx. I'm not altogether thrilled with any of them, just because there's so much to get a handle on with Marx. You can do one little topic or another little topic. I'd really like to try to do the whole thing, at least — not answer every scholarly debate about it, but at least try and feel like we've hit on the whole picture that Marx is painting.

So what I think we'll do, given that you and I discussed this before we went on and couldn't really come to a decision about what particular points we should cover, we're just going to talk about Marx until we collapse from exhaustion. Or I have a certain number of minutes in mind, so you don't have to worry this is going to go on for eight hours. But on the other hand, maybe it would sell some books.

All right, so let's talk about Marx. Before we get into his thought, is there anything in Marx's personal life that you find especially revealing given the type of ideology he would later develop?

CASEY: Well, yes. Okay, you'll have to be careful here, because in the end, it's not the kind of life a person lives that's really important for the point of view of their ideas, but the ideas themselves, and you have to be careful that you don't engage in an ad hominem. However, that being said, it is the case that with certain writers, what they think is to some extent an expression of their personality at the deepest level. I would think, for example, of Saint Augustine as well as those people, and Rousseau would be another, and indeed, Marx is also one. So I think in the case of some authors, I think it is actually helpful to know something about the kind of life they led and so on. I think that adds to the understanding of their thinking.

And Marx is a really interesting character. I mean, his background, he was Jewish, although his family had converted. But nonetheless, he had a strain of anti-Semitism, which was remarkable even for the more or less endemic anti-Semitism that was current in the 19th century. He, like Rousseau — as Rousseau sort of loved mankind in general but no one in particular and he managed to hate a lot of people, so Marx as well sort of loved workers in the round and at a distance, but for the individual workers he had nothing but scorn. He was really I suppose to some extent an

academic manqué. He had sort of failed as an academic and he sort of despised manual workers. So he had a very sort of strange attitude towards work for somebody whose major work is *Capital* and the critique on capitalism.

He also was a very strange scholar. Once he came to England — By the way, he never learned to speak English properly, which is really bizarre. I mean, he spent about 35 years living in England as Engels' pensioner. He never managed to speak English properly, never managed to visit an English factory despite the fact that Engels, who was pensioning him off, actually owned a factory in Manchester. And knocked himself out effectively in the British Museum.

Also, even though he has some claim I suppose to being an economist of repute — and in terms of his influence, certainly he's vitally important, even if his thought isn't in the end all that coherent. Nonetheless, he didn't really keep up with developments, and he didn't really keep up with the Mengerian principle, as was developed in the 1860s and 1870s —

WOODS: Marginal utility and subjective value, yeah.

CASEY: Yes, indeed. So a very strange character indeed.

WOODS: Right. Okay, yeah, so now let's go from there. There are stories about the way he treated people, and you're right, he doesn't seem to have had any interest in actual, real-life workers and all that.

Let's get into the meat of his thought here, and to do that, let's actually go right to *The Communist Manifesto*. It's short. It's understandable. And let's see what we glean from it in terms of what is he calling for. We will talk about his economics because you have to, but what kind of a society is he calling for? Now, first thing is I do want you to say something about what he has to say about the bourgeoisie, which is the class that will ultimately have to be smashed and expropriated. But he and Engels actually have some kind words for the bourgeoisie because they appreciate its role in history.

CASEY: Indeed. In fact, if you were to read those first few pages of *The Communist Manifesto* without giving the source and asked people to identify who the author was, my guess is that most people would have a lot of trouble identifying who the authors were, and indeed, probably would get it seriously wrong. Probably Adam Smith might come into contention.

But yes, so Marx and Engels and their *Communist Manifesto*, which was written when Marx was a very young man, just about 30, the bourgeoisie were praised for providing cheap and plentiful commodities, creating a huge number of towns, steam navigation, railways, electric telegraphs, clearing continents for cultivation, and indeed the canalization of rivers, the application of chemistry in industry and agriculture, and — [laughing] in a wonderful phrase — "rescuing a considerable part of the population from the idiocy of rural life." So that's not a bad paean of praise.

WOODS: No, it's not. It's not. But what I find interesting — Gosh, I'm afraid we're going to run — Look, I'm just going to cover stuff, we're just going to go until we're exhausted, okay?

CASEY: All right.

WOODS: Because I want to talk about on the minus side what he talks about capitalism, because the minus side is actually quite bizarre when you read through what his criticisms are of the role of the bourgeoisie in history. And by the way, what do we mean by bourgeoisie, in case anybody's confused?

