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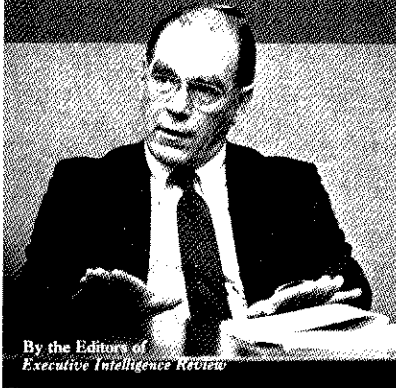
**The Attack To Which Karl Marx
Could Not Have Replied!**

DR. KARL MARX REFUTED

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"A Veteran of the War"
with an Introduction and Appendix
by Lyndon H. LaRouche, Jr.**

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*The Attack to Which
Karl Marx Could Not Have Replied!*

Dr. Karl Marx REFUTED

*This recently discovered manuscript appears to
have been written between 1869 and 1870, by an
American critic of Karl Marx's Capital
who signed his manuscript, "A Veteran of the War."*

It may be the best refutation of Karl Marx ever written.

With an Introduction and Appendix
by the leading economist

Lyndon H. LaRouche, Jr.

*Advisory Committee Chairman,
National Democratic Policy Committee*

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Introduction

Marx's Capital Since 1869

by Lyndon H. LaRouche, Jr.^s

The charm and merit of seeing Karl Marx through the eyes of an American patriot a century ago, is that we are compelled to see Marx in relationship to the great issues of the period during which he actually lived, rather than to repeat the common practice of this present century, the error of attempting to interpret his views and motives in light of events of which Marx himself had no foreknowledge. The author's knowledge draws upon included facts known only to those Americans of 1869-1870 who were within the orbit of the U.S. secret-intelligence services, but these facts already known at that time, guide the author of that manuscript to conclusions which need not be altered in the light of anything published from Marx or others since.

I have three criticisms to make in the appendix to this publication, but none of my arguments against the author's work depends in any essential part on any evidence but facts known either in the United States or Europe up to 1870.

The principal difference in viewpoint between an admirer and contemporary of Henry C. Carey, and an American patriot criticizing Marx today, is that the names of the great issues exciting popular passions of Europe and the United States since October 1917 are fundamentally changed in many leading points. From 1766, ten years before our Declaration of Independence, and for more than a century after that, the leading issue throughout most of the world was a life-death struggle between the two great systems of that period, the American System of Dr. Franklin, Alexander Hamilton, et al., versus the British System of Adam Smith, Thomas Malthus, Jeremy Bentham, and David Ricardo. Since 1917, and most emphatically since 1945, the policies and popular passions of the nations of the world have been dominated by the ebbs and flows of the conflict between the Soviet Union and its adversaries. Today, leading factions throughout Europe and the Western Hemisphere judge Marx and his influence as the putative author of the Soviet system, and not as he judged himself and responded to the dominant issues of his time.

To many readers, the point just presented is immediately identified as a point of scholarly interest. Since approximately the time the British Fabian Society established John Dewey at what was to become the University of Chicago, the time when William James reigned from Harvard University, the quality of intellectual life in the United

States has descended into that state of littleness of intellect and morals known as pragmatism. Those who look outward at the world of today from that shrunken condition of intellect, often believe quite sincerely that scholarly issues bearing on events, parties and personalities of a hundred years earlier have no practical bearing upon the great policy decisions confronting nations today.

This pragmatism is the great, potentially fatal defect in that work of intelligence gathering indispensable to shaping the grand strategy of our republic. Although this writer has never been employed by any among these or other intelligence services, except the private political intelligence capability he represents as an editor of an international newsweekly, for years he has been acquainted with a substantial number of persons of the community of professionals associated with intelligence and other policy-shaping services of our own and other nations. Although he has never been awarded a "Q" or "Cosmic" clearance or anything similar, he has been daily an intimate of significant aspects of behind-the-scenes making of policy in our own and other nations. He has great respect for the depth of detailed knowledge on many issues among the ranks of such professionals, but also knows that at the output end of the pipeline of intelligence gathering, at which point national policy-estimates emerge to public view, the policies adopted usually disregard vital, relevant intelligence which was known with considerable accuracy and in significant volumes, upstream from the final point of assembly of policy-adoption.

The shallow-minded short-sightedness which characterizes most of our own nation's policy making is also visibly the predominant feature in the strategic thinking of the Soviet Union. The terrifying reality of 1983, at the hundredth anniversary of Karl Marx's death, is that the Atlantic Alliance and Warsaw Pact are two stumbling, thermonuclear giants, stumbling by miscalculation toward an early war which each imagines to be more or less unthinkable. On our side, the miscalculations are the consequence of pragmatism, and so it seems to be the case on the Moscow side as well. No matter how brilliant and accurate the intelligence gathering upstream, at the point downstream where policy-estimates are assembled, the rumor mongers, peddling *ad hominem* gossip, succeed in "discrediting" those facts which might threaten to spoil a pragmatic accommodation. The horrid character of such recurring miscalculation of strategic interest, is that policy-estimates are governed by the desire to keep peace among those disparate bodies of prejudice and special pleadings of which government is composed.

In the most extreme instances, such as the putative "right-wingers" of the British Fabian Society's outpost, the League for Industrial Democracy, U.S. So-

viet policy, and "posture," is entirely subsumed by the simple, uncomplicated premise, that Moscow is purely and simply evil, and that U.S. foreign-policy interest is nothing but anything which is perceived to injure whatever is estimated to be Soviet interest. This is admittedly the extreme case, but no adult reader from among our citizens will find it difficult to accept that extreme case as a point of reference for comparisons. This extreme view appears in one of two forms. Either it is argued that Russia today is purely and simply "Communist Russia," implying that the pre-1917 culture of Russia has no relevance for the internal life and character of the Soviet Union today, or it is argued that Soviet Russia carries forward that same aggressive, Asiatic character which justifies retrospectively the nineteenth-century "Great Game" Britain's empire conducted against the Czars.

Although most senior intelligence professionals of the United States and Western Europe know such simplistic opinions of Moscow to be absurd, the silly verbal posturing of our right-wing Fabians continues to be "something which has to be considered" in the pragmatic deliberations of either Democratic or Republican governments. Among Soviet publications, and a fair sampling of Soviet representatives encountered, one discovers an analogous, and potentially most dangerous misperception of the United States. There is more than a tendency on that side, too, to shape present grand strategy according to the assumption that the current history of the world began in October 1917.

There are both good and monstrously evil currents from eighteenth and nineteenth centuries' Russia which spill over into the policy-impulses of the Soviet leadership today. There are good and evil impulses which present-day Europe and the United States have inherited as dominant influences within the nations of the Atlantic Alliance today. Unless we are dead set on no alternative but a general war dedicated to obliteration of the Soviet state, we had better discover a new grand strategy whose Russian component is to create a global climate favorable to bringing out the best within the Soviet Union and also, otherwise, within ourselves. Moscow, in turn, must abandon the geopolitics of inter-imperialist rivalry, and shape its policies in support of the best impulses in U.S. capitalism.

If we look at the case of Karl Marx in the world through the eyes of 1869-1870, we escape in that way from the confines of our habituated assumptions of this passing interval of history in which we happen to live. We must change our way of thinking about great issues; we must recover and adopt the broader, deeper standpoint characteristic of the founders of our republic, and also of the greatest philosophers and statesmen of preceding ages. We must recover a sense of the great purpose for which our republic was created, and view the great decisions of this present generation as

measurable both in terms of civilization's surviving these present crises, and also what benefits we bequeath to our posterity.

At present, to the man in the street, the strategic conflict of the present moment is simple. In his opinion, there is the conflict between the United States and its military allies, and Moscow and its allies. In the real world, the world of secret diplomacy and secret-intelligence operations, the case of British MI-9's former chief, Harold "Kim" Philby, the present KGB General and advisor to Soviet spokesman Yuri Andropov, is illustrative. The real world of secret diplomacy and espionage is a world of double-dealing among putative allies and adversaries, of dangerous games played between factions from within both camps. This double-dealing is dominated by powerful factions which are supranational in power, which have no unshakable loyalties to the vital national self-interests of any nation. The real world is a byzantine world, in which world some currents of influence in Moscow do indeed dream that "Mother Russia will emerge as the Third and last Roman Empire." That is a dream buried deep in the Byzantine roots of Russia's past. This is a dream which is shared, with some alterations, among the circles of some ancient, and still powerful families of Western Europe and elsewhere.

Marx and Russia

Karl Marx was a pebble dropped in the Jacobin waters of the last century, whose true significance has been misplaced, exaggerating his importance to giant size in the aftermath of 1917. In his own lifetime, he was, as our "Veteran of the War" describes him, one of a numerous assortment of Jacobin figures assembled in Giuseppe Mazzini's Young Europe insurgency of the 1830s and 1840s. By means of talent, single-minded perseverance, and a fanatical quality of zeal, he elaborated his peculiar choice of Jacobin doctrine in the form known to nineteenth-century Germany as a "system." He acquired delimited celebrity among the German radicals of 1848, and broader recognition at a later time, until the events of 1871. After 1872, he slid into virtual obscurity as a living personality.

It is uncertain, to what degree Marx understood that he was all the time merely a restive pawn of those feudalistic financier interests who had created and controlled Mazzini's radical bands. To Mazzini's sponsors, including the *fondi* of Venice, Genoa, Geneva and Britain, the Jacobins were merely a social battering ram of nihilism against those forms of the nation-state and capitalist development best represented by the American System and our Constitution. Marx himself was regarded by them as but one among a range of radical "assets," to be used, discarded, even to be destroyed, as he seemed to be useful or counter-productive.

In the Jacobin resurgence unleashed afresh during the 1890s, the principal targets against which the radicals were unleashed were the growing industrial power of Germany and the industrialization of Russia resumed by Czar Alexander II. The attachment which the nationalist intellectuals of Germany and Russia, and many strata of industrial operatives, had developed to the experience of scientific and industrial progress, produced in those countries a fertile ground for Marx's specific version of Jacobinism. So, the doctrine of Marx achieved in those cases a degree of influence within Jacobin organizations not approached in any other part of the world until 1917.

The center of the developments leading into 1914 and 1917, was Venice and the Venetian colony known as Switzerland. During the period since Czarina Catherine the Great, Venice's leading families had directed an operation whose principal, persisting feature had been to lure Russia into wars with Turkey and Austria, to the long-range purpose of accomplishing the mutual destruction of all three. The rise of industrial power in Germany and Russia, during the latter half of the nineteenth century, caused an adjustment in that Venetian enterprise, to the effect that the mutual destruction of Germany and Russia was made the central feature of an enlarged undertaking subsuming the earlier project.

This project, which became World War I, took that latter form beginning the 1890s. The trigger was the threat to British interests in Asia constituted by the collaboration between forces rallied around Gabriel Hanotaux in France and Sergei Count Witte in Russia. In addition to Britain's conflict with Russia in Persia and Afghanistan, Hanotaux and Witte had linked their forces to the Meiji Restoration faction in Japan, as well as allies within powerful factions in Germany, and were reaching out to the factional forces identified with President William McKinley in the United States.

In this circumstance, the followers of John Ruskin and his protégé, Cecil Rhodes, led Britain, shaping British grand strategy according to British imperial interests as subsumed within the Venetian scheme. This was Lord Alfred Milner's Coefficients, built around the nucleus of the British Fabian Society, the putative fathers of "geo-politics." This spilled over into the United States in the form of the National Civic Federation, the U.S. junior branch of Milner's Coefficients and Round Table organization, and predecessor to the New York and Chicago Council on Foreign Relations, the latter a branch of Milner's later creation, the London Royal Institute for International Affairs (Chatham House), the controller of Henry A. Kissinger's career since Harvard days.

Milner's group adopted what they termed "Hamiltonian" (dirigistic) economic policy for Britain, to rebuild Britain's outmoded army and archaic navy in preparations for war with Germany. Anglo-Swiss

interests in France, the same interests earlier behind the Jacobin Terror, toppled Hanotaux in France, launched the Boer War, and brought the faction within Japan allied to Britain to power, the "Go North" faction, using the issue of Korea to motivate the Japanese attack on the Czar's Pacific fleet, the Russo-Japanese War.

It was in the setting of the Russo-Japanese War, that Venetian interests orchestrated the Russian Revolution of 1905. The exemplary figure of that operation was Alexander Helphand (Parvus). Parvus, who controlled Trotsky in 1905, and many others, including the Bolshevik leaders Radek, Bukharin, Rakovsky, and so forth, in 1917, was the property of the leading Venetian political figure of that period, Volpi di Misurata. This was the Misurata who created the Venetian colony known as Libya from three wasted portions of Africa, which is de facto a Venetian colony down to the present day under Colonel Qaddafi. This was the same Volpi di Misurata who later brought Benito Mussolini to power, and acted as the fascist government's finance minister, pioneering in the policies implemented by Nazi Finance Minister Hjalmar Schacht. Volpi di Misurata coordinated the Balkan wars leading into World War I, in which his agent Parvus performed a key, leading role.

This same Parvus was "sold" to the Kaiser's intelligence service during World War I, and received a sum estimated to have been between 30 and 40 million gold Reichsmarks to coordinate the revolution in Russia. Three millions of these Reichsmarks went from Parvus into Karl Radek's purse when Radek accompanied V. I. Lenin on the trip jointly arranged by the British and German intelligence services, from Switzerland to Russia in 1917. This is a matter which Soviet officials prefer be left unmentioned.

The Venetians and London later judged that they had greatly misestimated Lenin, as well as underestimated him. He was supposed to have served as an added factor of destabilization in the collapse of the remains of the Czarist state over the spring and summer of 1917, to have aided in spreading radical ferment into Germany, and to have adhered to a previously indicated Venetian-British policy for the dismemberment of Russia, Austro-Hungary, and Turkey, into a balkanized aggregation of petty, warring states. Lenin, instead, outmaneuvered his own Bolshevik leadership, a majority among whom were agents of various intelligence interests. He led deployments through the cracks in his rivals' vacillating policies. In power, he proved unusually able, and he took Marx's doctrine seriously for practice in all main points.

It has been made generally known recently that August Bebel, head of the Social Democratic Party of Germany, was a British spy, run through a "safe house" in Switzerland. It has also been generally known that Parvus was not only a paid agent of the German intelligence service during the war, but earlier

an agent of the Vickers and Royal Dutch Shell interests in the Balkans and Black Sea area. Bukharin, into October 1917 a paid agent of Parvus, is known to have conducted his policies in office during the 1920s in the interest of Royal Dutch Shell. Parvus's true ownership, that of Volpi di Misurata, was known as a matter of documentation, but the importance of Venice's powerful financial interests was foolishly underrated since Venice "could not possibly be considered a major power" in the affairs of that period. It was also overlooked that Parvus was a native of Odessa, a Venetian colony in Russia (in fact) since its creation during the nineteenth century.

Marxism Today

The manuscript written by "A Veteran of the War" should not be read for proof that Karl Marx was purely and simply an agent for those Anglo-Swiss banking families which controlled Mazzini's Young Europe. Marx is provably an agent of those feudalistic bankers only to the degree that he had enlisted himself to the "controlled psychological environment" which was itself controlled by that Anglo-Swiss interest. The point to be made is that the creation of Marxism is predominantly a subsumed feature of that feudalistic interest which was acknowledged to have been the principal adversary of the United States over a period of a century beginning 1766.

The outcome of Marx's written work was not, on the whole, to the liking of that Anglo-Swiss interest. Neither was the outcome of that Russian social-democratic movement and the Russian revolution which that same Anglo-Swiss interest, in concert with Venice, set into motion in 1917. Things set into motion may exhibit a nasty disposition to take on a life contrary to the intention of their original sponsors. All such deviations from the sponsors' original intent acknowledged, the fact remains that they did set these processes afoot, and that they, and not either the Soviet Union or the United States, are still the functioning grand masters of the principal features of world affairs at the present time.

There exists today, a powerful faction which we in the United States often identify by the words "Eastern Establishment," centered more prominently around such family names as Morgan and Harriman, and long embedded within the families of the "New England Separatist" faction constituted in 1796, families historically tied to the British East India Company during the first half and longer of the nineteenth century. This "Eastern Establishment," commonly linked to Anglican and Calvinist precincts of the Scottish Rite among our wealthy and influential family names, is to be seen more adequately as the extension of that Anglo-Swiss Genoese interest known internationally as the "Anglo-Americans," based outside our republic in the British Commonwealth and Switzerland, and presently steered

discreetly but efficiently by a syndicate of Lombard families whose assembly is centered on the island of St. George Major in Venice. These families behind the Cini Foundation are the grand masters of international affairs today.

At present, these grand masters are conducting a deadly game. They are relying upon early future insurrections to demolish the "Soviet Empire" from within. This policy has one central objective, and rests upon two assumptions. The first assumption is that such internal demolition of Soviet power provides an alternative to accomplishing a similar result by means which risk global nuclear warfare. The second assumption is that certainty of success for this means of destroying Soviet power, permits the destruction of the in-depth logistical capabilities of the nations of the Atlantic Alliance. The central objective is a "Malthusian" utopia, for which cause these grand masters are dedicated to eliminating the institutions of the sovereign nation-state and generalized scientific and technological progress worldwide. They propose to establish a world-federalist order among "post-industrial societies," a feudalist world federation of petty political units over which Lombard bankers rallied around the Basel, Switzerland Bank for International Settlements might impose a worldwide dictatorship through a "conditionalities" policy of the International Monetary Fund.

Like Karl Marx then, the governments of nations, including the United States and Soviet Union now, are functioning within a controlled psycho-political environment. Like Marx, each government imagines itself to be adopting independent decisions, but is in fact shaping decisions according to shibboleths which it has been conditioned to adopt, largely through Lombard coordination of the principal institutions of news media, entertainment and higher education.

This writer and his associates have been privileged by the fact of the writer's position as an economist and U.S. political figure, and as an official of a significant international newsweekly, to share the confidences of numerous influential figures of various nations and continents, while at the same time investigating and exposing, sometimes successfully, the kinds of large-scale operations deployed by the grand masters. He is advantaged to know how the grand masters operate in the world, and by what means they control most of the important decisions made by various governments, in some instances, those of the U.S. and Soviet governments.

The "name of the game" is "perception."

First, governments are conditioned to adopt shibboleths, such as the arbitrary (and mistaken) belief that buzz-words such as "monetary restraint" and "dereg-

ulation," are patent remedies for the principal ills of our economy. Simplistic beliefs about the "Soviet adversary" in the United States, and about the "Military Industrial Complex" in Moscow, are of this same general classification.

Second, policies are judged not by their material consequences, but according to estimated reactions by "public opinion." In the nobler exertions of the politician's intellect, the issue is "How will this decision be perceived by the voters in the next election?" Usually, it signifies tomorrow morning's *New York Times* and *Washington Post*, or for those of the shortest concentration span, the evening's television news broadcasts.

Third, events are orchestrated. These include menacing demonstrations, or unleashing a scandal, or a few terrorist incidents, or other things on a scale readily accomplished by the covert operations capabilities which are either controlled or influenced by the Lombard interest. Governments react to these manufactured "challenges," with policies shaped by shibboleths and addressed to the relevant institutions identified as "popular opinion."

In this manner, nations as well as governments are ruined. In this manner, the Lombard interest presently determines the directions in which the world moves.

If we could but see ourselves today with the eyes of our "Veteran of the War," seeing ourselves through the eyes of an American patriot of 1869-1870, we would see at once where the principal problems lie.

Things have taken on a life of their own. Marxism itself has almost ceased to exist in any form Karl Marx or V. I. Lenin would recognize it. The Soviet Union very much exists, taking on directions increasingly independent of many of the principal points of doctrine of its earlier existence. With these matters, the waning existence of Marxism and the looming power of the Soviet Union, our republic must reckon. There are embedded within those and other features of our contemporary world many things which would continue to operate as constituted self-interest even were the Lombard factor to evaporate.

Our folly is that we have lost awareness of the underlying problem, that those grand masters who were our republic's adversary during the previous centuries, are the principal and immediate threat to our republic's existence today. It is these grand masters who are shaping the world's direction now. We must focus our means to defeat those grand masters, while steering a course to avoid such hazards as our adversary relationship to growing Soviet power.

Marxism today, vanished in virtually all but name, is not a force to be feared, but a lesson to be learned. That is the merit of seeing Marx through the eyes of a patriot of 1869.



