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RESPONSE TO JOVAN DROZDOV'S "OBSERVATIONS ON THE
MYTHOLOGY OF CAPITALISM"

by

RICHARD R. SLOMON

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I remember having been impressed by the clarity and straightforwardness of Dick Jonson's letter. This is in strong contrast to the sneering and arrogant verbal posturing in which Jovan Drozdov indulges himself. Although in itself stringing-together of grandiloquent polysyllabic polemics is merely boring, there is an element of fundamental abuse when the polemicist posing as scholar berates the reader with a phalanx of ad hominem arguments. Drozdov, running true-to-form for marxist apologetics, employs various well-worn, cliché-ridden and unassociated social justice arguments behind a smokescreen of jargon, to mask a very thin knowledge of world history and life in general.

Drozdo approaches the subject of capitalism much like a trial lawyer. By contrast to Dick Jonson's remarks, he employs various emotive terms such as "bestial attitudes", the Law of the Jungle 'dog eat dog' and "macho" to indict capitalist by association rather than through logical argument. The fact for instance, that Herbert Spencer lived and wrote in the Occident and that his ideas were entertained in various circles has little if anything to do with the theory of capitalism. It has about as little to do with capitalism as does the murderous purges of Stalin with the essentials of marxist theory. This is an example of Drozdov's use (perhaps unwittingly) of argumentum ad hominem. Time and again Drozdov makes the sophomoric blunder of confusing correlation with causation.

More seriously, however, is Drozdov's garbled presumption of social realism. Although he does not say it in so many words, Drozdov conceptually alludes to the presence of a social reality. For instance, he continuously treats cultures as independently real entities e.g. "Western Europe was the inheritor of Rome". Well, one could present the Soviet State as the inheritor of the Czarist Empire, or the CPR as the inheritor of dynastic imperialism. In other words, the cultural organisms of Russia and China could be seen as predisposed to becoming militant "total apparatus" states as a consequence of once having been ferociously imperialistic and bureaucratic societies i.e. in Drozdov's system change does come about as a result of conscious individual choice but as a ramification of structural change. By implication, if Rome led to America then a 'semi-asiatic restoration has occurred in the USSR.

By implication, Drozdov differentiates between non-commercial and commercial slavery. A long period of commercial slavery is necessary according to Drozdov, to bring about the rise of capitalism. First of all, the institution of commercial slavery i.e., a system in which slaves are bought or traded for and as productive chattel, was historically widespread. In fact, slavery has persisted in recent times in the decidedly non-capitalistic despotic

kingdoms of the Arabian peninsula.

The quasi capitalistic system of commerce which developed in North America for a short period in the early and mid nineteenth century was never a true form of capitalism. But the period which brought about even these elements of rationality - a period rapidly coming to an end - was able to advance human capacities to previously unconceivable heights. For instance, the conquest of the air, the harnessing of nuclear (and soon thermonuclear power), and spaceflight are all the excrecence of a quasi-capitalistic system. Even Marx understood that it was industrial capitalism which brought an end to both slavery and feudalism. In fact, he recognized that a capitalist industrial system and bourgeois democratic political system had to precede any forthcoming advanced stage. At the very least, Marx knew capitalism to be the best the world had to offer in terms of a working system. He had grave misgivings about the chances for an advanced social system taking place in Russia and China.

It could be asked why did non-capitalistic systems fail to produce any of these advances and implement - them on a widespread basis to benefit large numbers of humans? Why are non-capitalistic systems continuing to fail in the concrete and esthetic advancement of human life? If one were to employ Drozdov's ad hominum technique, one could associate these failures with anti capitalistic bureaucratic systems and merely assert or imply a cause and effect relationship.

Throughout history there has been a widespread revulsion, suspicion and distaste for those who could and would produce value. This has not been restricted to the attack on the so called bourgeois capitalist in the Occident but for merchants in China and India. However, the fundamental anti-individuarian ideology was and has not been restricted to the economic sphere but to the sciences, arts, political and philosophical thought. It has not been geographically restricted to Europe and Asia but has become a feature of new African nations as well as Latin America. Nowhere does the authoritarian repression of all aspects of individual expression and creativity reign supremely as in the agromananagerial successor states of communist China and the Soviet Russia. Both of these states remain so impoverished economically, and so bleak esthetically, that western apologists for socialism marvel when the Chinese do not starve and Russians being permitted to listen to jazz.

Drozdov describes the market mechanism as an institution in which "the worker sells to the capitalist his power to create". His article never defines "creativity" but I would define creativity as a capacity to increase the range of unique forms of value. Common sense dictates that it is

impossible to sell or transfer the unique capacities of an individual. Even the greatest artist has profound difficulties in merely expressing his uniqueness, much less transferring that capacity to someone else. Drozdov's remark is simply reductio ad absurdum. However, it provides an opportunity for describing what actually takes place between capitalist and employee in a true libertarian setting i.e. where value is traded for value by conscious choice and not by altruist or collectivist dictate.

First of all, the employee does not sell "his power to create" but trades his labor and skills in return for using the means of production provided by the creative entrepreneur. And by "creative entrepreneur" I do not mean state owned, controlled, supported or subsidized corporate managers or apparachiki. These are not capitalists or entrepreneurs but parabureaucratic "state capitalists".

Examples of creative entrepreneurs include Eli Whitney, Henry Ford and Thomas Edison. Each one of these men found solutions to problems which saved millions of manhours and which continued to produce value long after they had ceased to exist. The much-maligned assembly line system provided employment opportunities for the unskilled and semi-skilled. It also lowered the cost of production for the automobile, a commodity taken for granted in the United States but one still considered the greatest of luxuries in Soviet Bloc nations. If Henry Ford and Thomas Edison prospered, it is an understatement to say they did so - deservedly!

In sum, it is because the true capitalist has created a more efficient system of production that the worker hires - out his labor and skills. If the entrepreneur had nothing to offer i.e. if he could not fulfill a wage contract by a demonstrable capacity to realize a profit, the worker would have no reason to seek employment. In fact, there would be no employment - to seek. Even in collectivist societies, some net margin of return has to be realized if the worker is to be compensated; hence the term - "state capitalist" is quite suitable.

Drozdov worries about "wage slavery" but one should consider the tremendous and often unrewarded efforts of the creative entrepreneur. It requires years of labor, training, trial and error and patience to conceive, organize, equip and operate a new business. If Drozdov desires empirical evidence, I will gladly introduce him to such persons.

The creative entrepreneur pursues his objectives with little or no assurance that his efforts will be rewarded. In contrast, the "exploited" worker walks into a productive situation already layed-out and operating. His involvement is minimal. After "punching-out, he leaves all his cares (production-wise) behind. It is the entrepreneur who is

gambling his life's work and savings who has to constantly maintain the system. The worker is not only offered wages but the privilege of using vastly more efficient means of production than he could have created himself, Without ever having put any effort into: (1) conceiving of a better system; (2) the actual construction of this system; (3) translating future value into present value; (4) suffering the uncertainty of risk by investing time, effort and money; (5) deferring gratification. The worker in essence, exploits the creative entrepreneur's unique capacity for invention, management, self-discipline and most often his capacity for profound generosity and sacrifices.

There are still many individuals and firms which fit the above description. However, these are being crushed by state regulation, taxation and supporting subsidization (e.g. Lockheed) for tax farming institutions.