CASEY: The bourgeoisie was the class of people who emerged, I suppose, contemporaneously with the Industrial Revolution, those people and those who served them and the industrialists, the factory owners, those who took advantage of the technology developed in the late 18th and 19th century to increase production enormously, which indeed, as we all know, increased — for the first time at a really significant rate, was the major event which increased the ability of human beings to earn something well above just the bare standard of living of survival that they had since obviously the beginning of human history.

WOODS: All right, so in other words, it doesn't really translate that well — people sometimes translate it as "middle class," but in a 21st century sense, middle class is like — it's still a wage laborer, a salaried employee or something, and that's not what he has in mind with "bourgeoisie." These are the people who own the means of production. These are the people who will have to be — and then there's some controversy about whether he really intends that there must be a violent confrontation with them. That's a separate matter.

So anyway, let's go back to what are the minuses of the bourgeoisie in history?

CASEY: Now this is where it gets really, really strange. So we've just had a list of all the wonderful things that the bourgeoisie have produced or supported. And you might say, okay, what's on the negative side? And it turns out that they're criticized — wait for it. This is really hard to believe, but if you don't believe it, you can go and read *The Communist Manifesto* yourself. The bourgeoisie are criticized for having ended feudal patriarchal idyllic relations and torn aside the ties that bound man to his natural superiors and turning the intellectuals into professionals, into wage laborers.

Now, this is really, really strange. There is in a way — to anybody who knows a little bit about history here, you can see there's a sort of deep-veined romanticism running all — this may sound very strange to say about Marxism, but there's a deep vein of romanticism running all the way through Marx's thought. And you're beginning to wonder what idyllic conditions was he talking about? Where have these ever been manifest in history? They might have been manifest for a very small number of people at a particular time: those who managed to corner most of the wealth. But for most people for most of human history, most people for most of human history had been struggling to make a living, and indeed, anything about harvest or about weather conditions could lead to ruin, starvation and death. So where were these idylls and who was living in them? I have no idea. I don't know that Marx has either.

WOODS: No, and nor do I. And then the bourgeoisie has "torn asunder the motley feudal ties that bound man to his natural superiors," so that nothing remains to connect one person to another even in the family save the cash nexus. So we've often heard this claim that capitalism binds you only by cash and explicit contract and whatever, and so this is Marx's romanticism coming through, that, *Ah, for the days when we were bound by something greater than mere cash*. Well, I'd rather be bound by cash than feudal relations, you creep. Even though, of course, he's supposed to be against feudalism because capitalism is the next stage in historical development, but capitalism supposedly tears asunder all these other ways human beings might be bound together other than cash. But anything that preceded capitalism was vastly worse in that regard. What's the most charitable reading of this?

CASEY: I don't really know. I've obviously read the material and I've written on it, and I'm kind of mystified by it, as I say. You really have to think that somebody's in the grip of a theory here, looking back as it were at some kind of golden age in the past. But in a way, that runs against other things in Marx, because Marx is really future-directed, because the golden age for Marx is really more in the future than in the past. Now, it's not impossible by the way to have a golden age in the past and in the future, but I find these particular criticisms of the bourgeoisie to be really, really peculiar.

In fact, one of the things that you see after the Industrial Revolution is the emergence of the bourgeois family in a way that you really haven't seen before. Indeed, if you take it that marriage was something that was largely confined to the wealthy because they had property to defend, whereas those who weren't wealthy simply sort of lived together in de facto, what we now think of as common law marriages, in the late 18th and 19th century, marriage is something that is entered into with gusto by the bourgeoisie and indeed, even the proletariat. And it's not until we reach the 1960s and 1970s after the sexual revolution and technological revolution that marriage begins to go out of fashion again. So the curious way that the ties that bind, the non-commercial ties that bind in the family, if they do anything, in fact increase and develop rather than decline. It's really peculiar.

WOODS: We could go on here. I mean, in your bullet points, you've got, "Religious fervor has been subordinated to egotistical calculation." Well, as an atheist, why would this — egotistical calculation would have to be preferable to what he would think was just pure superstition and mythology.

CASEY: [laughing] Yeah, again, very, very odd. And there are — you can see, and people have argued that Marxism is in a sense an ersatz religion, and to some extent, the — apart from having a future state, an eschatological state in which the communist well-being of everybody in the future takes the place of the Christian heaven, it's also the case that the kind of attachment that people would have to one another and the way in which they would relate would be the kind of ways in which, in an idyllic Christian state, for example, they would relate to one another. But in a sense, Marx is not entitled to have that, right [laughing]? You can't have your cake and eat it too.