Artist's facsimile:
Title page
of the essay as if
published in 1870.

DR. KARL MARY REFUTED

BY
A VETERAN OF
THE WAR



PRINTED AND PUBLISHED

1870

PHILADELPHIA



THE READER who forwarded the manuscript for this article to us, described it as written during late 1869 or early 1870 by "my maternal grandmother's father, a legendary, if shadowy figure in my family's oral tradition." We publish it here with a minimum of editing, and voice our regret that it had not been published 112 years earlier.

The Dr. Karl Marx of London who has published recently a volume of his work on the subject of political economy,¹ has been since several years ago the principal spokesman for the International Working Men's Association, an organization which directs its activities on both sides of the Atlantic from a headquarters in that city. The Association was founded by that same Signor Joseph Mazzini with whom Dr. Marx has been allied on behalf of some Jacobin undertakings since a time preceding the commotions of 1848. The recently published volume, *Capital*, is the first notable attempt to examine the subject of political economy by any among the associates of Signor Mazzini.

Like Professor Hegel, Dr. Marx is distinguished by his contradictions. He and his aristocratic wife (née Westphalen) are Prussians by birth, education, and citizenship, but have been living in reduced circumstances in London, continuously for approximately a score of years. During this period, he has remained under the supervision of such associates of Signor Mazzini as Mr. David Urquhart, the latter of the British Library in that city.² Although Dr. Marx defended the American cause against the wickedness of Lords Russell and Palmerston, during and following the period he was an occasional foreign contributor to Mr. Charles Dana's *New York Tribune*,³ he defends the British System of political economy against our American System with the blind zeal of a religious convert. He asserts the British System to be the most perfect yet practiced by any tribe, yet gloats like a miser over each new piece of loathsome evil he discovers that system to harbor. He praises himself for each blunder he believes he has uncovered in the writings of the Mr. David Ricardo he admires more than any other. The writings of the British East India Company's Messrs. Adam Smith and David Ricardo, he praises and despises as the only existing opinions on the subject of political economy worth Dr. Marx's criticism.

Dr. Marx arrived in London as Oedipus to his father's kingdom, to kill that father, and to find blindness.

Among the literate laboring men on both sides of the Atlantic who admire that author as their chief political spokesman, Dr. Marx's genuine disabilities will be overlooked. In such places, the book and its embedded Jacobin's doctrine will be admired and perhaps studied. If the book satisfies its intent, it would

enflame passions among our laboring men against our American System, and thus divide the forces of our nation to the advantage of our ancient and relentless adversary. Dr. Marx's *Capital* must be refuted.

The name of the Jacobin cause, to which Signor Mazzini and Dr. Marx adhere, was taken from the site of the Dominican convent on the Rue St. Jacques in Paris.⁴ For no less than the recent hundred years, Jacobinism has been an instrument of policy controlled by the group of Calvinist banking families of the French-speaking canton of Switzerland. These families are dominated by the Mallets and de Neufvilles, both of which have branches of powerful influence within Britain.⁵ To possess a list of the regular correspondents of M. Voltaire is to begin to uncover the loathsome deeds these bankers have employed. M. Jean-Jacques Rousseau was theirs. They were the controlling force behind Dr. Franklin's chief freemasonic adversary in France, the Duke of Orléans.⁶

It was these bankers, acting in concert with Lord Shelburne and Barings bank of London, who imposed a Swiss citizen, Jacques Necker, upon King Louis XVI as finance minister of France, as, in a like manner, the same forces brought another Swiss agent, M. Albert Gallatin, into a controlling influence over the minds of Messrs. Thomas Jefferson and James Madison. As the United States was almost ruined by Gallatin's influence over these Presidents, M. Necker brought Louis XVI into bankruptcy in 1789.⁷

The circles of Dr. Franklin's friends in France, which were rallied there around Gilbert Marquis de Lafayette, sought to turn this Swiss crime to an advantage. They prepared to provide the King a constitution modeled chiefly on that which had been just recently adopted by the United States. This would have appeared to have reduced the monarch's authority to that of a chief of state, with limited powers like those of our own President. It would have crushed the power of the monarch's chief adversaries, that feudal interest within France which was allied to the Swiss and London bankers.

This happy endeavor was frustrated by means of actions funded and directed by the Duke of Orléans, who employed a mob of criminals under his direction to sack the Bastille.⁸ The purpose gained by this commotion, was to force the King once again to appoint M. Jacques Necker to power, this time as first minister of France.⁹ Later, the duke employed a larger

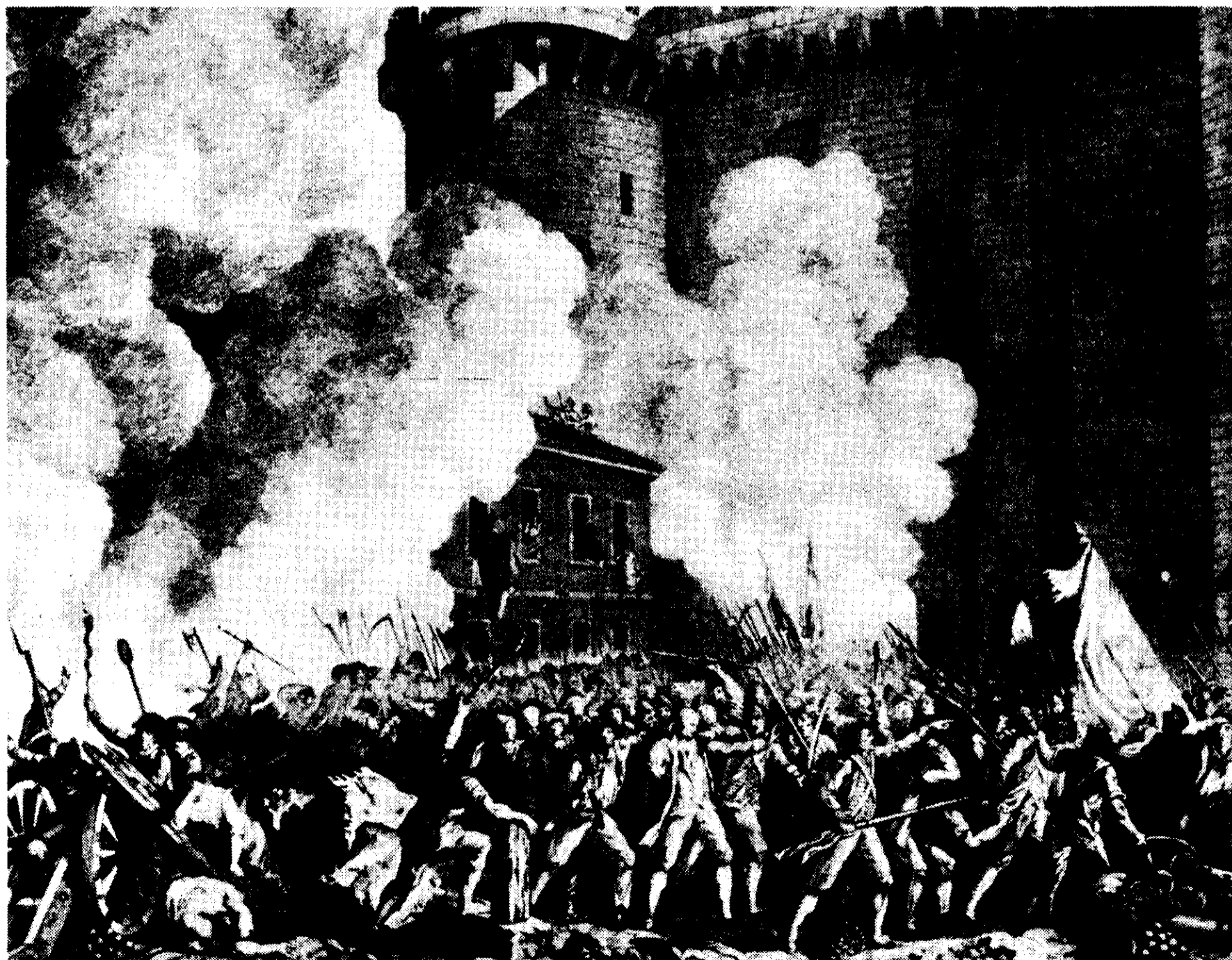
body of ruffians to abduct the royal family from Versailles, an action which in due course established the duke as heir to the throne of France. The duke's patrons, the Calvinist bankers, owned the brothers Robespierre and, as earlier reported, the Jacobin faction, to which a certain young captain, Napoleon Bonaparte, adhered. In the early operations leading into the Jacobin Terror, important Jacobin activities were directed from the salon of M. Jacques Necker and his notorious daughter, the Madame de Staël.¹⁰ By arrangement between the Swiss bankers and Lord Shelburne, two French agents of the British secret service were dispatched from London, M. Danton and M. Marat, to launch the Terror. Many among those leading figures of France who had earlier supported the American cause against Britain were beheaded.¹¹

The later resurgence of Jacobinism throughout most of Europe, under the supervision of the Young Europe movement which Signor Mazzini directed from headquarters in Switzerland, would not have been possible in that degree it appeared by 1848, but for another activity conducted from Lausanne, Switz-

erland by the Madame de Staël.

During the period Napoleon Bonaparte was Emperor of France, Madame was ordered to become less conspicuously a meddler into the internal affairs of the French government.¹² She amused herself by applying her energies to the task of organizing singlehandedly the Romantic movement. That activity and its general consequences are known to us in the United States through a report composed by a distinguished ally of the Marquis de Lafayette, Herr Heinrich Heine.¹³ The renewed force of Jacobinism during our century, under Signor Mazzini's leadership, has been obtained through the widespread influence of Romanticism. In our time, Jacobinism is the political form assumed by Romanticism. It was through the influence of Romanticism that Dr. Marx was recruited, firstly, to the Young Germany branch of Young Europe, and, at a later point, to another branch of Young Europe, the Communist League.¹⁴

The wicked advantage of Romanticism is that it rejects any universal principle of reason, firstly in poetry, music, drama, and the plastic arts, and extends



The storming of the Bastille, directed by the Duke of Orléans, demanded Necker's appointment.



M. Jacques Necker



M. Jean Paul Marat



M. Georges Jacques Danton

that same policy into domains immediately adjoining the composition and enjoyment of art, personal and public morality. In art, it asserts that the only quality is the quality of affording pleasure.¹⁵ In morality and matters of statecraft, this rejection of reason in art becomes the hedonistic principle of Mr. Jeremy Bentham.¹⁶ There lies the immorality of Jacobin forms of radicalism, the "materialism" which Dr. Marx has adopted as the primitive principle of his doctrine.¹⁷

Signor Mazzini proceeds from the assumption that commotions which reduce an existing order of society to general bloodshed and ruin are in themselves sufficiently pleasurable recreations for the participants. Respecting the new order of society to be erected upon the ruins of the old, Signor Mazzini's associations are prudently vague as a whole. To assemble the greater number of companies at the barricades, one might avoid issues which unnecessarily divide the ranks one proposes to assemble. The Calvinist bankers employing Jacobin means to their own ends, have their shared, private estimations of the predestined outcome, but an estimation kept secret, lest its publication lessen the ardor of Signor Mazzini's recruits.¹⁸

The resulting character of Signor Mazzini's many-colored enterprises reminds us of the ancient society of youthful assassins, the cult of Dionysos. These enterprises address a diversity of such varieties of grievances as each youth may harbor against his father. Signor Mazzini assembles the youth recruited by various pretexts to the common purpose of destroying the fathers of urban life.¹⁹

So long as Dr. Marx continues to adhere to the common, insurrectionary objectives of Jacobinism in its entirety, he is not less a Jacobin by reason of his bitter differences with certain other Jacobins respecting the kind of society to be constructed upon the ruins. If

we must admire certain among those views by which Dr. Marx places himself in bitter opposition to leading points of doctrine of some other Jacobins, we must not allow our admiration to distract us from his fanatical adherence to the same Jacobin principle which the diverse factions hold in common.

Among the varieties of communism which have been introduced to our nation's internal life, Dr. Marx's is one among three notable examples. During the years preceding the 1848 tumults, the Edinburgh branch of the British secret services recruited adherents to the New England branch of Young Europe, named Young America. In the realm of Dr. Longfellow's admirers, from Harvard University to neighboring Concord, avowed communists proposed to create a new bucolic utopia, sufficiently radical in its views on morality to amuse a Boston Unitarian.²⁰ Recently, another Jacobin's cure-all has invaded us, that of the recently deceased Herr Ferdinand Lasalle. Herr Lasalle, reported to have been Dr. Marx's principal rival among the Jacobins of Prussia, was a creation of an influential Jesuit of Germany, the Baron von Kettler. Apparently, the tastes among Prussia's Jacobins are more civilized than those of Harvard University. Herr Lasalle proposed to return Prussia to a condition less ancient than savagery, to feudalism, seeking an alliance for this utopian purpose between the land-owning aristocrats and new urban guilds assembled from among his followers.²¹

If we list the best-known varieties of utopian dreams among Europe's Jacobins, Dr. Marx's doctrine is at odds with all his rivals among these on one significant point. Most utopian doctrines might appear to originate with a polemic against Dr. Franklin published by an influential writer from Venice, Signor Gianmaria Ortes, a polemic copied in all essential



Sig. Joseph Mazzini



*Mme. Anne-Marie
Louise de Stael*

features by the British East India Company's Thomas Malthus.²² For Signor Ortes and the Reverend Malthus, the worst among the afflictions which chemistry and the heat-powered machine have introduced to civilization, is an unchecked increase of the human population. They propose to halt the progress of manufactures, to the degree that natural consequences of this action will reduce the population to levels of an earlier, and presumably happier time. If most among Dr. Marx's Jacobin rivals do not repeat that argument in such plain words, the reforms of society they propose have the effect demanded by Signor Ortes and the Reverend Malthus.

Dr. Marx shares with his rivals the view that capitalist ownership of manufactures produces the evils widely attributed to the increase of urban forms of employment of labor. He differs from his rivals on two points. Firstly, he argues that this capitalist development was not only desirable, but necessary for the human species, and that the hardships suffered by the lower classes are a temporary condition which could not be avoided.²³ Secondly, he argues that the removal of these hardships during some more or less early Jacobin insurrection, will require the removal of the capitalists, but to the purpose of accelerating the

progress of manufactures.

Dr. Marx has constructed his peculiar doctrine in a manner whose origin could not be located without reference to the writings and lectures of Professor G. Hegel.²⁴ He divides the past, present, and future of civilization among four forms of society, arguing that each form of society can be reached only by passing through the preceding forms. These forms he identifies as Roman slavery, feudalism, capitalism, and communism. Each of these forms he proposes to be necessary for our species in the time and place of its appearance, according to his doctrine.

For him, each form of society is governed by ruling classes, which rule over lower classes. As long as that form of society improves the general condition of mankind in its time and place, Dr. Marx argues it is necessary that the lower classes submit to continued government by the ruling classes, despite the suffering they may tolerate by doing so. He insists, that when the condition is reached, at which this form of society ceases to better the general condition of mankind, the ruling classes will resist the needed change in the form of society. At that point, a struggle between the ruling and lower classes must destroy the ruling classes. This must lead to adoption of the next form of society in his series, and to a new choice of ruling classes and lower classes.

Dr. Marx published such a doctrine as early as 1847.²⁵ As his *Capital* attests, he has not altered that part of his doctrine a generation later.

At first encounter, his attempt to fashion a measuring device for "improvement in general conditions" might be mistaken for his agreement with leading writers on political economy over a time since that subject was first established by the Neapolitans associated with Signor Thomas Campanella.²⁶ He proposes that the power to improve the general conditions of life increases in proportion to improvement of "the productive forces." This leaves to be solved the matter of measuring an increase in those "productive forces." In his attempt to construct a measuring device, he exhibits his hostility to scientific method cultivated during the factional strife at Berlin, where he was recruited to the Jacobin cause.²⁷

Whereas, the best economists since Signor Campanella have stipulated that the average number of persons which might be sustained by production on an average area of land is the proper measure of improvement in the "productive forces," Dr. Marx begins in the contrary manner, by examining what he describes as the "cell form" of the phenomenon. He begins with the isolated individual and the isolated commodity. He admits plainly that this method leads to an unsupportable result, and resorts to what he adopts as his "dialectical method," to accomplish what he appears to offer as a brilliant solution to a problem which presumably has eluded solution by all writers

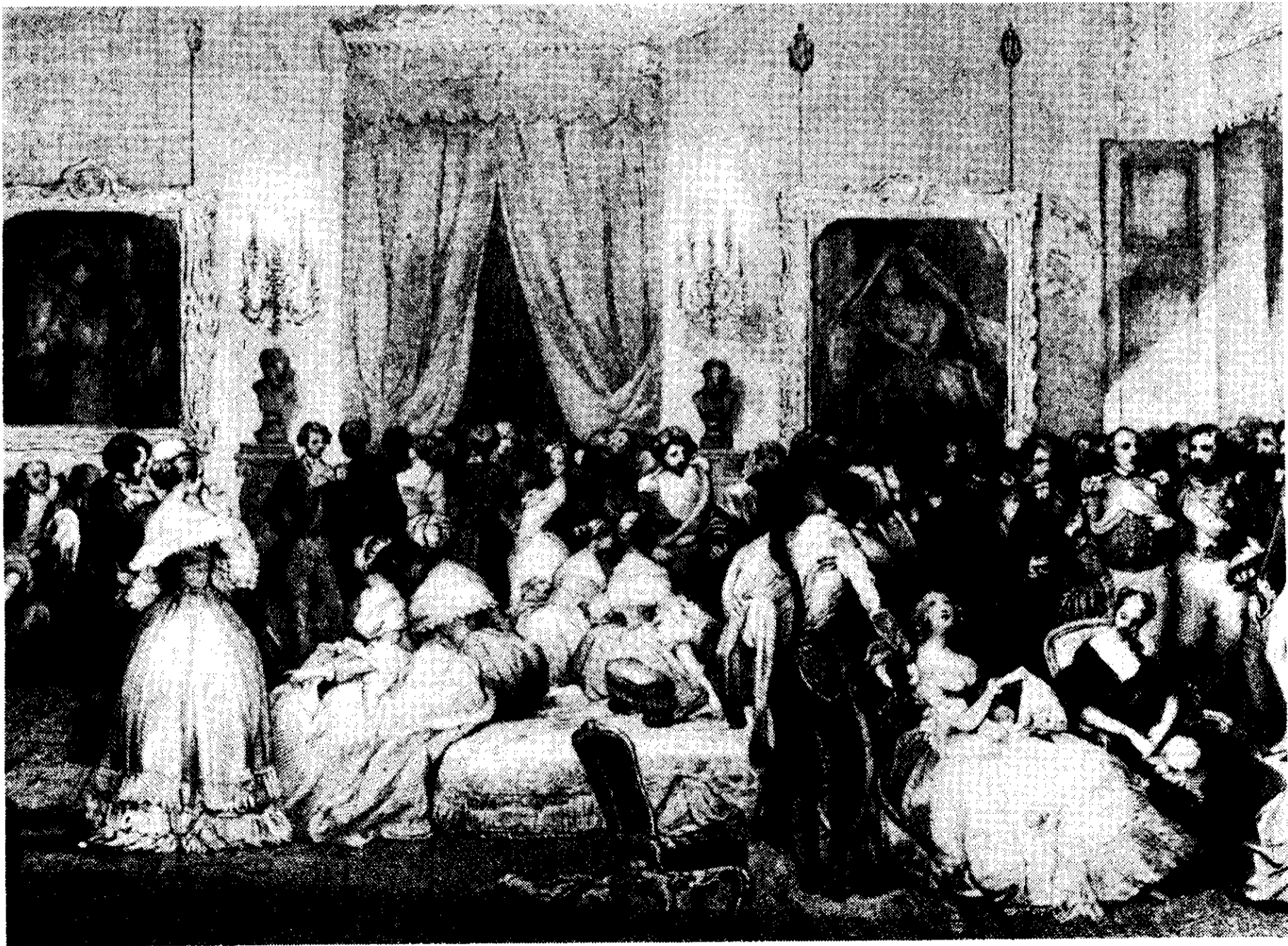
on the subject before him. On this point, his ignorance of modern mathematical science and his disregard for the writings of the leading economists become undeniable.

