

Karl Marx on Obama's jobs plan

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Karl Marx has been attracting fawning fascination lately, noted Bloomberg Businessweek's Peter Coy, "from the likes of New York University economist Nouriel Roubini and George Magnus, the London-based senior economic adviser to UBS [Investment Bank](#)." In fact, Bloomberg Businessweek published "Give Karl Marx a Chance to Save the World Economy" by George Magnus in late August.

"To put Marx's spirit back in the box," said Magnus, policy makers "have to sustain aggregate demand," through "fiscal incentives" like Obama's old and new stimulus plans. But Marx was no Keynesian. On the contrary, his essay on "The Eighteenth Brumaire of Louis Bonaparte," commenting on the December 1851 coup of Napoleon's nephew, was fiercely critical of what Marx called the "Napoleonic idea" of using government deficits to expand [government](#) jobs and public works schemes.

Marx began by saying, "Hegel remarks somewhere that all great world-historic facts and personages appear, so to speak, twice. He forgot to add: the first time as tragedy, the second time as farce." The farcical jobs plan of Louis Bonaparte relied on government jobs and public works projects financed by budget deficits, which meant a crippling burden on future taxpayers. "Industry and trade, hence the business affairs of the middle class, are to prosper in hot-house fashion under the strong government," Marx explained. "The people are to be given employment. Inauguration of public works. But the public works increase the obligations of people with respect to taxes."

[Marx](#) condemned the new French emperor's efforts to placate the unemployed by expanding government jobs. "An unemployed surplus population," wrote Marx, "reaches out for state offices as a sort of respectable alms, and provokes the creation of state posts." Indeed, he added, "an enormous bureaucracy, well-dressed and well-fed, is the 'idée napoléonienne' which is most congenial of all to the second Bonaparte."

The trouble is that a bloated bureaucracy, like pork-barrel public works, also imposes impoverishing obligations on taxpayers. "Taxes are the source of life for the bureaucracy," Marx explained, "[and] for the whole apparatus of executive power. Strong government and heavy taxes are identical." These taxes, he added, "rob [the peasant's] industry of its last resources and aid and complete his powerlessness to resist pauperism." For the taxpaying class, he added, "strong and unlimited government ... has become a vampire that sucks out its blood and marrow."

Today, President Obama's Napoleonic idea of a "jobs plan" claims that industry and trade will prosper in hot-house fashion through increased government jobs ("state posts") and public works. The problem, as Karl Marx explained, is that bloated bureaucracies and public works schemes increase the obligations of the people with respect to taxes.

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