But it is very peculiar. People tend to think of Marx as being sort of dry and dry as dust, and indeed, if you read *Capital* of course that's the impression you get. But there is I think — I mean, what kept him — here's the question: what kept a man sitting on

his own in the British Museum for the best part of 30 years essentially unrecognized, unrewarded by the general population, ignored? Because remember, he was just one of many expatriates living in London inhabiting the British Museum. He was no more well-known than anybody else, and indeed, he wouldn't have survived without the pension he received from Engels. So what keeps a guy in here? And there's some kind of quasi-religious commitment which drives him forward and keeps him going through all of those hard years.

WOODS: Well, good question. What would keep somebody going through reading all these works, is the real question, right? I mean, particularly — Well, anyway, we'll get up to *Capital* probably later, but let's turn to the topic of alienation. I think some people here — and Rothbard in his *History of Economic Thought* says that what Marx meant by alienation is something much more extreme than what most people think. They think maybe it means boredom when you're working on an assembly line or something like that, but it's much more radical and sweeping than that. How would you explain his view of alienation?

CASEY: As I see it, alienation again comes from the early thought of Marx and to some extent is replaced Marx's later ideas by the notion of exploitation. But alienation here is the idea that somehow the conditions of modern life, as it were, eviscerate your very soul from you, so that in a sort of radical metaphysical sense you're separated from what is really you in some deep way.

Now, there are four particular kinds of alienation. The worker he thinks is alienated from the product of his work. So you make a chair and the chair is outside you and it's apart from you, and then somebody as it were comes and takes the chair away, so the product of your work is removed from you, is alienated from you. Okay, that's one thing. You're alienated in a deeper sense from the very act of working, because what you are forced to do in order to make a living is to engage — at least not everybody, but many people were forced to engage in forms of labor that are not really an expression of your personality and therefore your act of working is alienated. Now, those two forms of alienation make some kind of sense and we can critique them, but they're not obviously crazy.

But then more deeply, Marx thinks that the worker is alienated from himself in a way over and above being alienated from his work and his act of working. And then of course, alienated from other workers. This comes back to the point about the breakdown of the ties that bind and the romantic associations.

Now, I'm quite puzzled by some of these. For a start, I don't know what it means to be alienated from the product of your work. Of course you're alienated from the product of your work. That's what it means to produce something. Even Aristotle recognized that between *techne* and *phronesis*, when you engage in whether it's carpentry or painting or whatever it might be, you produce something which isn't you, and because it isn't you, it can be removed from you without causing your destruction. Of course you're alienated from your work. That's the very nature of work. So I'm not going to break down and weep for this one.

For the act of working, yeah, we can all understand this. There are few of us I suppose who are lucky enough to make a living from the kinds of things that we actually enjoy

doing, but if you think about it in the context of what most people have done through most of human history, most people have found work to be a chore, and indeed, the classical approach to work was to regard it as something that not gentleman, no well-brought-up person would have to do. Manual labor was not something that was respected. Fine, but as I remark in the book, presumably prehistoric man was alienated from his labor if he'd spent a long day sort of slogging through the push trying to catch some game only to see it bounding over the horizon and thinking about having to return home to his wife with nothing to show for his day's labor.

So in a way, if you want to be as sympathetic as you could be to Marx in this regard, you have to think, yes, there's something in what he's saying. But that's the human condition. It's not the human condition simply in a capitalist society; it's just the human condition. Most people don't find their work all that rewarding all the time, even those of us who enjoy our work sometimes find that we have to get up in the morning and get out and lecture when we don't particularly want to. Okay, so I don't know that we can make much more of that. I'm really sort of puzzled by it. Again, it seems to me to be an expression of sort of deep romanticism which doesn't relate to reality all that well.

WOODS: And of course, you're serving other people, and sometimes when you serve other people in other areas of your life other than work, even that's not that pleasant. When you're up all night with a child who's sick, it's not like being up all night in and of itself is a great thing and that you would choose to do it if the circumstances were different. You're doing it because you want to help somebody else. And the same thing goes with your work. Your work is aimed at helping other people, and it's this whole way of thinking I find to be so self-centered, that I should be able to just skip through a meadow all day instead of having to do this drudgery. But the drudgery helps other people. You skipping through a meadow helps only you. And yet these are the ones who accuse us of being selfish and self-centered and whatever else.

Now, is it then the division of labor itself that Marx is after? And if so, what belongs in its place?

CASEY: Well, I don't really know. You remember of course, Tom, that even Adam Smith in the end of *The Wealth of Nations* makes some critical remarks about the division of labor.

WOODS: Yeah.