He begins with what he indicates to be the "individual material interest." At first glimpse, this "material interest" is indistinguishable from the hedonistic principle which has governed British empiricism since Sir Francis Bacon. Indeed, Dr. Marx represents himself as a successor to those forms of materialism encountered among that faction in Britain and France during the seventeenth and eighteenth centuries. This variety of materialism he argues to be the highest development of philosophy until the appearance of Professor Hegel, whose proper successor Dr. Marx indicates himself to be. He accepts British hedonism as his starting point, and thereafter works to surpass it "dialectically."

Dr. Marx's most significant point of difference with British empiricism is that he rejects the argument of Mr. David Hume, that a lawful order of the "objective" world is not verifiable knowledge for man "subjectively." In opposition to empiricism, he returns, as did the Professor Kant, and as did the

Professor Hegel, to the standpoint of Aristotle. He is persuaded that the human intellect can gradually discover what he believes to be the objective laws of the universe, and that man can act on such knowledge. He accepts irrationalist hedonism only as the starting place for his systematic doctrine. He attempts to demonstrate thereafter that the interactions among atomic individuals produce improvements in knowledge, as an epiphenomenon of such collective, atomic interaction.

He begins with the assumption that individuals discern what they believe to be their material interests as individuals "subjectively," but that atomic interaction introduces corrections to subjective belief. He does not go as far as to assume that members of social classes secrete knowledge only in this way, but he does imply, to the degree we must regard this as intended, that the experience a social class undergoes through atomic interactions among individuals in society, determines the class's spontaneous ability to adopt, or to reject knowledge supplied by means other than such experience. His profession of atheism is a consistent, perhaps necessary symptom of such an atomic-interaction doctrine.²⁸



The Romantic salons have served as recruiting grounds to political Jacobinism.

He starts with the individual's "subjective" perception of hedonistic self-interest, as do Mr. Thomas Hobbes and Mr. Jeremy Bentham. He supposes also the contrasted existence of an "objective," material interest of the same individual. Atomic interactions among individuals, in the course of experience, correct the "subjective" perception, to bring it closer to the "objective" reality. This experience guides the individual toward the discovery that he has a class interest, and that the self-interests of his class differ in some significant degree from the self-interests of the members of any different class in the same society. He adds to this the assumption that there is an objective interest of the society as a whole.

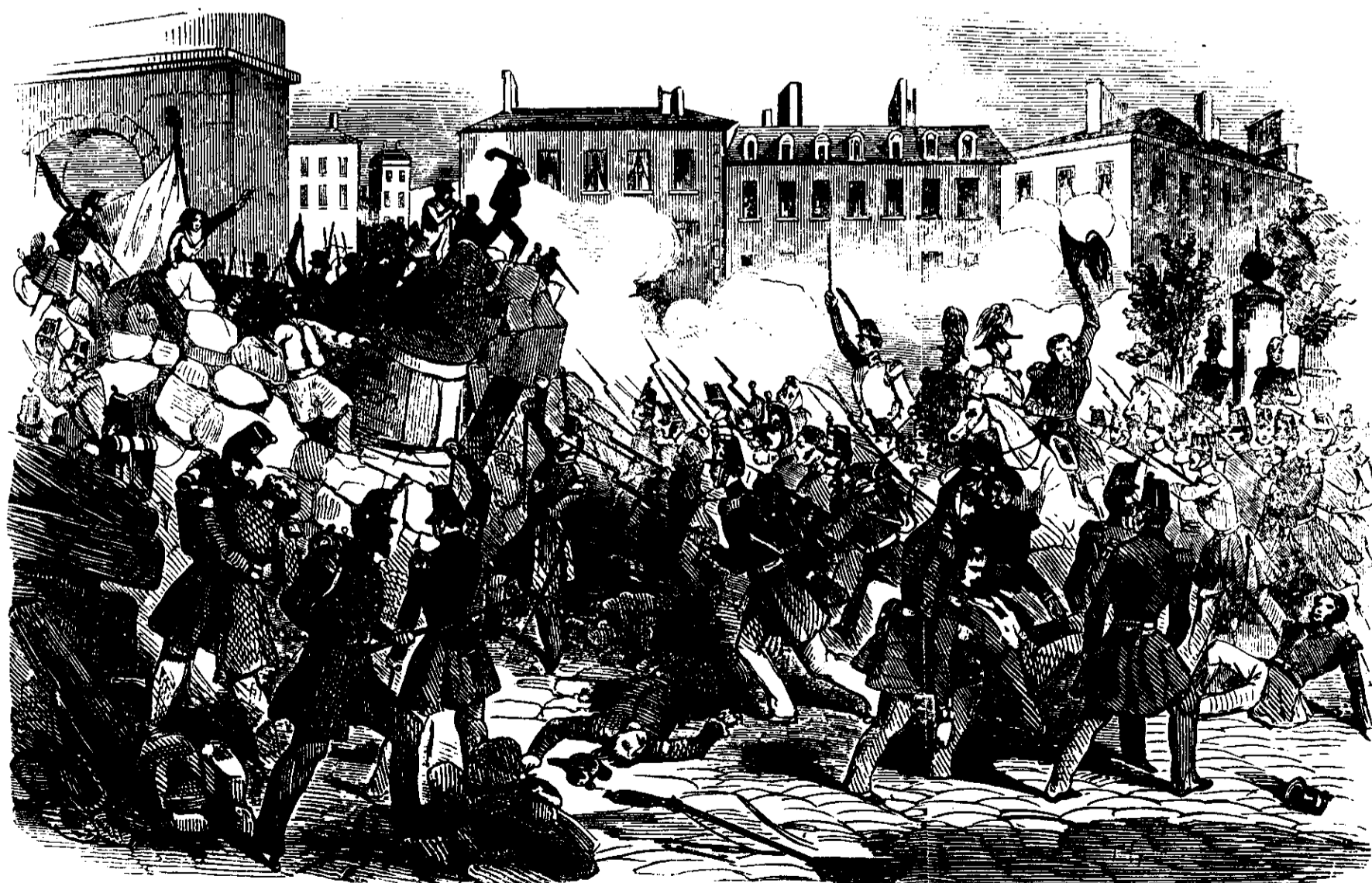
He comes closest to the best political-economists' views in his efforts to define the objective interest of the society as a whole, as an increase in the average individual's power to produce the necessary material conditions of life for himself and others.²⁹ Wherever Dr. Marx introduces this consideration into his argument, he is at his best, and he produces in such passages of his *Capital* numerous observations which are not to be despised even when errors included spoil the result.

His doctrine respecting the successive forms of society is based on these considerations we have described. Through atomic interactions among individuals within social classes and among classes, the

margin of error in design of institutions and in beliefs is corrected, both gradually, and in leaps from one form of society to the next by means of class struggles.

If civilization is to reach its last condition in this sequence, communism, Dr. Marx must show himself and his readers that his choice as the finest achievement of mankind, the British System, contains a "contradiction." He must show that this "contradiction" inherent in the British System is impelling the system to future condition such that its ability to foster the general improvement of mankind's circumstances will have been exhausted. He must also show that a suitable successor to the British System will be available for adoption at such a future time. Although *Capital* is presented as a writing on the subject of British political economy, and not in the form of a communist's tract, it is directed to proving a point without which Dr. Marx's Jacobin doctrine would be arbitrary assertion.

Capital is the elaboration of a syllogism composed of three general propositions. Firstly, he attempts to persuade the reader that the existing British System of political economy, as best defended earlier by Mr. Ricardo, is the highest form of society yet to appear. Secondly, he distinguishes between the prices and values of commodities, for the purpose of arguing that the development of the productive powers of labor through the progress of manufacturing, is a desirable



1848: Young Europe takes to the barricades.

feature of capitalism, which would be desired even in the absence of the capitalists. Finally, he argues that the accumulation of wealth by capitalists increases the tendency of that accumulation to act as an obstacle to continued development of the productive forces. The development of this third proposition is not completed, but the direction of his argument is clear.

If the first proposition were accepted, the entire syllogism must be accepted. On the contrary, if the first proposition is false, Dr. Marx's doctrine as a whole falls to the ground. If it is shown that Mr. Henry Carey is sound, in treating the British System as a mixture of feudalistic and capitalistic institutions, in which the feudalistic is superior, and if the cyclical course of the British economy is caused by the feudalistic element, that would suffice to show Dr. Marx's entire Jacobin's doctrine to be false.³⁰

On one occasion, either before or during the period Dr. Marx was preparing *Capital* for its publication, Mr. Henry Carey sent Dr. Marx a gift of some of Mr. Carey's books.³¹ How much from those books Dr. Marx read, we do not know.³² We do know that Dr. Marx published reports copying large portions of Mr. Carey's treatment of the effects of slavery on the U.S. economy.³³ German-speaking circles here have reported that Dr. Marx also planned to attack Mr. Carey most intemperately in published denunciation of Mr. Carey's *Harmony of Interest*.³⁴

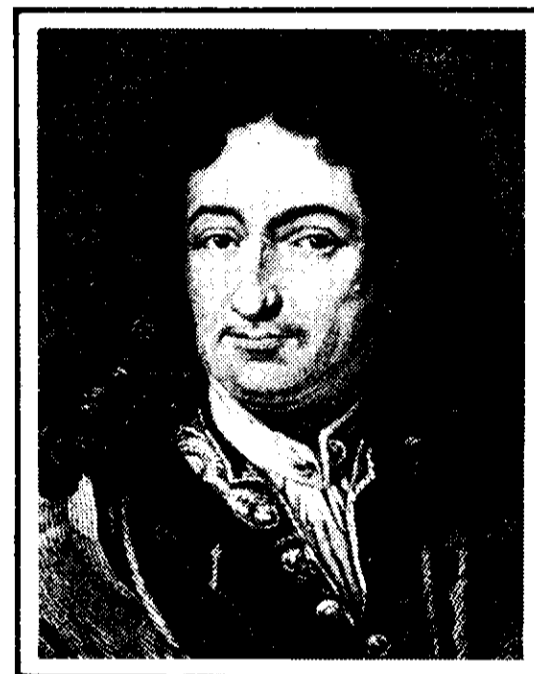
Dr. Marx was also acquainted with some significant portion of the published writings of Herr Frederick List, to the point that he composed a denunciation of Herr List for publication.³⁵ Earlier, Dr. Marx had encountered Herr List in an ironical circumstance.³⁶ Since Herr List was the most celebrated economist in Europe during that period of Dr. Marx's life, and the acknowledged author of that Customs Union which had brought a rapid increase in the prosperity of Germany, even a Prussian as fanatically dedicated to the British System as Dr. Marx, could not report himself decently ignorant of Herr List's work.³⁷

None of the most celebrated writers on political economy of the continent of Europe or the United States are permitted to reveal their arguments through the pages of *Capital*. There are several kinds of evidence available that Dr. Marx deliberately avoided direct acknowledgement of a large accumulation of existing work, and suppressed other evidence, which might have exposed the central fallacy of his work. In the instances of the writings of Mr. Henry C. Carey and Herr List, Mr. Marx's willful omission of the facts damaging to his argument would be considered by some as fraud.

As it is either stated or implied by the pages of *Capital*, his history of political economy is totally falsified. Excepting references to a few minor figures, Dr. Marx's case dates the beginning of coherent views on political economy as an entirety from approximate-



Sig. Thomas Campanella



Herr Gottfried Leibniz

ly the date of Mr. Adam Smith's *Wealth of Nations*.³⁸ This a full century and three-quarters after the work of the Neapolitan school, a century after the first work on the subject by the greatest and most influential of political economists, Herr Gottfried Leibniz.³⁹

Herr Leibniz's political economy was taught in leading German schools into the early part of this present century. Despite such aberrations as the Physiocrats,⁴⁰ whose work can not be understood except that it was directed against a pre-existing science, that of Herr Leibniz, the continuity of Leibniz's political economy was unbroken, into the work of M. Lazare Carnot's Ecole Polytechnique. The policies which Herr Leibniz prepared for Czar Peter I unleashed such a growth of mining and manufactures that by the time of Prince Potemkin's rule, the output of Russia in these categories exceeded that of Britain.⁴¹

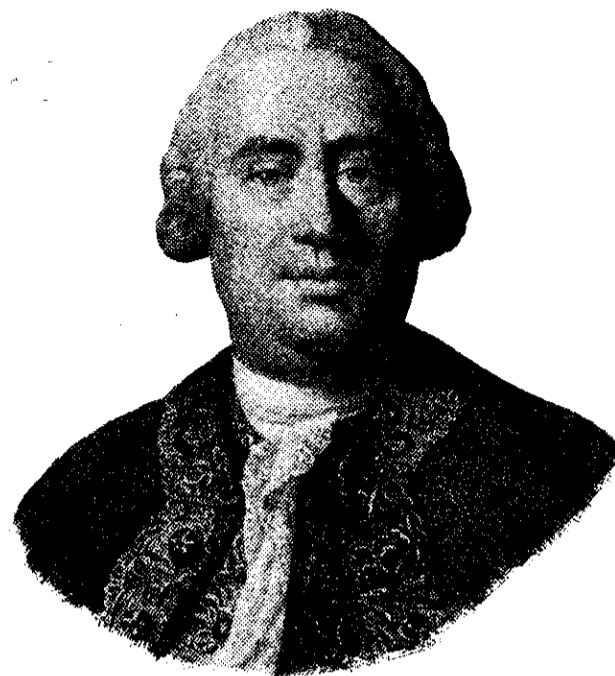
The leading political economist of the world during the period of his grand conspiracy was Dr. Franklin, against whose policies Mr. Smith's *Wealth of Nations* was directed. The first appointment to teach political economy in Britain was the British East India Company's appointment of the Reverend Thomas Malthus,

before which Mr. Alexander Hamilton's work had established our American System of political economy as the policy of government of the United States. Following the work of Mr. Hamilton, the greatest enrichment of knowledge of political economy was the work of such celebrated figures of M. Carnot's Ecole Polytechnique as M. Ferrier, M. Chaptal, and M. Dupin. Messrs. Smith, Malthus, and Ricardo were merely employees of and political propagandists for the British East India Company. Of these three, Mr. Smith was employed to libel Dr. Franklin's influence, as was also the Reverend Malthus. Mr. Ricardo was employed to libel Mr. Hamilton. Dr. Marx sees a tree, but reports the existence only of the fungus which has attached itself lately to that tree.⁴²

From 1653 until the close of the Napoleonic Wars, the most advanced industry in the world, and the nation most advanced in science, was that of France. During the early months of the late war, the Union suffered significantly from an overestimation of the importance of Napoleon's campaign tactics in effecting his famous victories.⁴³ The fact of France's mighty economy did not escape the eyes of Prussia's General Scharnhorst, who understood with demonstrated excellence that Napoleon's victories were chiefly the result of superiority of France's logistics, and of the system of industry-building combined with sweeping military reforms, the latter which M. Lazare Carnot accomplished around his deployment of massed fire from new models of mobile field artillery.⁴⁴

Dr. Marx's false assertion that Britain's was the greater advancement, is not limited to his disregard for the evidence for the period from 1653 to 1815. The famous Mr. Charles Babbage of England, whose views were supported energetically by prominent figures of schools in London, as well as from Cambridge and Edinburgh, warned loudly and bitterly, that Britain was so inferior in science to the United States, France, Germany, and Russia, that only one person existed in Britain able to read the mathematical works produced in these other nations.⁴⁵ Now, the nation from which he has exiled himself, Germany, is emerging as a power rival to Britain in scale of manufactures and mining, a nation to which Britain was obliged to turn to secure processes so superior that they did not exist in Britain. If this rapid rise of Germany is significantly a benefit of Herr List's introduction of the American System of political economy to establish the Customs Union, the development of science and manufactures in that nation has been chiefly a consequence of importing the earlier policies and science of M. Colbert's and M. Carnot's France.

Dr. Marx is a doctor of laws, who has occupied a substantial portion of nearly a score of years in the British Library, occupied with preparing his recent volume. In his volume, he exhibits his taste and capacity for assembling a vast array of writings from



Mr. David Hume



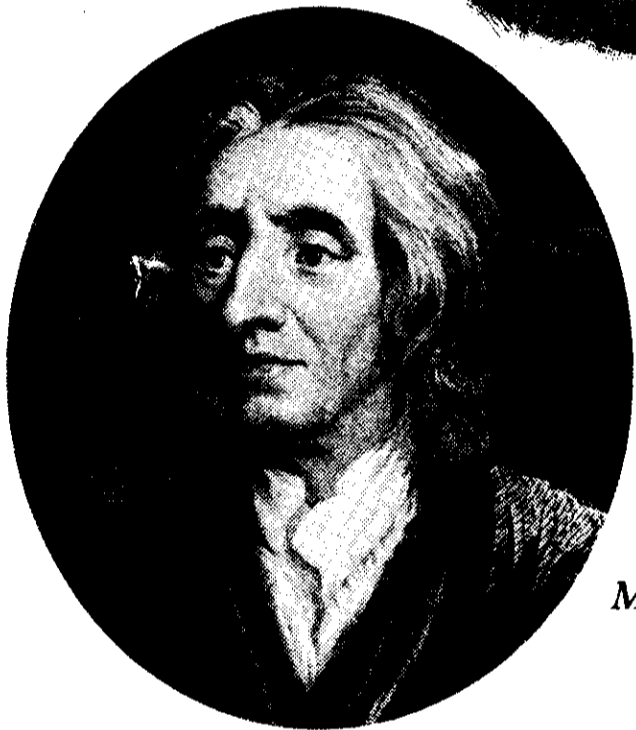
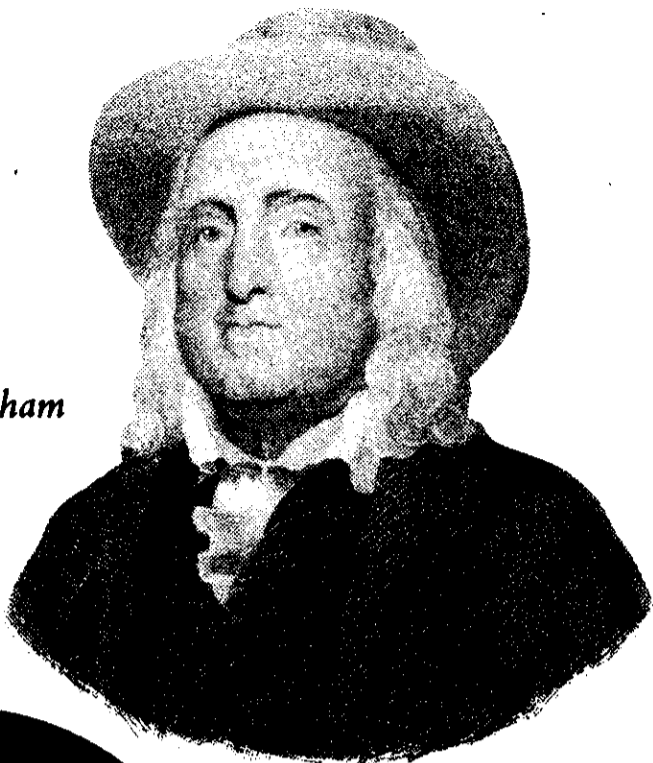
Rev. Thomas Malthus

numerous specialized fields of inquiry; he digests an impressive mass of evidence of other kinds, all to produce a coherent opinion premised on such a mass of material. His willful neglect of Mr. Carey's, almost entirely, and Herr List's writings, entirely, we have already considered. We cannot permit the assumption that Dr. Marx was genuinely ignorant of the basis for the criticisms we have listed. In the instances we are informed that Mr. David Urquhart shaped Dr. Marx's opinion on some matter, we know the opinion to be false. Perhaps Dr. Marx's selection of readings was more closely supervised by Mr. Urquhart than the evidence at hand would prompt us to assume. Even if that were the case, we must conclude that in the blending of direct falsehoods and falsification by gross omissions we have identified here, Dr. Marx has willfully falsified the evidence.

There is a significant item of added evidence from within *Capital* to justify this denunciation.

The most notable distinction between Mr. Ricardo's and Dr. Marx's treatment of the principles of political economy is Dr. Marx's introduction of "labor power" in place of the average expended time of average labor. In *Capital*, this feature is presented in

Mr. Jeremy Bentham



Mr. John Locke

such a manner a reader uninformed of the work of the celebrated writers must be induced to believe that this notion of labor power is Dr. Marx's original and important discovery.