CASEY: Then you think, you know, somebody's sitting all day making buckles is not going to find that all that fulfilling. But again, I don't understand what's going on here. First of all, it's a very recent idea in our human history that your work should be, if you like, some kind of transcendent source of fulfillment for you. This is not the human experience. And moreover, we don't live to work. We work to live. And most people, most normal people find that even if their work isn't particularly stimulating or fulfilling, that their fulfillment comes from the relations they enjoy with their loved ones and their families and their friends — and even their hobbies or whatever else. So the idea is if your work is less than sort of totally satisfying, you are somehow less of a human being than you otherwise would be. But again, I'm not very sympathetic to that way of thinking.

WOODS: Well, nor am I. Now, how does this — Let's talk about exploitation then, because — I'm sorry we have to just zip over everything, but at least give people a taste of the major terms and ideas associated with Marx, because exploitation then is going to tie in to some degree to the labor theory of value, because the labor theory of value will show that exploitation exists. Now, even the word exploitation, there's some lack of clarity about precisely Marx's posture with regard to it. Is he simply dispassionately and scientifically describing a phenomenon that must exist under capitalism, or is he engaged in a moral condemnation of it? There's a good discussion of it in David Conway's book, *A Farewell to Marx*, which is a book I recommend on Marx. But we shouldn't be recommending any book other than *Freedom's Progress* right now, by Gerard Casey.

CASEY: [laughing] If you want to recommend another book, there's David Gordon's *Resurrecting Marx*, which is incredible, by the way, and I don't think it gets all the credit it should. It's really good — which I made shameless use of, by the way, in my chapter.

WOODS: Oh, good, good. I make shameless use of David all the time. It's served me quite well.

CASEY: It serves him right for telling better jokes than I do [laughing].

WOODS: Right, right. Now, describe — I think when a typical Westerner uses the word "exploitation," the person means it in a more colloquial sense. Marx meant something rather specific and technical by it, which is why the word evokes in us a moral response, but he may not necessarily have intended one because he is just saying, Well, this is the way capitalism works and this happens and then this happens. So what is it that's happening that yields us the term "exploitation"?

CASEY: Okay, so the colloquial use is — let's just run by it very quickly — if I steal from you, if I take your property without your permission and convert it for my own use, then in theory, I've exploited you in that sense, and that's both illegal in indeed immoral. But I think the sort of standard account of exploitation given by Marxists, by the way, and not necessarily by Marx — we'll come back to that in a second — is that exploitation involves a situation in which, in a capitalist economy, the capitalist uses the worker and pays him for a certain amount of work that he does but forces him somehow to work for more than that, and then keeps the difference between what the worker is paid for in terms of his production and the extra amount. And that extra amount is the exploitation.

Now, I say that's the sort of standard account and not necessarily Marx's account, because as you might expect, scholars actually argue about this. So that would be the idea, and clearly, if I engage with you, contract with you for X and I force you to produce X + Δ or some supplement on top of that, then in a sense, I've got the Δ, I've got the extra amount in a suspicious manner. And if that's the case, then yes, there has been exploitation. I've been taken advantage of in some particular way. Now, is this necessarily part of the way capitalism works? Again, scholars differ on this, but I think that the standard account says yes, this has to be the way in which capitalists as it were make money by sort of paying for a certain amount of work but getting the

worker to work more and then keeping the difference. And that's where the capitalist makes his profit from.

I don't know about this. Again, if you read Marx on this — While reading Marx, by the way, by the time you get to the later Marx — whatever charm there is in *The Communist Manifesto*, there's very little charm in *Capital*, and it's very difficult sometimes to understand exactly what it is that Marx is doing. So in the chapter on Marx, one of my longer quotes, one of the longest quotes in the book, is from Marx, where I reproduce the passage where he tries to explain how all this works. And I leave it to the reader to figure out whether he can make any better sense of it than I can.

There is another account of exploitation. The Marx scholar Leszek Kołakowski points out —

WOODS: Yeah, I've read some of his stuff. I had not read what he had to say about exploitation. This blew my mind.

CASEY: Yeah, this is really interesting, and it goes to show, again, this is why I made the remark earlier about the difference between Marxism and Marx. And Kołakowski says — and I'm quoting now — he says, "Marx himself ridiculed the utopians and La Salle for holding that the workers should receive in the form of wages a whole equivalent of the values produced by him, but rather that surface value should accrue to society in various ways that in fact it actually does under capitalism." Now, this is not the standard sort of account, but, you know, Kołakowski tends to know what he's talking about. And in that case, exploitation then concerns not a form of robbery of the individual worker, but rather a kind of lack of control by society over the use of superfluous product, and it's more or less and not something that can be totally eliminated. And then Kołakowski goes on to say — and this is really, really bizarre. He goes on to say that, "If instead of private ownership, the power to control the means of production and distribution were to be confined to a small ruling group, uncontrolled by any measure of representative democracy" — think the Soviet Union —

WOODS: Yeah.