The notion that the economic value of production must be measured by the measuring device of increases in the productive powers of labor, was established as the central principle of our American System by Mr. Hamilton.⁴⁶ The principle was developed by Herr Leibniz a century earlier, and was the central principle posed for future refinement by the Neapolitan school almost a century before Herr Leibniz. Every student who completed the cameralist course in physical economy in Germany was informed of this. During Dr. Marx's lifetime, the notion has been associated most immediately with the influence of Herr List.

Mr. Ricardo did not overlook this notion. Like Mr. Smith, the Reverend Malthus, Signor Ortes, and France's Physiocrats, he knew it and rejected it. If Dr. Marx wishes to persuade us that the manner of thinking of these gentlemen is the only scientific approach to the subject matter of political economy, and that the opposing method, which makes labor power its central principle, is so incompetent as to be unworthy of his

careful criticism, then we must ask him to explain by what means he adduced his notion of labor power? If he is genuinely persuaded, with every power of his intellect, that only those writers who oppose the notion of labor power are thinking clearly, can he ask us to believe also that these same powers of his own intellect produced this notion?

We propose, on premises we shall outline in our concluding argument here, that Dr. Marx is substantially informed of the literature of the American System, and generally acknowledges it to be superior to the British System, but admits this openly only in his private thoughts. In fact, he despises the British as "philistines," but esteems them as the enemy of his adopted enemies: M. Lazare Carnot, the Marquis de Lafayette, and everything in Germany or elsewhere that echoes his hateful memories of the names Carnot and Lafayette, and his bitter memories of Herr Heinrich Heine.⁴⁷

If we have submitted evidence which seems to represent Dr. Marx as a common cheat, a schoolboy cheating during an examination, we have not intended to foster such views. Dr. Marx's frauds are consummate frauds, too consistently elaborated to be the work of a common cheat. Such consistency can be accomplished only by an intellect of exceptional ability, one whose entire life is dedicated to a great hatred, nearly whose every word is chosen under the guidance of some fanatical degree of zeal. He will steal from the great works of an adversary, pillage him extensively, and will claim what he steals to be of his own manufacture. His motives are not those of the common thief. His motive is that he shall not grant his hated adversary a shred of honor.

Dr. Marx does not hate the United States. The evidence is contrary. He did not treat Mr. Carey so churlishly because he despised Mr. Carey; the evidence is that he admired him. He hates the American System, not because it is American, but because it represents an echo of the central object of his hatred, an object associated with M. Lazare Carnot. Why this is so, what evidence exists to prove this, will be identified, as promised, before the close.

We have promised that a comparison of Dr. Marx's first proposition with the work of Mr. Henry C. Carey causes the whole of Dr. Marx's doctrine to fall.

With the accession of King James I to the English throne in 1603, the King's creditors secured a tax-farming monopoly over the public revenues, public debt, and public credit of that nation. These creditors are sometimes known as the "Genoese bankers." These include such families of Genoa itself as the Pallavicini, include the Calvinist bankers of Geneva, and include much of the banking, and associated financier institutions of the Netherlands and Scotland.⁴⁸ This financier interest, operating in the mode of the feudalist Lombard banking houses of the thirteenth and fourteenth



Mr. David Ricardo



Mr. Adam Smith

centuries, has been the feudal control over the British monarchy from 1603 to the present time.

This Genoese, or Lombard interest had earlier re-established an important foothold in Tudor England, financing the purchases of confiscated church estates and aristocratic titles, under Henry VIII. Beginning 1589, this faction launched a coup d'état within England, through which it seized control over the British Secret Intelligence Service, eliminated Queen Elizabeth's adopted successor, the child, the Earl of Essex, and secured agreement for succession of the son of Mary Queen of Scots, King James VI of Scotland, to the English throne. This coup d'état was directed by the Cecil family and that family's bloody-handed ruffian, Francis Bacon.

The English colonization of North America during the seventeenth century was undertaken by the remnant of the Dudley family's faction in England, in recognition of difficulties of ejecting the "Genoese" ruling oligarchy from Britain. Not only was the majority of the aristocratic families created by the Tudors of the Genoese party. The surviving old families of the north of England were allied to the Genoese party in their own right, and the leading

Scottish Presbyterians were Swiss Calvinist landlords by another name.

The restoration of the British monarchy, in 1660, is often explained by the treason of Switzerland's Scottish Presbyterians, by the weakness of Mr. Richard Cromwell, and in other ways. The author of this report owes it to a friend well acquainted with English history to have pointed to the truth of the matter. None of the other causes for the fall of the Commonwealth would have succeeded, but for one fatal flaw in Mr. Cromwell's practice; he left the monopoly over the state's public debt and credit in Genoese hands. Is it mean suspicion to mention that Mr. Cromwell's family was related by marriage to the Pallavicini family? For what ever cause, the fatal blunder was committed.

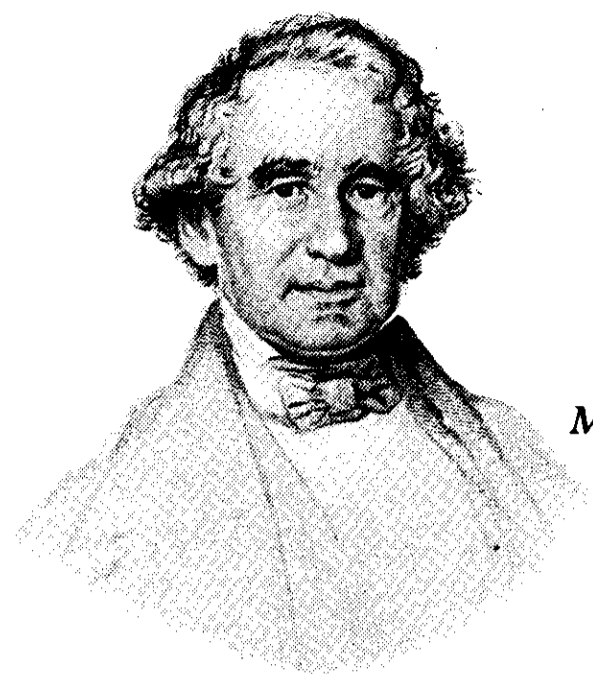
The Genoese control over Britain tightened. The Levant Company, of Genoa and Venice, was extended to the north, to become the East India companies of Britain, the Netherlands, and Denmark. By the reign of King George III, the Genoese interest had become a three-legged power in that unhappy nation. The financial aristocracy of the City of London and Edinburgh, the funds of the landed aristocracy, and the fund of the royal family itself, had become a single creature, inseparable from the Genoese interests of the Netherlands and Switzerland. If the Swiss and the Dutch supported both sides in the Napoleonic wars, the City of London also profited richly from the financing of Napoleon's wars.

This is the feudal interest, which Mr. Carey has identified as the ruling element in the British system.

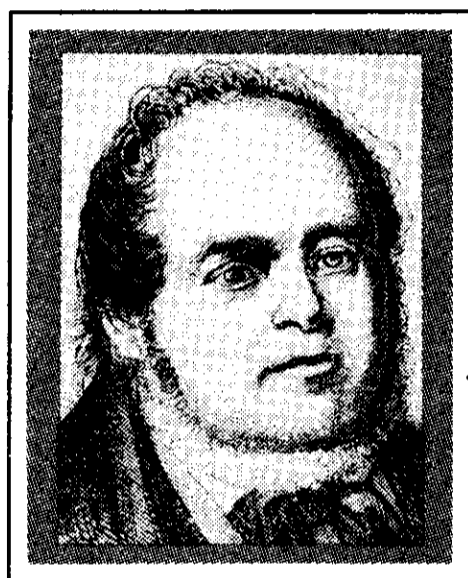
The feudal species of rentier-finance, also known as the Lombard system, is the institution which rose to dominate Europe during the thirteenth century, into the fourteenth. Its power was greatly weakened for a time, by the repudiation of the foreign debt of England, and by a general repudiation of debts which followed that. The bankrupting of great Lombard houses at the time, weakened the Lombards' power, but did not exterminate that power. It became a mighty force again after the fall of Constantinople. It had consolidated its control over Spain, Portugal, Italy, and the Swiss part of Burgundy before the accession of Charles V to the position of Emperor and King of Spain.

The system of banking which Lombard banking represents, is reported to be as old as the Roman Empire. It is reported by some to have been reintroduced to the Western part of Christendom from the Levant by way of the Byzantine colony at Venice. There the main lines of its composition in modern times are known with certainty.

The Lombard bank is an agent for a syndicate, whose members are usually representatives of institutions called in Italian *fondi*. Each of the *fondi* participating in such a syndicate is associated with a family, either an aristocratic landowning family, or a family



Mr. Henry C. Carey



Herr Frederick List

and the calamities imposed upon us by the imitation of the British System under Presidents Jackson and Van Buren, the monstrous Panic of 1837.⁵¹ We are also indebted to Mr. Henry Carey, as Dr. Marx must concede to us immediately on this point, for proof of the ruin imposed upon our national economy as a whole by the submission to Mr. Smith's counsel respecting the production and export of cotton as a practice of large-scale chattel slavery.⁵²

Comparing our periods of increased prosperity, under the American System, with the inevitable misery we have brought upon ourselves with the British System, no reasonable man could prefer Messrs. Adam Smith or Ricardo to Messrs. Leibniz, Franklin, Hamilton, Careys, and List.

The advantages of the American Systems are chiefly these few. We require that no banking institution shall issue credit in excess of some portion of the combined specie and lawful currency placed on deposit with it. Our constitution awards to our federal legislature the responsibility and power to provide laws for the enforcement of conditions of a well-regulated system of private banking institutions. We forbid the creation of credit in addition to those portions of the deposits of private banking institutions by any private agency, except in the form of delays or advances in payment of goods sold. The only augmentation of credit we

permit within the nation is by the federal government's exercise of its lawful monopoly over the issuance of lawful currency, to create new sums of currency-notes issued; it is in the sole power of our federal legislature to allow this. We place new sums of currency-notes into circulation through the government's monopoly in the form of a bank of the United States. This bank makes loan of those issues for such purposes as promote the national interest. The purposes are, firstly, fostering the increase of the productive powers of labor in agriculture, mining, manufactures, and other production of useful goods, and, secondly, for such public works as are essential to the same promotion of increase of the productive powers of labor.

Dr. Marx cannot escape our point. Is it not the delusion of a madman, that a nation must borrow from abroad the currency used to employ the resources of the industry, agriculture and labor to be found within its own borders? Except for such products as we must import from abroad, what need has any nation to borrow abroad? When our treasury lends a new issue of our currency-notes through our national bank, what do those notes purchase? If the loan is for improvements of agriculture, manufacturing, mining or public works, unless these require some article not produced in suitable quality within our shores, the notes buy nothing but the services of labor which would otherwise stand unemployed, and the product of productive capacities which must otherwise stand idle. The credit which our national treasury must create by printing of lawful currency is nothing but the means to cause the exchange of means which would otherwise be idled, so to effect a greater increase in our national output than the nominal value of this loan.

We may now sum up the differences between the American System and the British System:

The American System awards to the nation's government a monopoly over the public currency, the public revenues, the public debt, and public credit. The British System is based on the Lombards' private monopoly on nothing less than public debt and public credit, and implies an extension of this monopoly to control over public revenues and issuance of currency.

The American System establishes a well-regulated private banking system, which may issue no more credit than some reasonable part of the lawful specie and currency deposited with it, and which participates as a partner with the nation's government in the lending of additional sums of currency issued. The British System establishes a privately controlled central bank, with monopoly powers over the banking system, a power which, unless broken by government, becomes a political power which is greater than government.

The American System limits the growth of the sum of currency in circulation, to currency conducted into

circulation through loans issued for increase of the volume of goods produced and increase of the productive powers of labor. The British System diverts large sums of credit and revenues away from the production of goods into speculations on increased prices. The evils resulting from such diversion we have identified.

The American System's institutions of currency, banking and credit provide every benefit to capitalist production which the British System's institutions profess to provide. This is done with none of those evils inhering in the Lombard system. What function does the Lombard system fulfill for capitalism which is not fulfilled equally well by the American System? What need does the development of the capitalist forces have of the British System?

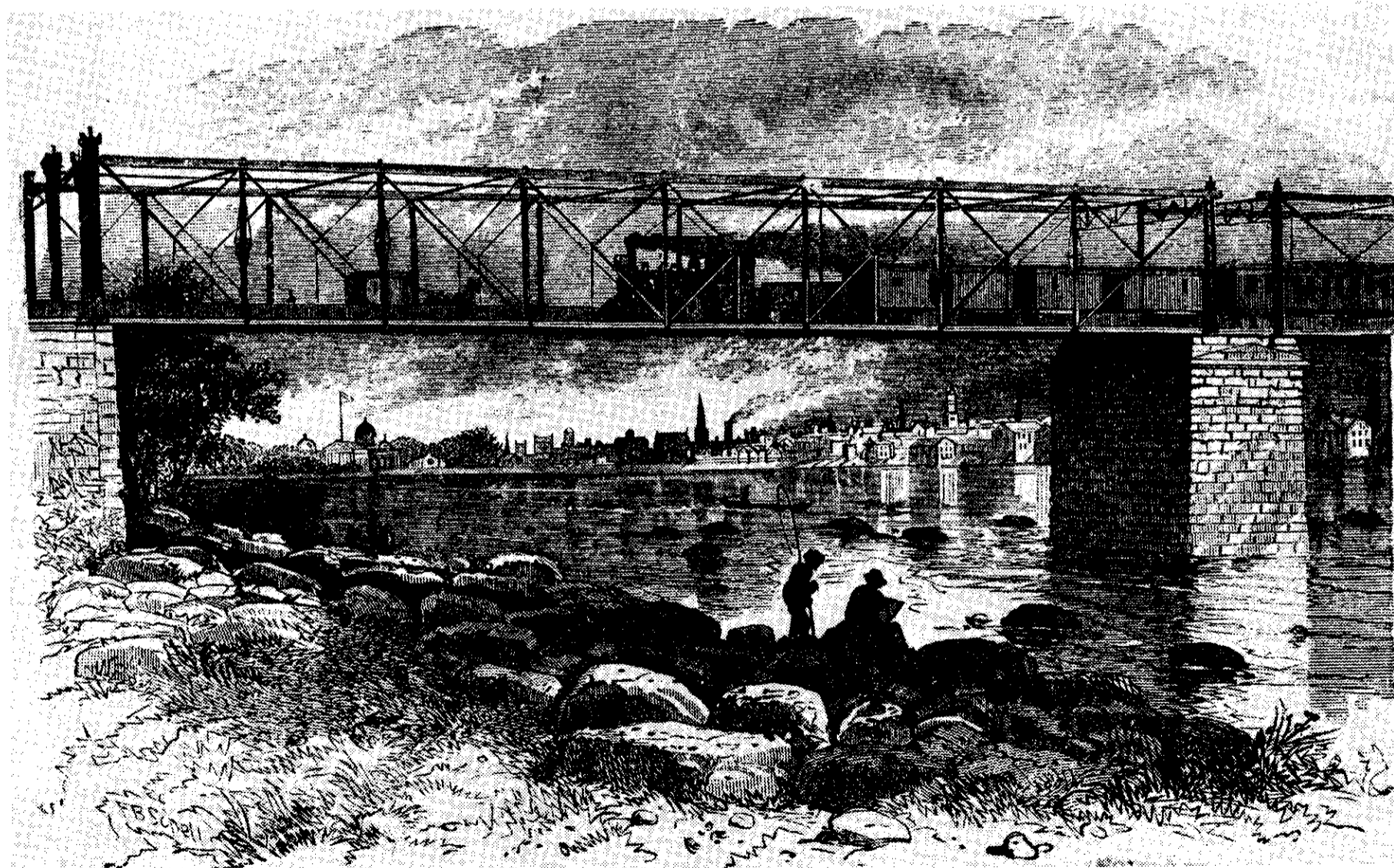
In his *Capital*, Dr. Marx confesses that his inquiry has omitted attention to the effect of advances in technology.⁵³ We read that as his promise to correct that omission in a future publication. If it is also Dr. Marx's intention, that his communist's society of the future will foster improvement and growth of agricultural, manufacturing, and mining output, and foster necessary public works, then his difference with the American System is this. We demand a state monopoly over currency, revenue, debt and credit of the state; we propose to eliminate a private monopoly in these matters, to rescue the capitalist entrepreneurs as well

as the state from feudal usury. Dr. Marx will permit us to eliminate the feudal element of financial monopoly from capitalism, only on the condition that we also eliminate the capitalists. *He prefers the benefits of the American System to the calamities of the British System so much, that he condemns the capitalists to endure the latter, and permit only future communists to enjoy the benefits of the former.*

He has endorsed the British East India Company's feudal subjugation of the capitalists, and finds this oppression a contradiction generated by the capitalist's overthrow of feudalism. We have amused ourselves now enough! We have already refuted Dr. Marx. If the feudal element is removed, his beloved "contradiction" within capitalism vanishes; his Jacobin's doctrine becomes an unproven assumption, whose supposed proof was a syllogism premised upon a fallacy which was conceived by fraud.

We have promised not to close this refutation of Dr. Marx's doctrine without submitting evidence in support of one final point. We had shown, earlier, that his resort to falsifying of evidence, both by submissions and omissions, was so consistent, that only the governance of his pen by a fanatical zeal steeped in hatred could account for a fraud of such violent consistency.

Need we have placed a perfect argument in jeopardy by adding a further opinion on the matter, and



The infrastructure of our national economy has blossomed under American System institutions of currency, banking, and credit.

that an opinion, which, by its nature, seems to defy any attempt at proof? The proof shall speak in its own defense on this point.

The worst memory of sudden death in war is the certainty of death written on that soldier's face the evening before. Dr. Marx's eyes are reflected from the pages of his *Capital*. They look outward, seeing only that which touches them from within. Their seeing is steered by hatred fixed on some object imagined within. To discover what the eyes are seeing, we must follow a trail back thirty years in time, to Berlin.

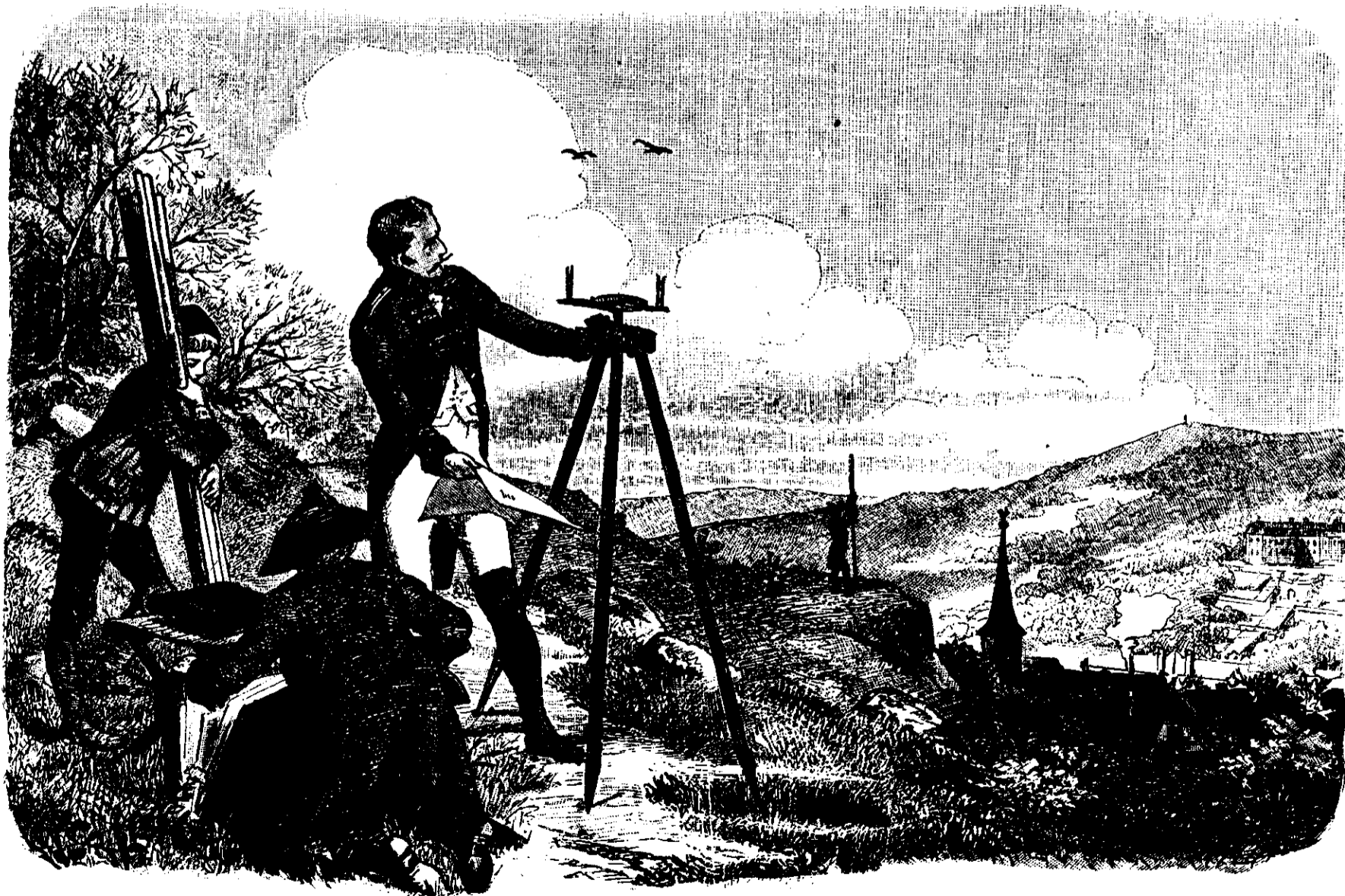
From the beginning of Dr. Franklin's conspiracy, in 1766, until his death, Germany to the west and some bit to the east of the Rhine, in a strip from Stuttgart at the south to Aachen in the north, was boiling with admiration for the American cause and the name of Dr. Franklin. Trier, Dr. Marx's birthplace, was inflamed with this sentiment. German poets and thinkers looked toward Paris, from which Dr. Franklin and his circle might direct the future establishment of a constitutional republic in Germany.⁵⁴

The opening events of the French Revolution, during 1789, increased the hopes of this "American party" in Germany. Did this signal the breaking of the power of the feudalist faction? Would a constitutional monarchy be established, modeled on the constitution

recently created by the United States? This was the vision of Gilbert Marquis de Lafayette, and would have satisfied the hopes of the Germans at that moment.

During more than a score of years, numerous among such Germans turned against France. First, The monstrous Jacobin Terror horrified them. Their greatest horror was the realization that France, to whom they had entrusted their hopes, had betrayed that confidence.⁵⁵ Second, there was Bonaparte's crowning himself emperor. Finally, at the close of the war, the Freiherr vom Stein, leader of those who had lifted Prussia from the ashes of the defeat at Jena,⁵⁶ those who had designed, fashioned and executed the destruction of Bonaparte,⁵⁷ was exiled to his estate at Nassau by a grateful Hohenzollern.⁵⁸ The Holy Alliance settled like a barbaric night upon the body and soul of Europe. A deep political pessimism spread, manuring the roots of that organized unreason called Romanticism. Small-minded mediocrity, and the meanness of men who reject all purpose but that in which their low appetites guide them, infected many among those households and meeting places where patriots had been found during 1789.

A Prussian official, familiar with certain details concerning the Marx family of Trier, has reported that



The Ecole Polytechnique of Messrs. Carnot and Monge has led in the application of the natural sciences.



Gilbert Marquis de Lafayette



M. Lazare Carnot

the young Marx completed a classical education under the direction of a scholar long and widely celebrated as a follower of Dr. Franklin.⁵⁹ He reported that after leaving that school, the youth led a dissipated life before undertaking studies at Berlin.⁶⁰ Thirty years have passed since that time, yet reading the recently published *Capital*, the imprint of the circumstances of Dr. Marx's early education at the Trier gymnasium, and the contrasting imprint of Berlin, are each as sharply etched in those pages as fresh footprints made in wet sand. At Trier, the youth absorbed an outlook natural to an ally of M. Carnot; at Berlin, he was deeply indoctrinated by the enemies of M. Carnot. The circumstances into which the youth was enlisted at Berlin contain the hated image toward which Dr. Marx's inward-turning gaze glares hatred today.

A source who was well informed in such matters reported that if the circle of reformers led by Freiherr vom Stein had been treated honestly by their king, they would have used their continued power in Prussia to bring M. Lazare Carnot to his former power in France. If M. Carnot's powerful enemies in London, Geneva or Venice had suspected such a possibility, M. Carnot would have been killed immediately, and not exiled to Magdeburg in Germany.⁶¹ It is the matter of M. Carnot's extended visits to Berlin, from 1815 until he died in 1823, and what he accomplished during those visits, which is key to the circumstances in which Dr. Marx was much later enlisted into the ranks of Professor Ludwig Feuerbach's followers among the Berlin left-Hegelians. We proceed in this manner to expose the connection we have promised to demonstrate.

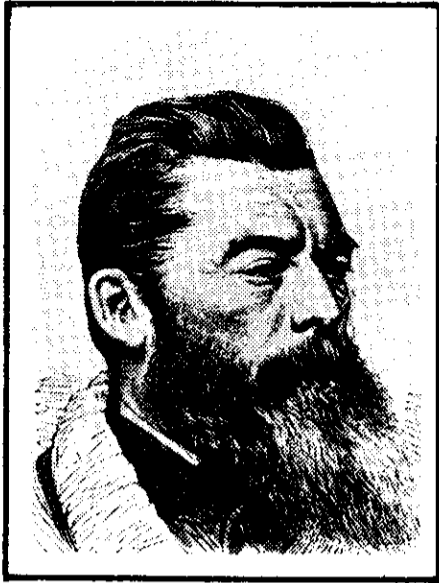
What was the connection between M. Carnot's visits to Berlin, and Herr Alexander von Humboldt's extended visits, into 1827, to Paris? There lies the proposition we are pledged to disclose. M. Carnot and Herr Humboldt were authors of an enterprise whose fruit has been the recent supremacy of Prussia in

matters of natural science. The feudal powers of Venice, Geneva and London, which had created the institutions of the Holy Alliance,⁶² had employed Messrs. Laplace and Cauchy to destroy the teachings of those special principles so indispensable to the astonishing advancement of natural science under M. Carnot.⁶³ M. Carnot and Herr Humboldt moved that persecuted scientific work to a refuge within Prussia. The pair of scalawags dedicated most conspicuously to preventing this were Professors Hegel and Savigny at the university in Berlin.

When Dr. Marx enlisted himself in the cause of Professors Hegel and Savigny in that city, Herr Hegel had already succumbed to an epidemic as destructive as himself.⁶⁴ The cause had outlived him, a cause more enflamed, more savage. Dr. Marx became one among such savages.

M. Carnot is the most hated by the Jacobins among the French figures of the period from 1789 to 1815. To the Jacobins, he is the author of the Ninth of Thermidor,⁶⁵ for which Dr. Marx may never forgive him. The savagery of Dr. Marx's hatred has a deeper motive, to be found in that dungeon of his intellect where the left-Hegelian of Berlin subjects the youth from Trier to ceaseless torments of the Inquisition.

Since a time before Signor Thomas Campanella, the principal issue in the affairs of states has been the persistence of one party which demands, and the persistence of another party which opposes, that fostering of natural science and other improvements which is connected to the general increase of manufactures. The first party has demonstrated that without that proposed policy no general improvement in the condition of mankind is to be reached. Often, on those occasions the counsels of this first party have been adopted by states, the state has been persuaded by a second argument; that this policy is the means by which a state may become better equipped to defeat its adversaries.



Professor Ludwig Feuerbach



Professor George W.F. Hegel

The greatest spirits of our party have shown us that such benefits of the proposed policy are the tree's fruit, but not the tree. There is in the entire nature of our mortal being, a part which has the power to perfect mankind's knowledge of the lawful composition of universal Creation, and so to bring our practice into agreement with the Will so manifest to our intellects. This part of our nature no beast possesses. It is the exercise of this part of the nature of such among our predecessors as Herr Leibniz and Dr. Franklin, which has provided us those earthly benefits which are the children and grandchildren of progress in natural science. It is this part of our mortal natures which is the divine. It is the exercise of that part of our nature which we prefer not only because of the earthly riches it bestows upon mankind, but because it is that within us which is in the image of Him. This policy has been, and continues to be the true and deeper cause for which our party is champion.

The second party insists that mankind's mortal nature is that of a beast, capable of knowing only pleasure and pain, desire, satiety and want, and lacking the means to be governed by any mortal passions but those informed by such bestiality. It proposes that mankind is most poorly equipped to undertake the

perfection of knowledge demanded by the first party. Such a bestial dogma is the common principle of Sir Francis Bacon, Mr. Hobbes, Mr. David Hume, and Mr. Jeremy Bentham, among examples of this opinion found in Britain. As soon as he recognized this point, Dr. Franklin warned others against his earlier favorable opinion of Mr. Locke. Mr. Smith translated Mr. Hume's doctrine into the tongue of political economy; we have learned that the earthly manifestation of the Invisible Hand is the hand of Mr. Smith's employer in our American purse.⁶⁶

The moral issue dividing the two parties on issues of political economy is recognized with the least effort by examining the issue which divides the Americans from their British adversaries. Mr. Hamilton demonstrates that the true source of wealth of nations is a fostering of increases in the productive powers of labor through aid of improvements in artificial labor.⁶⁷ Like the Physiocrats of France, the British will not tolerate the evidence that mankind adds anything to nature by the improvement of labor in this way. For them all, as for Mr. David Ricardo, in his appreciation of the average value of expended time of labor, mankind is merely the slyest among the beasts.⁶⁸

Dr. Marx esteems the increase of the productive powers of labor. He may put on a solemn face, and warn us that we must not expect too much on this account from that finest composition of mankind yet to grace our planet, Britain, but he does not ask us to esteem any less that which he admonishes us to lack. The fact persists, through his underbrush of ifs, buts, and nonethelesses, that Dr. Marx does admire genuinely the increase of the productive powers of labor. If that is so, should he not have preferred our republican party to that feudal party to which he was enlisted thirty years past? Is he only a scoundrel, a man for whom consistency of principle and practice is not required? If he is not such a scoundrel, as this writer insists he is not, where is the point of principled difference with our party which puts him into our enemy's camp?

There are numerous differences. He and our party agree to esteem increase of the productive powers of labor, but we come to that point by different roads. This defines numerous differences. Of these, which differences are the cause of the others, and which are only consistent extensions of the cause? Where the opinions appear to coincide, each professes to demand a specific condition of society for mankind. The difference between the two is elementary; the word "mankind" in the mouth of one signifies a different kind of object than the same word in the mouth of the other, objects whose difference in species is greater than that of cats from mice. Dr. Marx's "man" appears to have all of the outward attributes of a man, but it is only a very sly beast disguised as a man. When Dr. Marx concurs with us that fostering of increases in the

productive powers of labor is necessary for society, the import of his argument is that he is demanding the same conditions for beasts which look like men, as we do for real men.

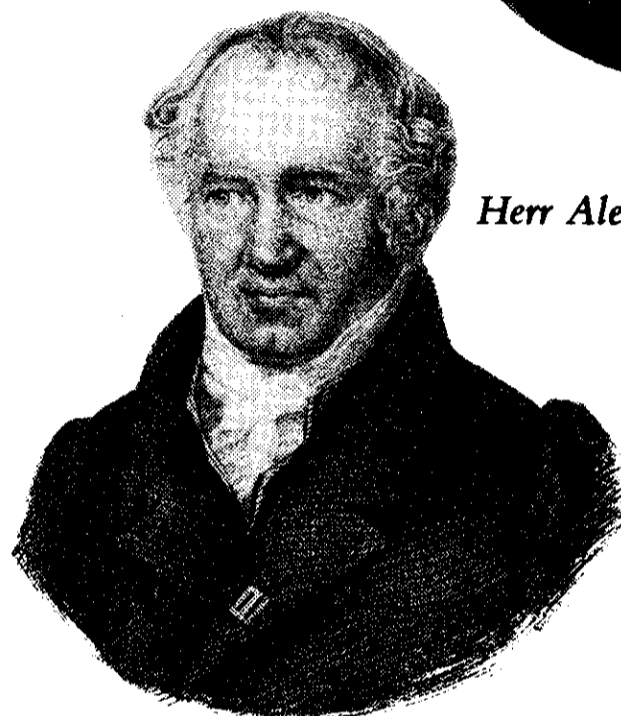
With these observations, we have tightened the circle around the University of Berlin as Dr. Marx encountered it. We must tighten that circle twice more, before we shall have isolated the connection of Dr. Marx's fanatical hatred and that which M. Carnot exemplifies for him. We shall now examine, first, the camp to which Dr. Marx was enlisted in Berlin, which we shall accomplish by examining the doctrine which was employed to alter the organization of his mind in that circumstance. We shall next show how that doctrine employed to alter Dr. Marx's intellect viewed its object of hatred within that same university, the department of philology, where the party of Herr Humboldt and M. Carnot was encamped. That will draw the circle tight around the connection which we have pledged ourselves to expose.

The Jacobin's faction to which Dr. Marx was enlisted at Berlin defined itself in relationship to Professors Hegel, Savigny,⁶⁹ and Ludwig Feuerbach. This Jacobin's faction, which styled itself the left-Hegelians, developed as a Jacobin sub-species of Hegelian, firstly, by arguing it to have been Hegel's notable included error that he had argued for the adoration of the same Prussian state which the Jacobins proposed to ransack. This proposition required the consolation of such form of rationalization as might rank equal in apparent intellectual authority with the work of Professor Hegel himself. That rationalization was provided by a professor of theology earlier regarded as Herr Hegel's true heir, Herr Feuerbach. In a book which conquered the opinion of the left-Hegelians at first assault, Herr Feuerbach's *The Essence of Christianity*, the Hegelian system was turned upside-down, and reestablished on the premises of a hedonistic principle. In this way, Dr. Marx became a "materialist." Herr Feuerbach distanced himself from the Hegelian system during and after the events of 1848 and 1849. In that, he left his earlier admirer, Dr. Marx, behind: Dr. Marx has continued to profess Herr Feuerbach's "materialist" reconstruction of the Hegelian system, at least as recently as the publication of *Capital*, but he remains otherwise within the bounds of the doctrines of Professors Hegel and Savigny.⁷⁰

Professor George Hegel, who lived from 1770 to 1831, was, while a student, a red-eyed adherent of Robespierre's following in Germany. He first gained a degree of influence at the University of Jena after death had removed Professor Frederick Schiller from his post as the exponent of universal history there. He made his name by cultivating the acquaintances of the influential Herr Goethe and Professor Joseph Schelling, a leading apostle of the philosophers René Descartes and Benedict Spinoza in Germany during the early part of



M. Gaspard Monge



Herr Alexander von Humboldt

this century. He established his reputation by adopting the function of ridiculing the work of Professors Immanuel Kant and Schelling, and willfully falsifying history.⁷¹

Professor Hegel was the author of what is called a *system*, whose distinguishing feature he identified as a method he named "dialectical." This choice of name was a fraud. The term, "dialectical," up until that time signified the method of the Socratic dialogue. Herr Hegel's method was that of the direct adversaries of Socrates and his method, the Sophists. This method he superimposed upon the worst features of the system of M. René Descartes and the philosopher Benedict Spinoza. Herr Hegel taught that the universe of sensible objects, as distinguished from the willful mind of man, was a fixed ordering, like the world of Aristotle or the mechanical system of M. Descartes. The spiritual, or infinite and willful aspect of the whole was confined to an ordering of transformations in forms of society according to a predestined plan, which plan he professed to have discovered and to have made comprehensible to those who would duplicate the dialectical syllogisms of his elaborated system.

Dr. Marx's susceptibility to Herr Feuerbach's transformation of the Hegelian system was provided by



Professor
Frederick Schiller



Professor Wilhelm
von Humboldt

Professor Savigny's influence. Herr Savigny's influence on the teaching and practice of law has been to uproot both knowledge of and regard for the principles of natural law as this notion of law of nations and natural law was associated with Dr. Grotius, Herr Leibniz, and, in Prussian law, the commentaries of Dr. Samuel Pufendorf.⁷² It is also reported that Professor Savigny's insistence that no common principle of reason existed among the arts and natural science, has been the principal influence from among those who have proposed a watertight separation between these two broad departments of inquiry.⁷³ His doctrine degrades the law, leaving no principle of reason within it, but merely interaction among custom, opinion and hedonism, a degradation which must direct nations so afflicted simultaneously toward anarchy and tyranny.

Herr Feuerbach's *The Essence of Christianity*, is a piece of blasphemy which portrays Joseph, Mary, and Jesus Christ as alternate names for Osiris, Isis, and Horus, respectively, and presents this variety of gnostic doctrine, popular among Britain's freemasons, to be the secret potency of Christian doctrine. This is nothing new. It was the old mystery religion of Egypt and the Roman Empire, despised by the Apostles and St. Augustine, which various among the Byzantine

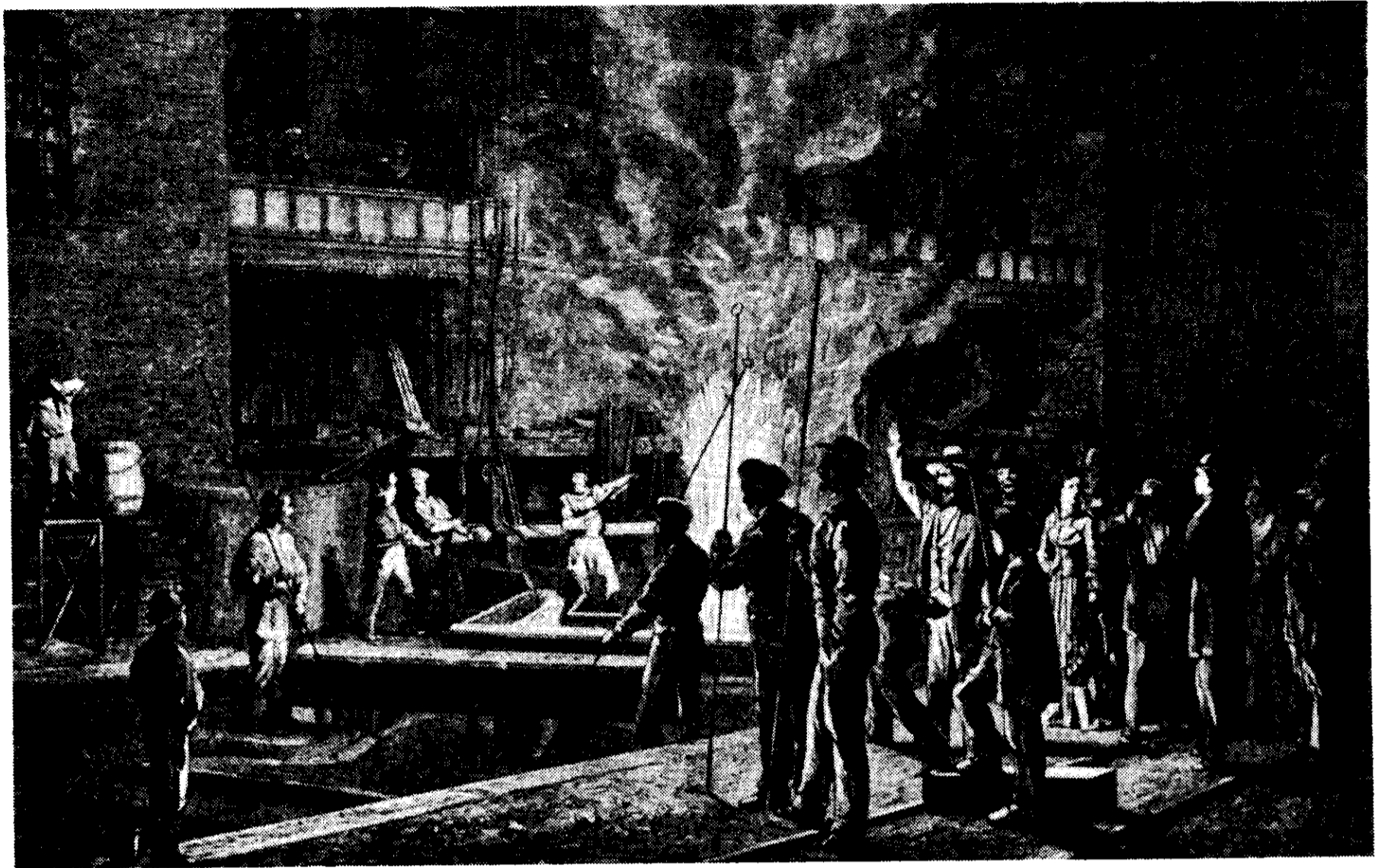
emperors worked to impose upon the Christian Church from the time of the Emperor Constantine.⁷⁴

For each among these three, Professors Hegel, Savigny, and Feuerbach, the starting point of their systems is admiration for a wicked feature of the ancient Roman Empire. If the Apostles, St. Augustine, and Christendom generally had acknowledged Rome to have been a great evil, Professor Hegel founded his system upon assertion of the contrary view. The great notions of law, from which our Constitution took nourishment, despised Roman Law as an abomination, but Professor Savigny embraced it. Professor Feuerbach proposes to pollute our churches with adoration of the cult of Isis, the heathen cult of the Roman emperors.