CASEY: — "there would be not less exploitation but a great deal more" — which, again, should give any Marxist pause to think.

WOODS: Yeah.

CASEY: So that socialist communities in fact wouldn't be the examples not of the abolition of exploitation but indeed of exploitation in an extreme degree.

WOODS: Yeah, exactly. Fun to turn these things around on Marx. Now, I personally find it rather technical to tie in — I mean, it can be done, but I don't know how easily it can be done on a podcast — to tie in precisely how the labor theory of value is necessary for the exploitation theory. Now, later on, by the way, of course a lot of Marxists will say we don't need the labor theory of value. Maybe Marx — who knows if he was right or wrong about it? But that's not necessary to Marxism. But yet, as you

see it expounded, the labor theory of value is distinctly tied up with exploitation theory, so if there's no labor theory of value, where does the exploitation come from? And then if there's no exploitation, where's the class-based revolution going to come from? It seems like it does kind of stand or fall on the labor theory of value.

CASEY: Yes, I think indeed it does, and one of the virtues of David Gordon's book *Resurrecting Marx* is he considers those writers — I supposed you'd call them sort of revisionist Marxists, some whom attempt to, because of the embarrassment of the labor theory of value, try to get rid of it and therefore have to find a substitute will adjust it, which will explain the whole notion of exploitation. And he argues I think very convincingly in that book that they haven't really managed to do it. Sort of Marx without the labor theory of value is a bit like *Hamlet* without the Prince of Denmark.

WOODS: Yeah, indeed. So say something though about the labor theory of value. It's easy to caricature this. He's not saying that if you spend ten hours making pies out beach sand that that means they have to have value because you worked on them. It doesn't mean anything like that.

CASEY: Well, the sort of naive version of the labor theory of value would say that something is worth — the value of an object that is made or manufactured is equal to the amount of labor that went into it. Now, the trouble is that labor of course is physical activity or mental activity, and it's hard to know how you would actually quantify that in some particular way. But of course, it doesn't take much to see that, even if you got over those difficulties, it would be tricky to explain that.

So the example I give in the book is, if I have some bizarre hobby of constructing the Taj Mahal out of bits of wood and it takes me 20 years to do and I work on it 40 hours a week and I say my labor's worth at least $5 an hour and therefore my now wooden construction of the Taj Mahal is worth, I don't know, $250,000, the thing is, is it? Who's going to give you that for it? The answer is no.

So the naive view, the naive account of the labor theory of value of course immediately falls to the ground, and so Marx then comes up with a notion of socially useful labor. But the trouble is the advantage of the labor theory of value, the naive one, is that you can actually count the number of hours that somebody works. The trouble once you get rid of the idiocies of that particular theory, you start refining your notion of labor to make it socially useful labor, you've now lost the sort of immediate, intuitive grasp that was obvious in that particular account, and so who decides what socially useful labor is? And again, so what you've done is you've swapped out one difficulty and you've given yourself another, so whichever way you look at it, you're going to end up in trouble. Who determines what socially useful labor is?

And again, today after marginal utility, we would say basically the consumer or the purchaser of the goods or services is the one who decides what it's worth, and the market, which is the nexus of all those relationships, all of those commercial relationships that we involve in, will in fact settle on a value for the time being and it will shift depending on particular people's needs and interests and desires. So whichever way you go, the labor theory of value really is a sort of weak reed to build your theory of exploitation on.

WOODS: Can we move now to his theory of history?

CASEY: Yes.

WOODS: All right, so history is driven by class struggle, so then we have to talk about class. And Rothbard's view was that class is actually very badly defined in Marx. This central concept is badly defined. So what's your best effort to define that and then explain how it's the driver of history?

CASEY: Well, again, you're asking me to do something that Marx himself couldn't do, because he was —

WOODS: Yeah.

CASEY: He was working on this notion up to the day he died. He was still writing about it and hadn't quite figured it out. But I think the intuitive idea, there's something in it, and of course he wasn't the one who invented this idea. He took it — this is not a criticism, by the way. He took it over from earlier thinkers. And the idea is that — let's talk about A and B. There's the exploiters and the exploited, that in every stage of history, you have these two groups present in some form or another. And how history evolves is that when the conflict between the exploiters and the exploited is resolved, it gives rise to another form of social structure, and again, the distinction between exploiters and exploited emerges until we reach a stage of communist organization when eventually the distinction will finally collapse and there won't be any tension.