A hundred years before his time, Herr Feuerbach would be listed a true Calvinist, the most subtle among the wicked Sophists of Clermont.⁷⁵ He devises a spiritual exercise centered in its entirety upon contemplation of the rites of Isis. From this, he produces two pagan miracles. These two are, his doctrine of "materialism," and the principles for manipulation of the intellect which he elaborates as part of that "materialism."

The "materialism" of Herr Feuerbach is the "materialism" embedded in the pages of *Capital*. This is not the simple hedonism of Messrs. Hobbes, Locke, or Bentham. The empiricists and materialists of the preceding two centuries had elaborated a doctrine which assumed an isolated individual living as a man-beast in connection to nature and an antagonistic society. Herr Feuerbach began with the infant, the newest member of a family of father, mother, and child. This Horus-infant acquires no knowledge except through sensuous experience. That infant experiences things as objects of a conflict between his desire for the mother-love of Isis and submission to the fatherly authority of Osiris. The fatherly authority is reason, to which the child submits in pain, and represents a denial of the pleasures of mother-love. These are the conflicting values which Herr Feuerbach attributes to each and all among the sensuous objects of the individual's experience.⁷⁶

Dr. Marx's system submits to the fatherly authority of Professors Hegel and Savigny. Herr Savigny appears to outlaw reason, by degrading the principle of law to commotions among customs, opinions, and hedonistic self-interests. Professor Hegel provides Herr Savigny's immoral principles of civil law a lawful place within those successive forms of civil society of his system. Herr Feuerbach's materialism became for Dr. Marx the principle of the mother-love he desires, but which he must deny himself until he becomes the father. In Dr. Marx's system, each form of civil society, Roman slavery, feudalism, capitalism, and communism, is likened to successive generations of a family whose principles of composition conform to Herr Feuerbach's adoration of the cult of Isis. In each generation, there



The wealth of nations lies in fostering increases in the productive powers of labor through improvements in artificial labor.

is a class struggle between the ruling class of fathers and the lower, infantile classes. The lower classes must submit to the ruling classes until the father becomes aged and the lower classes have matured to become the new fathers. This is reflected in his loving hatred directed toward the fatherly image of Mr. David Ricardo, and in the fashion he defends that fatherly Mr. Ricardo against the adulterous impulses of the fatherly Mr. Carey.

The combined doctrines of Professors Hegel, Savigny, and Feuerbach, as we have described their connection to Dr. Marx's present views of man in society, are the adopted self-interest which Dr. Marx defends with fanatical zeal against M. Carnot's party. We may proceed to the final part of our proof, by reporting the view of man and society reflected from the department of philology at the same University of Berlin during Dr. Marx's studies there.

If Professors Hegel and Savigny represented foreign powers with great influence over the Prussian court, Herr Humboldt and his famous brother also represented great power at the court, within the military general staff, and within the university. Professor Hegel controlled the faculties of natural science as a personal barony, and his faction had the power to prevent what the Germans call "the habilitation of professors" at the university. Herr Humboldt secured the assistance of the military to cause the habilitation of his disputed

nominations, after which they were able to be assigned with the rank of professor to the university. Herr Humboldt employed the department of philology as the bastion of science within the university.

The department of philology became a direct descendant of Plato's ancient academy at Athens, or, to choose a forerunner of lesser antiquity, the design of an academy proposed by Herr Leibniz. If we take into account the exceptions to Plato's doctrines maintained by Christendom since the writings of St. Augustine on this matter, it is correct to report that the method which prevailed in that department's treatment of natural science and other matters was the method common to Plato and Leibniz. The unifying activity was the department's devotion to classical Greek literature, in which the writings of Plato were the dominating part of the curriculum. The writings of Plato and St. Augustine provide us with the most comprehensive and direct refutation of the views of man and society adopted by Dr. Marx.

The two writings of Plato which had exerted the greatest direct influence on the thought of Christendom from the earliest time were two Socratic dialogues, the *Timaeus* and the *Politeia*. The first of these two has provided Christendom the methods of its theology, and the foundations of its excellence in natural science. The second, added to the poem of Solon and the dramas of Aeschylus, has been our

principal indebtedness to Plato on account of matters of the state. In the second, the *Politaea*, Socrates presents a subject later examined by St. Augustine, and explored in the most famous writing of Signor Dante Alighieri. This doctrine of Socrates, St. Augustine and Signor Dante Alighieri, is the complete refutation of Dr. Marx's view of man in society.⁷⁷

Socrates introduces the subject of certain "Phoenician lies." He states that according to such myths, the individuals of mankind are divided in rank according to a difference in quality among their souls. The highest rank is persons of golden souls, the second is composed of persons of inferior rank, with silver souls, and the lowest rank contains those with brass or iron souls. Socrates refutes this lie. Mankind has only one original quality of soul, which is more or less well developed in the course of life. There are three qualities of development of souls, as the Phoenician lies tell us. St. Augustine agrees with Socrates, and Signor Dante Alighieri follows St. Augustine in this matter.⁷⁸

In the corrected view of this matter, which has prevailed among Christians since St. Augustine's review of the issue, we recognize that in the history of mankind so far, mankind in general is distinguished by its division into three general levels of moral development. These levels are not arbitrarily apportioned. Each level is separated absolutely from the others by a principal point of distinction. On the lowest level are the hedonists, who reject any kind of reason but the employment of guileful calculations employed by a hedonist to conquer or cheat others. On the middle level there are small-minded individuals, who accept the obligation to curb hedonistic impulses whenever these may be believed to foster consequences which are immoral or are otherwise contrary to reason. These individuals pursue goals of hedonistic gratifications to be enjoyed within their mortal lives, and believe that this is their rightful choice of self-interest on condition that the rule of society by law is not violated. In the highest rank are those who have adopted reason as their proper self-interest. They value most what their lives add to the benefits of reason bestowed upon others, and value most highly of all those among such benefits bestowed to our posterity.

Since Plato argued his proposition on this point, it has been the policy of our republican party that the republic should be governed by men of that highest quality. General George Washington and the Marquis de Lafayette established the Society of Cincinnatus to serve that purpose. This Society was inspired by a passage from Niccolò Machiavelli, which praised the Roman general Cincinnatus, who left his farm to lead the army of the republic, and retired from victory to his farm where he awaited such new duties as his republic might require from him.⁷⁹ Plato required that republics elect their kings from among those philoso-

phers who represented the highest of those three levels with the most excellence.

If we learn the history of our civilization, beginning from the events in which Socrates was a principal figure, we are compelled to pronounce the opinions of Herr Hegel and Dr. Marx to be horrid falsifications. Since that time to the present day, during all periods of great decision as to the form society should adopt, the principal conflict within our civilization, has been the same cause which obliged our nation to conduct its wars against Britain. Shall mankind govern itself according to service of the principle of reason, or shall mankind live as a man-beast, the greater part of mankind toiling like beasts to contribute payment of ground rent and usury to great landlords and tax farmers? From that ancient time to the present, the leadership of this unending conflict has been provided by the topmost ranks of the two opposing parties. Republican philosophers like Herr Leibniz and our Dr. Franklin, men of the highest rank in our party, have led us in combat against a feudal party whose purpose has not been altered on any principal point since more than two millennia.⁸⁰

The leaders of our party have always worked to enlist the majority of people to our cause. Our party's leaders have worked to improve the intellects of the numerous persons of every condition. The goal has been to elevate the intellects of the numerous toward the highest of the three states of mankind. This enrichment of the morals and knowledge of the most numerous, our leaders have valued more highly than even the benefits of an increase in the productive powers of labor. Our party has valued the latter as contributing greatly to the obtaining of the former.

The leaders of the feudal party have also worked to employ the powers of the most numerous part of the populations to the advantage of their cause, whether as soldiers or as a Jacobin's rabble.

History has been a continuing battle between the handfuls of our philosophers and the most powerful of the leading forces of the feudal party. The more numerous parts of populations have been enlisted to the cause of one of these two parties or the other. It is true that our party is committed to the advancement of the conditions of life of the most numerous, and the feudal party to worsening those conditions. It is true that a popular perception that the former is much to be desired over the latter has often been the circumstance indispensable to enlisting them to our cause. The experience of the more numerous parts of the population has never been the source of the propositions for which the great battles were fought. The opposing ideas for which the battles have been fought have remained unchanged in all essential features over two millennia of experience.

During this span, the condition of the most numerous individuals most favorable to the cause of the

feudal party has been the lowest of the three conditions of soul. The condition most favorable to our cause has been the elevation of the condition of numerous souls in progress toward the highest. Herr Wilhelm von Humboldt has emphasized this principle in his new program for the general education of the population of Prussia, a program consistent with the principles of Dr. Franklin and other leaders of our own republic. According to Herr Humboldt's program, public schools must provide each future citizen of the nation with a thorough education in the classics and the rudiments of natural science. This work of the public schools must bring forth each of the best potentialities of the youth. Until this work of the public schools has been completed, it is an error to prepare a student for any narrow choice of future branch of trade or profession.⁸¹

In real history, the quality of society has been improved from the top down, not from the bottom up. The great inventions in knowledge of the natural sciences, which have been the distinguishing feature of the modern age, have been the production of small circles of extraordinary intellects, who have dedicated themselves to acquire the greatest knowledge and to improve that knowledge. Herr Leibniz, Dr. Franklin, and M. Carnot are among the excellent examples of this. It was a tiny group of conspirators who aroused and directed the citizens of this nation to create our republic. It was M. Carnot and a small circle of such persons who created great advancements in industry, natural science, and warfare, from above the experience and opinion of the most numerous.

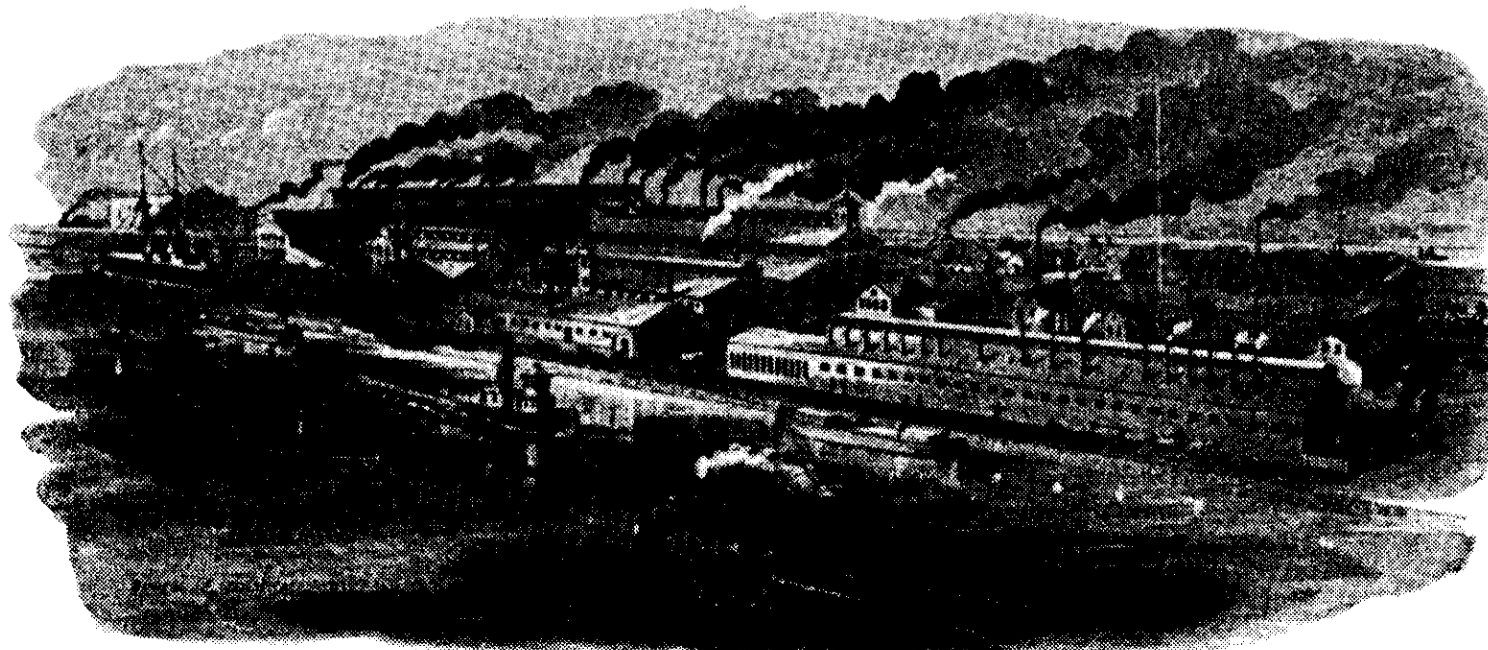
As civilization has prospered from these acts of dedication by the least numerous of our party, it has been the least numerous conspirators of the feudal party which have trafficked in the hedonistic degradation of the numerous to accomplish ruin.

In Prussia today, there is a tendency for the good and a powerful tendency for the evil. Amid that contest among circles of that nation's highest rank, Prussia

continues to progress toward a condition of great power. This uplifting of that nation to envied leadership in natural science and great progress in manufactures, has been the benefit engendered by the small circles of leading personalities allied to Herr Alexander von Humboldt. The productions of Herr List and the contributions of M. Carnot, are among those which have contributed a great part most directly.

This was the source of the benefits Dr. Marx's intellect received when he was a child and youth in Trier, and every impulse which has merit within his known work is a benefit from that source. At Berlin, under the wicked influence of Professors Hegel, Savigny, and Feuerbach, Dr. Marx's intellect was corrupted. He became an instrument of the Jacobin cause, and of that feudal party which traffics profitably in the hedonistic self-degradation of the numerous. In the most essential part of this corruption of his mind, he adopted Herr Feuerbach's doctrine of the cult of Isis. Since, he has regarded man in society as no better than a higher quality among the beasts. For these beasts, Dr. Marx believes himself, desire all of the advantages belonging to humanity, inasmuch as a beast can recognize the self-interests of that alien species which is humanity. Toward those who remind him that the superior part of human nature is a power of reason denied to the beast, Dr. Marx summons hatred.

Whether Dr. Marx knows that he hates Socrates, Plato, St. Augustine, or Herr Leibniz, we do not know. *He hates their cause, and recognizes that cause in the party which organized the Ninth of Thermidor.* If he acknowledges what was reflected in the great accomplishments of Prussia's science and manufactures, his philosophical outlook collapses in its entirety, as simply and surely as the mere existence of the American System refutes entirely his perverted admiration of the feudal cause of the British East India Company. This fear gives force to his hatred against the cause of M. Carnot.



Appendix

One Hundred Years Later: **KARL MARX** **As an Accountant**

by Lyndon H. LaRouche, Jr.

There are three aspects of the manuscript which demand supplementary observations in light of developments within economics during the past hundred years.

The first and principal criticism to be made in that light, is that there exists today no competent practice of national-income accounting which does not appear to owe a debt to Karl Marx's *Capital*. The most notable example is the work of Soviet-trained Harvard University economist, Professor Wassily Leontief, in development of the present National Income Accounting system of the United States. Although the author's failure to forewarn his readers of such a possible effect does not weaken his argument on any of the points of criticism he addresses to Marx's *Capital*, the omission should not be overlooked in the publication of that manuscript today.

The second criticism which we treat here, turns our attention to the author's references to Marx's incompetence in mathematical physics. He indicates that Marx's resort to the "cell form" of analysis in *Capital* is evidence of such a fault. That argument is accurate, and is unquestionably a relevant point to be identified in connection with Marx's hostility to Leibniz, Carnot, et al. We tend to believe that the author understood his own point correctly, but the typical reader of today might not be certain that this is so.

Finally, we should not ignore the fact, that the author marches right up to the brink of stating that Karl Marx was "brainwashed" at Berlin by agents of the Scottish Rite there. The facts cited to this effect are accurate, and the argument, as far as the author develops it, is soundly composed. The effect is like

presenting a husband with everything but the last piece of evidence, that his wife is spending her afternoons working as a prostitute.

Marx as an Accountant

For all serious economists, the simple accounting work of political economy assembles and correlates three sets of statistics. The first counts the amount of goods produced per capita, both by employed labor and as the average quantity made available for the population as a whole. The second is the amount of such labor required to produce the goods required by the population as a whole. The third is the prices, in total and in detail, assigned to those produced goods and the labor employed in their production.

The individual material goods produced by the society for its own consumption are most broadly assorted into two general classifications. The first, usually described as consumer goods, represents those final products of the production of tangible goods which are consumed by households of the population. The second, usually described as capital goods, are tangible goods, or other physical improvements, consumed by production and transportation.

From this initial point of accounting practice, the economist must correlate, first, all of the data except money prices, by portraying the total production and consumption of such physical goods as forming a closed cycle. The correct form of representation of this cycle is that elaborated by this writer.¹ We begin with the total population of the society, defining this as a census of households, of which individual persons are

members. The total population of households produces an output, which is the total labor force. Part of this labor force is employed either in transporting goods, or as operatives in the production of agricultural, mining, manufacturing, or construction goods. This segment of the labor force produces the totality of the physical-goods output of the society; the remainder is employed in occupations (or unemployment) which are aggregately the equivalent of "overhead expense" of an individual manufacturing firm. The output of physical goods (including improvements of physical infrastructure) produced is apportioned, as a totality, to various social categories of consumption. In that fashion, the cycle of production and consumption is closed in a preliminary fashion. [See diagram in Note on National-Income Accounting, page 56.]

Each of the two general classes of output of physical goods is consumed in part either as direct cost of production of physical goods, or as part of aggregate "overhead expense." There are consumer goods consumed by households of goods-producing operatives; there are consumer goods consumed by households whose employment (or, unemployment) is a form of overhead expense. Capital goods are consumed either by production of goods, or in the form of capital goods consumed by activities whose nature is that of overhead expense.

Let us employ the symbols used in Marx's method of national-income accounting, but with significantly different definitions than *Capital* specifies. Accordingly:

- V* The portion of consumer-goods output consumed by households of goods-producing operatives.
- C* The portion of capital-goods output consumed by goods-producing industry, in the form of physical improvements in basic economic infrastructure, and in transportation.
- D* The combined consumption of consumer goods plus capital goods by overhead-expense activities, including households whose employed members' activities fall under this category (including unemployed).

Letting *T* signify total output of goods, we have

$$S = T - (C + V), \quad \text{as the gross profit of production.}$$

$$S' = T - (C + D + V), \quad \text{as society's net operating profit of total production.}$$

From these, we derive the following basic accounting ratios, which may be described as indicated here.

- S/V Gross Profit ratio;
- $S/(C + V)$ Productivity;
- $S'/(C + V)$ Rate of Operating Profit;
- C/V "Organic Composition" of Capitals employed in production of goods;
- $D/(C + V)$ Expense ratio.

These data and ratios, together with meaningful subdivisions of the categories of data, constitute the general, inclusive basis for National-Income Accounting. Substituting prices for quantities completes the picture. [See Note on National-Income Accounting, page 56.]

That with the finer subdivisions implied, is the outer limit of accounting practice, beyond which limit no accountant should tread. At this point, economics takes over. We now identify some among the most crucial considerations of economics, to draw more clearly the line of division between accounting and economics.

Economic science begins with the injunction of the Book of Genesis. In the language employed for translation of this passage by Pope John Paul II's encyclical, *Laborem Exercens*, man is admonished to "Be fruitful and multiply, and fill the earth and subdue it."² Since the Neapolitan school of Tomaso Campanella, this has been measured as the increase in population density made possible by increase of the per capita productive powers of labor. This was more rigorously defined by Leibniz in his establishment of economics as a science.³ We compare the productive powers of labor, by comparing the rates of output of labor for varying qualities of heat-powered machines, comparing these with raw human muscle labor and muscle labor augmented by animal power, or water and wind power. We compare such increases in productive power of labor with increases in the potential relative population density of the society caused by improvements in productive powers of labor.