I think there's actually something in the idea of a class struggle, but I think that what Marx did is he misidentified it. And now I'm stealing from Hans-Hermann Hoppe. The idea is that, yes, we find that in the society in which we live, there is a tension between those people who work for a living manufacturing things or laboring and exchanging, merchants and so on, and those who actually live off them in various ways, not least the government and the associated government classes. So I think that that distinction could be applied between the exploiter and the exploited comes all the way through from the very earliest states, and we still have it with us. There are tax producers and there are tax consumers, and I would love to be a sort of neo-communist and think that the day will arrive when that tension will disappear, but I'm not holding my breath.

WOODS: All right, so let's get to the theory of history in which history is not just one thing after another, but history is heading toward a goal, and Marx thinks he can point to particular periods of history and show how we moved from one to the other by means of mechanics that he can describe for us. So how does it work?

CASEY: Well, again, he takes this idea really from Hegel, with the idea that there's this kind of thesis and antithesis, and there's kind of an energy or a tension between them, and eventually that's sort of resolved, but until it all comes to an end in some idyllic future state, you're going to have that antithesis and thesis division repeated. So he argues, for example, that in every age, the dominant mode of economic production and exchange, together with the form of social organization which it has, form a base on which is constructed the political and intellectual life, so that we tend

to think that our ideas are influential in controlling our environment and the conditions in which we live, our religion, and our politics, but Marx actually argues the other way around. That is, the forms of economic production determine the way in which we think. The whole of human history he thinks is made up of various forms of class struggles. Capitalism is the latest one. Before that, we had the feudal one. But he thinks that in the case of the capitalist struggle, we're going to have between the exploited class, which is the proletariat, once we reach communist situation, or rather when this tension between exploiter and exploited is finally resolved, then there will be no more class struggle.

WOODS: Now, there are some problems with this of course, and, first of all, the idea that our ideas basically are derived from our economic conditions by the prevailing means or production, that everything is determined by material things. But then Mises asks the question — and I hope I don't butcher this, but Mises basically said, Well, where do these means of production come from? They didn't fall from the sky. They came from a process that involves the division of labor. The division of labor comes about through the intellectual process of figuring out that the division of labor yields greater productivity than isolation. So obviously, it took a non-material process, namely the thinking about and theorizing about the division of labor, to give us the means of production in the first place. So ideas trump matter obviously just in the way we got the means of production. Is that what he said? I hope I'm not screwing that up.

CASEY: No, that sounds correct to me. Okay, look, there's a certain — again, there's nothing worse than a half-truth, because if something is sort of screamingly false, anybody can see it. Half-truths are harder to deal with. It's certainly true that, in a way, the conditions in which we live make certain kinds of ways of thinking possible and maybe make other ways of thinking more difficult. I don't think that's too problematic. What's problematic about Marx's account is that the modes of production determine your thought. And most of us would think, Well, hang on a second. It's surely reciprocal. Surely it's the case that the ways in which we think, as you've just said, enable us to develop various forms of production. Those forms of production make possible other ways of thinking. Those ways of thinking make further ways of production possible, and so on and so forth. So it's interactional. Marx wants it unidirectional, and that's bizarre.

WOODS: Then we get to the question of how is it that somebody — let's say somebody was a member of the proletariat. The proletariat is supposed to think a certain way about certain things because of their relations to the means of production, because that determines their thought. How do we account for somebody, for example, like me? I grew up in a — or my father, who was a blue-collar worker, and he had no sympathy for communism whatsoever. How would Marx be able to account for that?

CASEY: I don't think he can. My father was also a blue-collar worker. And it's very strange, because what it — Okay, so what the notion of false consciousness involves is that somehow our ways of thinking are supposed to be determined by the modes of production that prevail in the society in which we live. Therefore, you would think that everybody who lives in that social structure should have their ways of thinking determined by it. Does that not follow from the thesis? The answer is yes. But somehow, miraculously, I don't quite know how and there's really — it's a bit like the guy sort of waves a magic wand, somebody waves the magic wand, and some

individual or some small group of individuals is able to think outside the box. Now, that's cheating, because on Marx's account, that's not really possible. But nonetheless, some people are able to escape the material conditions of their society.

We find the same thing, for example — So in fact, Rousseau is the father of this idea, but of course you find it today in various forms of feminism, the idea for example that if a woman wanted to choose to work inside the home and found that fulfilling, she would be told that she's suffering from false consciousness. And of course the answer — Okay, there's a logical problem with it and it's, if all our thinking is determined by the material conditions of production, why then isn't false consciousness universal? And in fact, in other words, if consciousness is false, it can be false only if it's possible for consciousness not to be false. Because if it's at all false, then it makes no sense. It's incoherent. For example, something is false only if it's possible for another proposition to be true. And therefore, if there isn't a true consciousness, you can't have a false consciousness.

But of course, on the Marxist account, it's very difficult to explain how you can actually have a true consciousness. That's leaving aside the question of why it is that some particularly enlightened group of individuals manages to be the recipient of this and why it's not open, for example, to those who are accused of having false consciousness — why it isn't open to them to turn around and say to those who claim to have some sort of true consciousness, It's the other way around, buddy. Why is it that it isn't you who's actually suffering from false consciousness and that I and my fellow thinkers indeed have the true consciousness? So the whole idea is incoherent.

Maybe it would help if I gave another example. In Freudianism, for example, if when you went to see your analyst and he came up with an account of why it is that you were having the problems that you were having, because you had suffered abuse as a child or whatever it might have been, and you said, But this never happened. And he would say, Well, of course it did, and the fact that you're denying it is simply an affirmation of the fact that you're resisting the account. This is simply more evidence in favor of my theory. And of course, if you have a theory that is simply unfalsifiable, nothing in principle could ever actually turn it around, then it's completely vacuous. And the notion of false consciousness is completely vacuous, and Marx's account of the determination of thought from the conditions of production is in the end vacuous.

WOODS: The last couple of things I wanted to ask you, first was going to be: what is it that Marx wants? And then I realized he would never phrase it that way. *It doesn't matter what I want. It's going to happen. It's the unfolding of the historical process. Whether I want it or not is completely immaterial.* All right, so I won't phrase it that way. Let's say instead, what does Marx expect? What does the society toward which he believes history is aiming going to look like? Now, okay, even that you can't ask him, because he'll say, *Only the utopian socialists could give you the precise outline of exactly what the socialist society would be like.* Okay, but certainly he knows there will not be private ownership of the means of production, so what else can we figure out about where history is going?

CASEY: Okay, so here clearly the means of production will be held by society at large or by its vanguard, so there won't be any property unmanned. You will have a heavy progressive or graduated income tax. The rights of inheritance will either be

circumscribed severely or abolished. The credit will be centralized in the hands of the state, as will communication and transport. Everybody will be required to work to the same extent. And so on. These things are what Marx thinks will happen when the communists seize power.

Now, the really depressing thing is that even in those countries where the communists haven't seized power, much of this program has in fact been implemented. So property and land mightn't actually have been formally abolished, but we have hidden taxation and death duties, estate duties, which means that landowners in effect rent their land from the state. I mean, you have property taxes, so you actually are renting your house from the state. Inheritance hasn't been formally abolished, but taxes and death duties diminish the ability of people to leave the wealth that they've accumulated through their lives through their heirs. Progressive income tax is a standard feature of almost every Western democracy. Central banks are in effect state-owned, even if they're legally independent. And until recently, communications and transport were state-organized and state-run and have only recently been returned to private or semi-private ownership. And so on. And so in a way, I don't know if Marx would be happy about this, but if he were to come back today, he would see that maybe, I don't know, 75% of the communist program has actually been instantiated in the so-called middle way economies of the West.

WOODS: Well, that leads me I guess to probably the last question, which is what does Marx view as the role of the state in all this? We all know about the state supposedly withering away at the end of the historical process, but what role, for example, does the state play under capitalism in his view? And before you get to pure communism, the state is still there. What role is it playing then?

CASEY: Okay, in the capitalist economy, the state is effectively sort of a subcommittee of the oppressors. It exists to further their ends and to make the laws that make it possible for the oppressors to continue oppressing and exploiting. So that's its function primarily in a capitalist society. When you read communist society, the state is supposed to exist only temporarily or in passing, and its role largely is to make itself superfluous. It's supposed to fade away largely, because the relations that then exist in the communist utopia between individuals would be such that the functions that are exercised by the state would no longer be necessary. And the answer to that is: oh yeah?

WOODS: Yeah, really.

CASEY: [laughing] Oh, yeah? No, so that's what's supposed to happen. The "withering away of the state" I think is the expression that's used. But again, don't hold your breath while you wait for the state to wither away, and we've had plenty of historical examples in the bloody 20th century to show that, far from it being the case that the state withers away, all that happens is that the reins of power once grasped by a group are firmly held by it and only relinquished when they're unable to hold on any longer.