From the point of Leibniz's first establishment of economics as a science, the division between economics and thermodynamics ceased to exist to all practical intents and purposes. The use of the heat-powered machine and application of chemical energy sources to the soil, etc., have forced this connection to the foreground of our attention. No competent study of economy is possible today without directly measuring the putative throughput of usable energy stocks, as in kilowatt hours, for example, both per square kilometer of inhabited area and per capita. Today, such power transmitted through cross-sectional area of any process is often measured in this same way as what we term *energy-flux density*. We apply this measurement to the society as a whole, and also to the cross-sectional work-area per capita in production.

From this general vantage point of economic sci-

ence, we turn our attention to the data and ratios of national-income accounting.

The ratio which becomes the center of our attention is the rate of profit. This could be expressed as either $S'/(C+V+D)$, or approximately as $S'/(C+V)$. Since overhead expenses include variable proportions of waste, and, for other reasons, vary not in proportion to *necessary* levels of administrative and service costs, we employ the ratio $S'/(C+V)$ in the methods employed by this writer and his associates, specifying that growth of D per capita in society must be slower than per capita S .

Economic science proceeds by examining this ratio, $S'/(C+V)$, as being implicitly a characteristic ratio of a thermodynamic function.

In textbook thermodynamics, we apportion the total energy-throughput of the phase-space under examination into two general sub-categories. The portion of this energy-throughput consumed simply to prevent the process from "running down," we often name "the energy of the system." If a residue of the total energy-throughput exists after deducting energy of the system, we treat that residue as "free energy" of the process. This free energy represents the capacity of the process to perform net work on something outside the process itself, without "running itself down" in that effort. This free energy may also be applied to raising the level of the process in which it appears. The latter option describes a closed system of the kind we must examine in study of economic processes.

In the ratio, $S'/(C+V+D)$, $(C+V+D)$ corresponds to energy of the system, and S' to the free energy. In making such a comparison, we are implying that we could convert all of the material consumed by households and production processes into an equivalent number of kilowatt hours. Then, S' represents a margin, measurable in kilowatt hours, in excess of the kilowatt hours consumed by the population and its production. If we follow this comparison through to its logical conclusion, we would measure the performance of an economy in terms of "energy payback": How soon does production give more energy back to the society than it consumes?

The segment of S' which occupies our attention is the portion of S' "reinvested" in the economy, to the effect of both expanding the scale of production and increasing its productive output per capita. This "reinvestment" occurs, in part, by allotting the margin of consumer-goods and capital-goods output corresponding to S' to expanding the scale of employment of labor in production, and, also in part, to increasing the productivity of labor previously employed. Continuing to ignore the money prices assigned, let us assume that we measure these changes in terms of energy-flux density. In that case, the normal correlative of an increase in productivity is of the form of an

increase in per capita-operative values for the ratio C/V .

On condition that the ratio $S/(C+V)$ increases more rapidly than the ratio $D/(C+V)$, the ratio $S'/(C+V)$ increases. Since $C = kV$, the expression for rate of profit becomes $S'/(V+kV)$, or $S'/V(1+k)$.

This advancement in productive powers of labor requires an increase in the energy content of per capita consumption, as reflected as a factor of cost of per capita V . It is also required, generally, that the factor $(1+k)$ must increase simultaneously as a correlate of increase in per capita energy content of V . If we attempt to explain this in terms of fixed accounting ratios, or the corresponding systems of linear algebraic expressions, the investment of S' to produce such an effect would appear to be an impossibility. Yet, this seemingly impossible result is precisely what does occur under conditions that the "reinvestment" of S' is premised upon a continuing rise in the level of technology. This was recognized to be the crucial fact of economic science by Leibniz, who invented the term *technology* in the course of developing the notions of *work* and *power*, both for economic science and for thermodynamics. *Economic science is the science of technology.*

There is a second major consideration shaping our view of economic science as thermodynamics. In the production of tangible goods, the initial step of production is the producing of raw materials from raw or improved natural resources. The combined costs of improving a natural resource, such as agricultural land, and extracting raw materials from it, such as agricultural produce, are a percentile of the total costs of production. All of the tangible products produced are either consumable raw materials, such as agricultural produce, or are worked up into the form of final products as consumer goods or capital goods. Once we have determined an average market basket of consumption, both per capita for households and for the average work place of production, we have stipulated a corresponding total quantity of each kind of raw material. The production of these quantities, using existing production techniques, requires a definite quantity of labor. This quantity decreases as productive techniques improve, but this quantity of required labor increases as the natural resources employed become, on the average, poorer or are situated more remotely from the place at which raw materials are required. If the market basket's required quantity of raw materials were to remain fixed, advances in technology lower the percentile of the total labor force required for producing raw materials. As the best natural resources are depleted, the percentile of the total labor force required to produce raw-materials needs increases.

For this and derivative reasons, any society practicing zero technological growth must collapse. Without

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advances in technology, society is being brought to collapse. Technological progress, in first approximation, raises the productivity of labor, tending to offset the cost rises caused by depletion, at the worst. Higher rates of technological progress solve the problem. What we term technological breakthroughs, redefine natural resources in a way which is to the qualitative advantage of society.

Therefore, we know that society's survival depends upon those continuing increases in productive powers of labor made possible through scientific progress's contributions in the guise of advances in productive and other technologies. Insofar as economic science acknowledges that its task is to identify policies necessary for the successful survival of society, the *net work* accomplished by production as a whole is to be measured as increasing values for $S'/(C+V)$, under the condition that the energy-flux density of labor is rising in correlation with those increases in productivity.

Administration and services, as components of overhead expense, are categorically necessary for maintaining and improving production of tangible goods. In services, for example, the benefits of science and engineering for production are the most obvious illustration. The function of education and medicine in fostering the productive potentials of the households and labor force is another obvious illustration. As technology advances, the importance and relative social cost of these services increase. The positive, necessary functions of administration are also clear. Yet, it would be wrong to classify these necessary expenses as "productive" in the same sense we class as "productive" the work of operatives in the production of goods. The benefit such expenses contribute to the net work of society, to the society's survival, is reflected as the increase of the productive potential of goods-producing operatives. To add "services" as an output of an economy to its output of tangible goods is an embezzler's trick of counting the services consumed as a "raw material" of production of goods twice.

This is one of the key points in *Capital*, including Volumes II, III, and *Theories of Surplus Value*, on which Karl Marx is consistently wrong, as well as saying at several locations something directly opposite to what he flatly asserts in other locations. Marx's argument on this point, in *Capital* I, is that "productive labor" is

that which produces *surplus value*. By this, he means that the income gained by employment of this labor is greater than the direct costs of employing that labor. Implicitly, according to his doctrine, a prostitute working profitably for a pimp is "productive labor," whereas a man repairing his own automobile, even as efficiently as a garage mechanic, is not "productive."

The issue for Marx, on this point and many others, is that all among the leading economists of continental Europe and the United States, at least into the 1860s, concur with this writer, that the criteria of performance of an economy must be judged only from the standpoint of the national economy considered as an indivisible whole, and from the standpoint of what Leibniz defines as "physical economy." The problem posed to a capitalist economy, as Franklin, Hamilton, Carey, List, et al. recognized this point, is to devise a system of issuance and regulation of currency, debt and credit, in which the fiscal and monetary processes of the economy behave in a manner required by improvement of the economy as a physical economy. Marx is fascinated with the fact that a physical economy can be isolated for abstract study, in a manner which is relatively independent of fiscal and monetary matters. In this aspect of his work, he *threatens* repeatedly to become something more than an accountant, to become an economist. His commitment to defense of the British System against economic science's criticisms of that system, impels him to return repeatedly to the money side of the economic process, and to treat the processes of currency issue, credit, rent, usury, and banking occurring within the British System, as the only lawful mode of financial organization of a capitalist economy.

In the final analysis, as in the chapters on the subject of "Internal Contradictions," in *Capital* III, he recognizes that it is the conflict between the monetary and physical processes of the British economy which causes the business cycle and threatened breakdown of that system, but he explains the causes for this conflict wrongly, and refuses to consider that a reform of the financial side of the British System would produce a form of capitalism free of these cyclical "contradictions."

Although he poses to himself many of the interesting questions which ought to be considered, as long as his attention is focused on the physical side of the

processes of production and distribution, he otherwise spoils each promising definition of the categories of production. This spoiling occurs in his effort to make these accounting categories and ratios consistent with his defense of the monetary and credit institutions of the British System. Had he been posed the task of re-examining physical economy's characteristics under a communist system, perhaps he might have produced a better treatment of the economy as a whole, as a "Veteran of the War" argues this in the manuscript. He would never permit himself to be led into any inquiry whose outcome permitted the application of such inquiry to benefit the capitalist system in an American System form.

For this and related reasons, Karl Marx is merely an accountant of national-income accounting, and not an economist in Leibniz's sense of economic science. This spoils his accounting practice, but leaves his readers with a system which, although defective to the point of being unusable in that form, is sufficiently close to the proper accounting system that his work on national-income accounting was destined to become influential under the special circumstances in international finance established during the 1870s.

These circumstances are so crucial for the point that we must briefly identify them here.

The British agent's assassination of President Abraham Lincoln had immediate and continuing disastrous effects on the United States comparable to, but exceeding the calamities unleashed by the assassination of President McKinley and premature death of Franklin Roosevelt later.⁴ The British motive for directing the assassination of Lincoln at the close of the war, was to prevent Lincoln from conducting his projected rapid development of the railways, industries and agriculture of the temporarily occupied Southern states, to accord those states the advantages within the United States "as if they had never left it."⁵ The British and their assets among the leading financial families of Manhattan and New England, many of whom, like August Belmont, had organized the Confederate insurrection, were determined to have the spoils of war. The pathetic President Andrew Johnson unleashed the "carpetbaggers," and his successor, a President Grant held in the grip of the same bankers profiting, in New York, from looting the South, gave this part of British influence in

the United States free play, to the point that the bankrupting of Jay Cooke left the New York crowd in control of our national credit.

Under these circumstances of the 1870s, during the period from 1876 to 1879, the British destroyed the sovereignty of the United States over its own public currency, debt, and credit. This treasonous accomplishment by Britain's New York banking agents was known as the Specie Resumption Act, which denied the United States its constitutional sovereignty in the issuing of U.S. Treasury currency notes, and made the government effectively subject to the will of the Anglo-Swiss Lombards and such agents as Morgan and Belmont.⁶

This was preceded and accompanied by the rise of Bismarck and ruin of France, over the period 1860 to 1871. Bismarck's appointment as Prussia's Chancellor has been documented in recent years, as arranged through the Rothschilds and Benjamin Disraeli, on behalf of the Anglo-Swiss interest. As a price for this support, and support in the war with Austria, the war against Napoleon III, and the unification of Germany, the Anglo-Swiss exacted a great price from Germany, its restive submission to Anglo-Swiss interest on some key points of policy. The British and the Jesuits unified their respective Jacobin assets, the Eisenachers and Lasalleans, at the 1875 unification congress of Gotha, forming the Social Democratic Party under British asset August Bebel. The so-called "imperialist" Treaty of Berlin established de facto Anglo-Swiss control over international credit, debt, and trade.⁷

The American System enjoyed restive support in parts of Latin America, in Japan, within Germany, and elsewhere, but the Anglo-Swiss Lombard bankers held the controlling margin throughout the world. As a result, the Anglo-Swiss Lombards imposed their political-economic dogmas upon indebted nations and commerce, while the Anglo-Swiss, manufacturing fictitious currency with their banking system's "Keynesian multiplier," used that fraudulent minting of credit to buy up choice portions of the United States and of other portions of the world.

During the same period, British political economy degenerated in quality from the nadir already established by Smith, Malthus, and Ricardo. The standpoint of production represented in part in Ricardo, was

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excluded axiomatically from the new, marginal-utility dogmas which John S. Mill and William Jevons based explicitly upon Jeremy Bentham's hedonistic calculus. So came the apologists for pure rentier-financier lunacy, Alfred Marshall, John M. Keynes, and such Chicago Fabians as Mitchell and lately Friedman. In this circumstance, Marx's *Capital* filled a vacuum in British academic life. Marx's analysis of the British System became the resource employed to fill up the vacuum, respecting national-income accounting, decreed by the marginal utilitarians. So, Marx's *Capital* became interchangeably a handbook for imperialism and a manual for socialist revolutionaries.⁸

Marx and Natural Science

In the course of *Capital II*, Marx presents himself as a true forerunner of the version of "systems analysis" distributed from Cambridge University's King's College by Lord Kaldor and his associates. Not irrelevantly, these circles profess to be the world's authorities on the integration of the doctrines of Marx and Keynes, and are, together with the Fabian Society's London School of Economics, the purveyors of British Marxism to the putative anti-imperialist leftists of Her Majesty's imperial Commonwealth, as well as credulous fools everywhere.

This doctrine of systems analysis issued from the Cambridge Apostles' circles, coincides in essential features with the specification for "econometrics" provided during the 1930s by the late John von Neumann. This model presumes zero technological growth, a principle embedded in the construction of "mathematical models" based on systems of linear expressions. This intrinsic incompetence of all existing "econometrics" or "systems analysis," as demonstrated by the recent years' performance of such forecasting services, is identical to the incompetence of Marx's efforts to construct a similar form of "linear systems analysis" in *Capital II*.⁹

We indicated above, that the continued existence of a modern economy is impossible by mere investment alone. There must be a continuous injection of relatively more advanced technologies. The *net work* accomplished by the sum of the activities within an economy as a whole, we showed, can be nothing but an increase in the productive powers of labor of the economy as a whole, when the expression $S'/(C+V)$ is interpreted for measurement in terms of "energy payback." This method of economic science is implicitly developed by Leibniz, as we indicated. The fact that Leibniz's term, *technology* was translated into French usage as *polytechnique*, properly implies that the establishment of the Ecole Polytechnique in 1794, by Lazare Carnot and his former teacher, Gaspard Monge, was intended to create a "science driver" for the French

economy's rapid development according to Leibniz's economic-science principles.

A thermodynamic system of the form which is running down,¹⁰ like a clock whose mainspring is winding down, would have the characteristic form of a function for $S'/(C+V)$ in which the ratio was reaching the value of "0" and thereafter becoming increasingly negative. Such a condition is termed *entropy*. For obvious reasons, a process in which the function describes an increasing value of that ratio, is *relatively negentropic*. If it is a closed system, in which the values of $(C+V)$ are increased by "reinvestment" of a substantial portion of S' in each cycle, then the energy-flux density values of V must be increasing while the ratio of C/V is also increasing. The function which describes rising values for the ratio $S'/(C+V)$ under these conditions for a closed system, is an *absolutely negentropic* system.

The analysis of such thermodynamic functions cannot be accomplished by means of mathematical procedures premised on an axiomatic algebraic basis, such as that associated with Descartes, Newton, Cauchy, Maxwell, et al. The well-known anomalies of Maxwell's work, most notably the "field-particle paradox" intrinsic to it, are an illustration of this. The "clock-winder paradox" in Newton's system, to which Leibniz refers on this point in the Leibniz-Clarke-Newton controversy, is the same fallacy as Maxwell's seen in a different form. To the extent Marx has any knowledge of mathematics, he is a beginner-student in axiomatic algebra.¹¹

The problem and its basic feasible solution, have been understood among leading natural scientists, since Leonardo da Vinci's work on convex-mirror perspective and hydrodynamics. As Kepler examined the same matter later, from the standpoint of Platonic harmonics, all living systems are distinguished by self-similar growth and morphology of function, based on the harmonic intervals associated with the inscription of a regular pentagon within the monochord defined by the circumference of a circle, the fifth. These living systems are of the same general form of mathematical function as a closed system exhibiting absolute negentropy. (It should not be astonishing that a living organism, a human society, might exhibit the same functional feature thermodynamically.)¹²

The methods of geometrical analysis set into motion by Cusa's initial explorations of the fundamental principle of topology, lead into the successive steps of elaboration of synthetic geometry by one of Riemann's teachers, Jacob Steiner, during the nineteenth century. Retrospectively, looking backward in the development of science since Plato, from the vantage point of Dirichlet, Steiner, Riemann et al. at Berlin and Göttingen during the nineteenth century, we can say that the principles of synthetic geometry as we know them

today are a reflection of the development of those principles over many centuries earlier. The work of da Vinci, Kepler, Desargues, Fermat, Pascal, Huyghens, Leibniz, Euler, Monge, Legendre, Fourier, the Carnots, Poncelet, Gauss, Dirichlet, Weierstrass, Riemann et al. can not be understood except from this vantage-point. Herein lies the basic solution to the problem in thermodynamics posed to us by characteristic features of economic processes.

In modern mathematics, there have existed two mutually exclusive notions of mathematical method. The one, as noted, is premised on the belief that the counting numbers are the primitive root of mathematics, and the belief that logical operations, premised on primitive notions of greater and smaller, using these numbers, is implicitly the entirety of possible mathematics. The opposing view, exemplified by the proposition of Plato's *Timaeus*, is that mathematics is based exclusively on purely geometric considerations. The notes supplied to the manuscript of "A Veteran of the War" describe the general history of this geometric standpoint. The current of continental science, from Cusa into Riemann and his contemporaries, has been based entirely on the development of the geometric approach originally located in Plato's *Timaeus*.

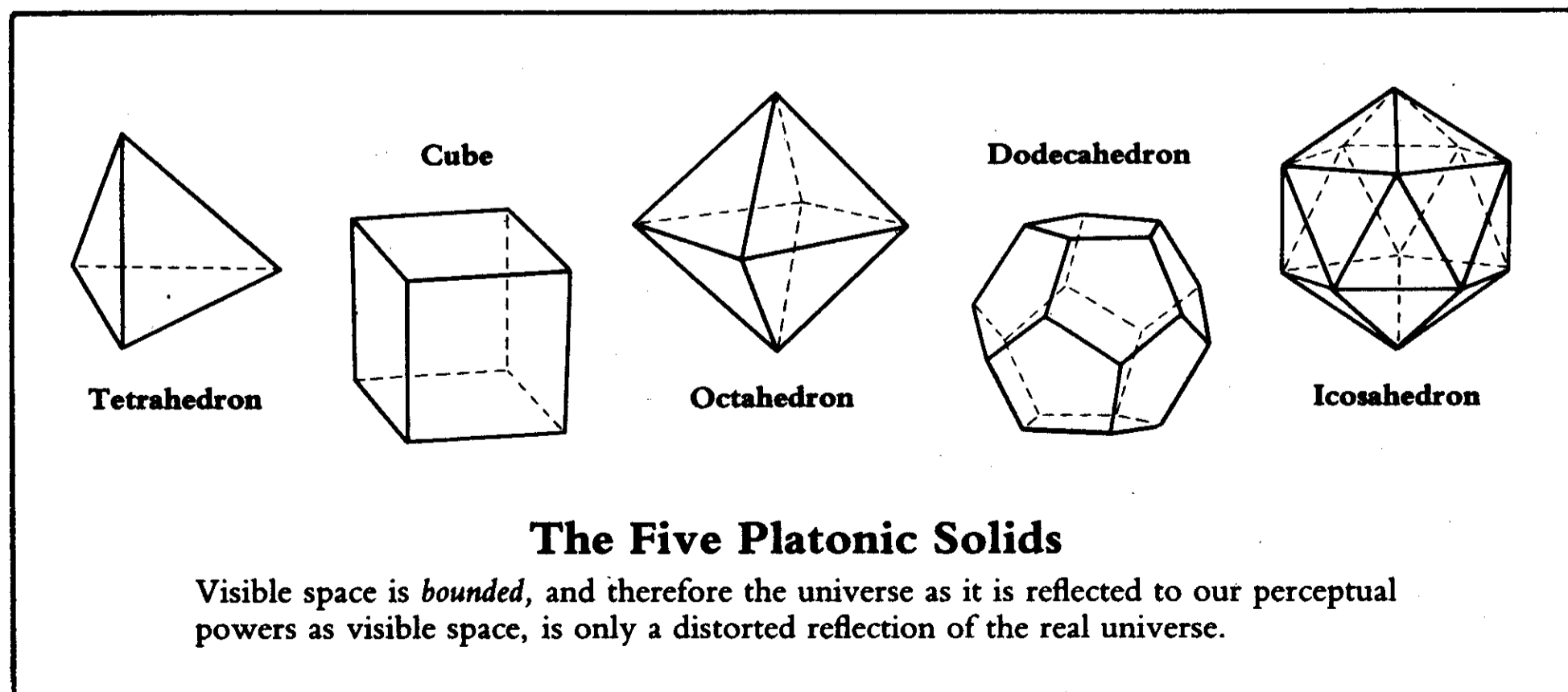
It has been among the chief of the advantages this writer has enjoyed in his life, to have discovered that the standpoint in physics identified by Professor Riemann's habilitation dissertation of 1854, "On The Hypotheses Which Underlie Geometry," specifies implicitly the solution to the problem of economic science as we have restated that problem in foregoing summary. By posing a definition of negentropy, as described above, as the characteristic feature of economic processes, this writer was able to recognize, in 1952,

that Riemann had implicitly presented a method for solution to the problem.