WOODS: Without being melodramatic, let's talk about if there's continuing relevance of the ideas of Marx today. I mean, I know it's easy to call people communists when they're really not. There's almost nobody asking for the state or social ownership of

the means of production anymore. A lot of the central things that made socialism socialism are not really what people are asking for anymore. Or they're not disparaging the idea of markets. They're not saying markets are less efficient than socialism. All those sorts of arguments have gone by the wayside. So is there still any continuing relevance of these ideas, or are we just looking at them as historical curiosities?

CASEY: Well, I'm not quite sure how to answer that one. I live very close of course to the United Kingdom here, and the rise and rise of Jeremy Corbyn seems like that socialist recidivism is on the rise. We begin to see that the sort of generally accepted middle ground that the Labor Party in England had, which is that we have to accept the market and kind of work with it, seems to be under a bit of pressure from Corbyn. He may in fact have to face up to reality and realize that he can't in fact do without it like every other labor leader. But nonetheless, the rhetoric is startlingly old fashioned.

So yes, I think that by and large you're right, but nonetheless, communism has a sort of, even if it in its extremities is not something that anybody particularly wants or thinks can be instantiated, it still operates as kind of an ideal which allows socialism in all its forms in Europe and maybe even to some extent in the United States to function in a way and provides a justification for it, not the least by virtue of the fact that you can say to people, Well, whatever you think about socialism, at least it's not as bad as communism, so you can kind of live with it.

WOODS: Well, unfortunately, it just seems to be the case that a lot of bad ideas don't fully go away. I mean, I think there are still some assumptions about the way the world works that a lot of people hold onto even though they're not Marxists. They view capitalism as being subject to internal contradictions that lead to crises, that it's subject to bouts of overproduction, that it has these internal cycles. That's out of Marx. I mean, that's out of a lot of people, but Marx believed that. And if we take the moralistic version of his discussion of exploitation, I think some people kind of believe in something like that, so even though they probably don't even know they come from Marx — I mean, for crying out loud, look at how many times you take polls of American students and they think "From each according to his ability, to each according to his need" is taken out of the U.S. Constitution.

CASEY: [laughing]

WOODS: So you know, these things still need to be talked about and smashed, because even if you don't have outright Marxists on your hands, you have people who just casually buy into a lot of really crummy and patently false assumptions. So you're here to help us smash them.

CASEY: No, I agree. There's a saying that there's no point in flogging a dead horse, but even though some horses appear to be dead, they really need to be soundly flogged again and again and again [laughing].

WOODS: Yeah.

CASEY: Because they're sort of zombie-like capacity to resurrect is amazing. I mean, Terry Eagleton wrote a book a few years ago called *Why Marx Was Right*, and I had the opportunity to take part in a debate with him at Trinity College in the historical society — which he helped me to win, by the way. Not deliberately. He was on the other side. The motion was that this house welcomes the demise of global capitalism, and he was so annoying that he actually managed to get the crowd of with-it students to come down on my side, which is totally amazing. But in his book, having gone through why he thinks Marx is right and all of these things, he has this wonderfully kind of economically naive idea that we can have an economy that is neither centrally planned nor market-governed, and in which the resources are supposed to be allocated by negotiation. He never says between whom, by the way. And policy is to be determined by representative assemblies through a process of devolved and detailed planning. Oh my God, that sounds like hell on earth.

WOODS: Yeah. That would never end. There'd be dead bodies on the floor by the time that meeting was over.

CASEY: Well, if you ever wanted Frosties, you're going to be waiting for them because you'd have to wait for the committees and subcommittees and everything to get together and sort it out. You don't know whether to laugh or to weep. You know, like could we not think, could we not agree at this stage after 100 years of communism in various forms, that central planning of a complex economy hasn't worked, doesn't work, and cannot work? Surely we could agree on that. And the answer is no, I'm afraid we can't. So like your students who think "From each according to their abilities to each according to their needs" is sort of like, I don't know, holy writ, yeah, these things come up again and again and again and need to be hit firmly on the head every time they arise.

WOODS: No kidding. All right, well, that's what we're doing. You're here, our righteous smasher with your glorious hammer. The hammer, by the way, is your book *Freedom's Progress: A History of Political Thought*, and the thing is so huge and heavy, it actually might be more lethal than a hammer, so it's definitely, definitely worth reading. And yes, it's going to be pricier than the average book, but this book is 1,000 pages. It's like four books. So if you're getting it for the price of two or three, that's still a bargain. So I want to urge people to check it out at TomWoods.com/1012, which is our show notes page for today. Get your copy of this book. It's just this good on every topic that it covers, so definitely do that. And Professor Casey, we're going to get you back on again. We're going to talk about something else.

CASEY: All right, whenever you want, Tom. Whenever you want.