We shall briefly identify such leading features of his discovery and its outcome as enable us to deliver a conclusive statement on the appearance of Marx's mathematical incompetence, as a crucial feature of his *Capital*. We shall be as rudimentary as possible.

Plato's treatment of the five Platonic solids states the most fundamental principle of all natural science, the notion of a *geometrically bounded visible universe*. It is the ability of a student to grasp the conception of such a species of boundary, which is the indispensable precondition for developing a scientist capable of rigorous solution to the more fundamental problems of science. It is a notion of which Marx had no knowledge. The fact that the laws of visible space (i.e., Euclidean space) are such that only five kinds of regular polyhedral solids can be constructed within it, signifies that that visible space is *bounded* by limits of principle embedded everywhere within it. In other words, it is implied by this that it might be possible for us to imagine a different space, ruled by principles of geometry as rigorously efficient as those of Euclidean space, in which a different number of regular polyhedral solids might be constructed. The difference between the space we have, and the other kinds of space which might conceivably exist, is the boundary, the bounded character of visible, or Euclidean space.

It is sufficient merely to state, without incurring the extended discussion this implies, that this consideration of boundary proves implicitly that the universe, as it is reflected to our perceptual powers as visible space, is only a distorted reflection of the real universe. It follows from this, that to know the real universe, we must prove that the visible universe is distorted in



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a way which can be known; only if that is possible, is it possible that we might "undistort" what we see, to arrive at a corrected notion corresponding to the unseen, undistorted universe. Is this impossible by definition? Plato insists that it is a solvable problem. He states the case, that the harmonic divisions of the circumference of a circle, produced by inscribing the regular polygons which are the facets of the platonic solids, are the key to understanding the distortion. The harmonic relationships so defined among the divisions of the circle's circumference by the equilateral triangle, square and pentagon, are the key to this.

Cusa, reflecting on the work of both Plato and Plato's follower, Archimedes, introduced first the discovery which is the root of all modern mathematics. The circle is not the product of a point and line. The circle is the only primitive existence in visible space. The straight line is determined and defined by folding a circle against itself, and the point is determined and defined by folding the half-circle against itself. This discovery by Cusa is the root of what is called synthetic geometry, and the derived branch of mathematics, established first by Leibniz, called *topology*.¹³ We say that the straight line and the point are not "self-evident" existences, but are "created" by the circle, and are so defined as determined, not "self-evident" existences. Straight lines and points are properties generated by the existence of circles, or, in other words, are geometrical (mathematical) *singularities*. "Straight lines" and "points" are "created" by circles, not the reverse. It is not the place, here, to argue the proof for this; we are occupied here, in explaining to the layman-reader what the issues are in connection with Marx's method.

In modern times, as the codices of Leonardo have appeared from hiding in private collections and are closely analyzed by a wider range of scholars, we have only begun to discover that many of the things commonly believed earlier among scholars and scientists to have been original discoveries of the seventeenth and eighteenth centuries were presented then as elaborations of conceptions known to Huyghens et al. as discoveries made by Leonardo. In some cases, conceptions in hydrodynamics, for example, believed to have been original discoveries of the nineteenth and even the twentieth centuries were already made by Leonardo in a rigorous form of statement centuries

earlier. Leonardo had displayed the qualities of true genius in Florence, but his earth-shaking efflorescence occurred in Milan, during the period of his close collaboration with a student of the work of Cusa, Luca Pacioli. The greatest density of those discoveries on which modern science depends, was effected during that period, either by Leonardo or in close collaboration with him.¹⁴

The central hypothesis, posed by Plato in the *Timaeus*, and explored by Leonardo et al., wanted a conclusive proof. Was the universe in general governed by harmonic principles derived from the notions of the five platonic solids? Could this be demonstrated empirically to the degree that no contrary hypothesis was admissible? Kepler settled the issue for once and for all. The answer was: "Plato's judgment is the only possible conclusion." The solar orbits are harmonically determined to such a degree, that this suffices to prove finally and conclusively that Plato was correct.¹⁵ Kepler's proof and related work, conjoined with the work of Desargues, Fermat and Pascal, is the core of modern science.

To make short of a long and exciting internal history of science, the work of Leonhard Euler et al., at the Russian Petrograd Academy designed by Leibniz, the work of such followers of Leibniz as Karl Gauss of Göttingen University, and by the Ecole Polytechnique of 1794-1815 and its transplantation to Humboldt's project at Berlin, culminated in the discoveries which Bernhard Riemann completed with excellent approximation in Göttingen and Italy, under the influence of Legendre, Gauss, Steiner, Dirichlet and the electrodynamicist Weber. Riemann's 1854 habilitation dissertation, already noted, his work on electrodynamics, his notion of "Dirichlet's Principle," his notion of a Riemann surface, derived as an elaboration of Dirichlet's Principle, his 1859 paper showing how sonic booms would be generated by future supersonic aircraft, and his work with Professor Betti in Italy, are the point of reference to which work on the frontiers of relativistic physics is obliged to base its starting-point of reference today.¹⁶

In Riemann's universe, which Riemann elaborated during a period of Marx's adult lifetime (1854-1866), reality is divided into two aspects. These are the visible universe of particles in motion (the discrete manifold),

and the real universe, of which the discrete manifold is merely a distorted reflection (the continuous manifold). The harmonic ordering of the reflections (in the discrete manifold) is such that to construct the reflected real universe (the continuous manifold), we must account for what is reflected in terms of functions of a complex variable compound variable function featuring the "imaginary" values associated with the roots of "-1" in one term.

We construct the simplest geometrical model for this relationship by constructing a spiral on the outer slanted surface of a cone, using procedures which depend upon nothing but the principles of Steiner's synthetic geometry. Looking at the image of such a spiral projected onto the base of such a cone, we have the image of Archimedes' spiral, in which the Golden Section based on the harmonic interval of the fifth (pentagon) is characteristic. From the side view, if the apex angle of the cone is sufficiently small, we see the spiral as a hydrodynamic sine wave. If we cut the cone with a plane, from the bottom of one cycle of one rotation of the spiral, to the uppermost position of the next cycle of the rotation of the spiral, we define a meaningful ellipse, and measure spiral action within the cone in terms of harmonic elliptical functions.

This synthetical-geometrical construction introduces the student to the physical significance of functions of a complex variable. By superimposing upon one such conical spiral, the spirals of other, similarly constructed cones, we show by reference to the determined points of intersections of the spirals, that a truly "random" ordering in the universe does not exist except as an optical illusion, a fact which is implicitly a fundamental refutation of the doctrine of the "magically" "invisible hand" of "free trade" in Adam Smith's philippic against Franklin and Colbert.

This leads us beyond simple conical constructions, to cones whose sides are curved in a complicated, but lawful manner. This provides us a general idea of the repertoire of constructions by which we may create the imaginary geometry for the unseen physical space of which visible space is merely a reflected (projected) image.

Our general method, after appreciating what these exercises signify, is to follow what Riemann identifies as Lejeune Dirichlet's Principle, to synthesize the geometrical model of complex-function hyperspace, which is the minimal complex hyperspace needed to account for all of the singularities manifest by the subject phenomena of visible space.

This leads us to the following procedure. The number of degrees of singularity in phenomena observed in visible space, defines what we term usually a phase-space. The metrical qualities associated with the effort to measure cause-effect relations among the phenomena, impel us to apply the Pythagorean theo-

rem to the imaginary hyper-triangular figure of assumed phase-space. What interests us is the case in which the phase-space so defined undergoes a qualitative transformation, such that the number of degrees of freedom (assumed dimensions) of phase-space are either increased or decreased in the course of some completed action being observed. Such phenomena are the primitive subject matter of what is termed *relativistic physics*. In the case that the number is increased, the characteristic action observed is *negentropic*.

That implication of Riemann's preliminary statement of his general program for revolutionizing mathematical physics, in his 1854 habilitation dissertation, is the key to the formal (mathematical) solution of the key problem of economic science.

In the cited 1859 paper by Riemann, "On the Propagation of Plane Air Waves of Finite Magnitude," in which he predicted the propagation of "sonic booms" by supersonic aircraft, Riemann resorts to the simplest case, in which the world-line of the hydrodynamic action is generated on a plane surface which is generated by a cylinder of indefinite (infinite) extension. This cylinder must be thought of as a cone with a very small apex angle. The "shock-wave front" generated, when the apex of the sine-wave overtakes the trough of the same wave under specified conditions, generates a singularity, such that the experimental phase-space has thereafter acquired an additional degree of freedom, such that the metrical qualities of that phase-space are altered, but harmonically.

The fact that "sonic booms" are generated in this manner has the same general order of significance as Kepler's proof for the harmonic determination of the solar orbits earlier. It proves, in a new degree of examination of the matter, that our universe is composed as Plato adduced from the evidence of the uniqueness of construction of the five platonic solids.

For Marx, by contrast, the discrete manifold of sense-certainty is self-evidently an image of the universe as Marx presumes it to exist. He, like Hegel before him, adopts the image of the universe of René Descartes, and seeks to explain away the anomalies intrinsic to the Cartesian image of the universe, by introducing arbitrarily the sophist's notion of immanent ("dialectical") contradiction as an attribute of the objects of sense-certainty. Hence, Marx's choice of the "cell form."

During the years this writer taught a one-semester course at various locations, 1966-1973, the included feature of the course, used to explode the false idea of a "cell form," was an early item in the classroom lecture program, a topic which he entitled a "world-wide cup of coffee." If one asks an industrial engineer to trace out all of the streams of production by which the grown coffee is delivered and processed from any part of the world, and prepared to service to a customer

in an ordinary diner, the essence of the problem becomes clear. When one estimates the cost of growing, shipping, and so forth, up to the brewing machine, the production and shipment, and cleaning of the cup and saucer used, the spoon, the sugar, the milk, taking into account the production of the quality of capital goods required to perform each function with a given efficiency, it becomes clear quickly, than any "cell form" approach to examining an economy is intrinsically absurd. The simplest act of final production is a worldwide historical act. *The most primitive condition respecting any feature of an economy, is not the smallest feature which might be isolated, but is the most universal.*

The cost of production of anything in the world is determined as a necessary cost, both by the quality of productivity of labor at each point in the network of upstream activities, and the conditions of improved infrastructure and equipment and materials of production brought to bear at each point in such a network. To improve the performance (e.g., productivity) of that network requires an expenditure of limited total resources available for such allotment to investment. It is the potential for such allotment (the total available), and the relative impact (increase in productivity) of alternative allotments of that limited whole upon the whole network of production, which is the primitive and universal relationship within the economy.

It would be flatly wrong to suggest that Marx disagrees entirely with what we have just written respecting the "worldwide cup of coffee." He made some similar kinds of observations in his review of the *tableau economique* of the Jesuit Physiocrat, Dr. Quesnay. In other locations, notably the opening dozen paragraphs or so in his "Ludwig Feuerbach" portion of *The German Ideology*, and, less elaborated, in the closing section of his *Capital III*, he locates freedom as that power for discovery which, through practice of discoveries, provides lawful (necessary) solutions to depletion of the existing material conditions of production, and so leads man upward in development of his powers, and in elaborating the form of society. Excepting Marx's several blunders in giving so much undeserved credit to Quesnay, Marx is correct on his point—to this degree. This writer has praised Marx on this point in classrooms of the past, and would defend

Marx's efforts on this specific point today. Had Marx been presented the restatement of the *problem* of development, the problem of technology, more or less as that was described above, Marx would certainly have adopted that, *on condition that his suspicions were not aroused.*

It is the solution to the stated problem which Marx would reject. The existence of a solution was not known to him in the form this writer has elaborated what is known today as the LaRouche-Riemann method. Nonetheless, Marx did reject and attack proposed solutions representing the same philosophical-methodological standpoint on which the writer's solution rests.

This is part of the evidence from internal features of Marx's writings which indicate Marx had been "brainwashed" during his stay at Berlin. His obsessive rejection of the variety of solutions to which his statement of the problem must lead him, if he were methodologically consistent, presents us with a form of hysteria which occurs either in victims of "behavioral modification" or equivalent forms of psychopathology. If a "high grade" intellect, as Marx showed himself to be in a matriculation essay written in 1835 for Director Wyttenbach's class, is "brainwashed" to the purpose of altering part of the "belief structure" in his established, coherent intellectual life, the result must be a manifest "schizophrenia" in his intellectual life thereafter. On condition that the "self-interests" of the superimposed beliefs are not threatened, the victim will often behave like the person he was prior to the "brainwashing." Threaten the "self-interest" of the pathologically induced points of belief, and Dr. Jekyll is transformed therewith into Mr. Hyde.

In modern decades, the modes of brainwashing (or, euphemistically, "behavioral modification") associated with producing such "personality change" are chiefly those developed by the pre-1939 London Tavistock Clinic, under Brigadier Dr. John Rawlings Rees and Dr. Eric Trist, et al., and as developed further, with aid of use of psychotropics, such as ergotamine derivatives, by the London Tavistock Institute's international networks of "Reesian shocktroops" during the postwar period. This latter has been an accelerated activity since the work of the British MK-Ultra project

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centered at Palo Alto during the 1950s, and the attention to Korean War methods of brainwashing by the same network of "Reesian shocktroops" during that and later periods.

However, the principles of that behavioral-modification method, and the application of those principles, are not new. The Jesuit's Spiritual Exercises are the same kind of induced "behavioral modification," whose psychotropic principles are consistent with the Isis-cult program, in the manner rightly recognized by the author of the manuscript. These are "Phoenician methods," which the Jesuits embedded in Ashmole's and related work in developing the Scottish Rite. In stating a circumstantial case for Marx's brainwashing (probably) at Berlin, the author of the manuscript is on very strong grounds.¹⁷

In such instances of brainwashing as the evidence bearing on Marx's case indicates, the schizophrenic feature of the victim's intellectual life often expresses itself in a form of intellectual behavior known as "the delphic method," a name adopted by Jesuits and others for that method, a name adopted in reverent admiration for the Theban-Phoenician cult of Apollo at Delphi. This same method is most famous as the central feature of the writings of Aristotle, who was himself an operative on behalf of the temple at Delphi, as well as, in a derived capacity, a spy against Athens for King Philip of Macedon. St. Thomas Aquinas stated more or less as much in effect, in a sermon at the close of his life in which he disavowed his previous work—after which, he was hustled off to isolation, where he died.

This delphic method is otherwise known as the method of *sophistry*, and is also known by reference to an institution of the temple of Delphi at Athens, the school of *rhetoric* of Plato's adversary, and Aristotle's educator, Isocrates. The sophist or rhetorician uses a parody of his adversary's argument in the first part of his exercise. Then, he introduces a "contradiction." This "contradiction" is produced by word play, or nominalist forms of "logic." On this premise, the sophist asserts the opposite of what he seemed to parody, and then elaborates that by repeated drills in

the "logic" of that argument. This is the delphic method which is the essence of Hegel's system, and is displayed in exemplary form in Feuerbach's *The Essence of Christianity*. Feuerbach begins that book with a delphically knowledgeable parody of the doctrine of consubstantiality, and then shifts to present the Christian Trinity as the Holy Family, thereupon superimposing upon the names of Joseph, Mary and Christ, the personalities of the Roman-Ptolemaic form of the cult of Isis.¹⁸

This same delphic method is Marx's "dialectical method," as Tübingen and other Jesuit exponents of the "Christian-Marxist dialogue" have illustrated with a skill in "dialectics" which is not inexplicable. The form of the Isis cult appearing in Ashmolean freemasonry, and the overlap between such freemasonic cults and the Jesuits' ranks, is the key to the issue of freemasonry within the Roman Catholic confession. It is a pagan abomination, St. John's Whore of Babylon, against which Christianity is most directly and entirely counterposed.

The central feature of modern, and ancient brainwashing in the Isis-cult mode, is the hammering away by the brainwasher on the mother-child dependency, both directly and by emphasis upon the unresolved, infantile psycho-sexual problems of the victim. This is the "Great Mother" principle employed by the ancient cult of Dionysos to the purpose of transforming the youth from urban families into terrorist assassins against their own fathers, then, as today, on behalf of the "environmentalist" program of the Phoenician Cadmus and Hesiod.

During the postwar period, there has been an overlap between the creation of cults through Tavistock methods of behavioral modification and an activity known as study of "artificial intelligence." Both activities are linked most prominently through the activities of Dr. Kurt Lewin and the Josiah Macy, Jr., Foundation of the now recently deceased Gregory Bateson and his former wife, Dr. Margaret Mead. Bateson and Mead were accomplices of Bertrand Russell, Robert Hutchins, Aldous Huxley, Karl Korsch, et al., in a project launched in 1938, called the Unifi-

cation of the Sciences project.¹⁹ This project of the Fabian Society was intended to accomplish a set of goals publicized by Russell earlier during the late 1920s. Russell had specified three goals for destruction of civilization from within. First, halting all fundamental progress in natural science. Second, the development of psychotropic chemical substances to alter personalities, as a method of low-cost mass social control. Third, destroying the cognitive potentialities of literate forms of use of languages. These were the objectives of Russell et al. for destruction of the United States from within. MK-Ultra and promotion of "artificial intelligence" were prominent elements of the postwar efforts to implement Russell's program.

One branch of Russell's activities to this purpose, was the establishment of linguistics at the University of Pennsylvania prior to the war. This was a program which Fabian Society operative Karl Korsch, a former leading controller of the Communist Party of 1920s Germany, had been elaborating since the earliest 1930s, beginning with his collaboration with Rudolf Carnap at Berlin. Professor Noam Chomsky, politically an anarchist follower of Korsch, based in the Lewin center at the Massachusetts Institute of Technology, and a product of a Communist family, studied linguistics at the University of Pennsylvania, and his work on linguistics has been crucial for the studies of "artificial intelligence" at MIT's Research Laboratory of Electronics (RLE). The Minsky side of the project took its origin at that place from a project in study of behavior of task-oriented problem-solving groups within the RLE during the late 1940s and early 1950s, a subject in which this writer developed knowledge in 1947, and became expert by opposing the Shannon-Wiener "information theory" doctrine, to the effect of progressing through Georg Cantor and Riemann in the effort to compose a thorough refutation of the Shannon-Wiener doctrine and its von Neumann overlap.

The connections are so interesting, and the overlap so relevant to our point respecting Marx's delphic method, that the principal connections must be identified.

The RLE task-oriented-group project, directed by Dr. Alex Bavelas, was first funded by the Josiah Macy, Jr., Foundation, later by the Air Force, and by a branch of the London Tavistock Institute, the RAND Corporation of Palo Alto, California. The Josiah Macy, Jr., Foundation was directed by a nest including Gregory Bateson and Margaret Mead. It sponsored a series of seminars, whose proceedings were published, and were examined with great, if hostile interest, by this writer during the 1950s. Apart from the standard scattering of unwitting specialists drawn into these exercises, the roster of that Foundation and its seminars continues to be an invaluable part of the writer's counterintelligence dossier against the mass of loath-

some filth Russell et al. have proliferated in our nation. MIT's work on "artificial intelligence" originated in the identified and other projects at the RLE, and has been led by Dr. Marvin Minsky. The naming of a brainwashed chimpanzee "Nim Chimsky," publicly celebrated the collaboration in this matter by Minsky and Chomsky.

The exemplary demonstration of the internal characteristics of "artificial intelligence" is provided by the work of Dr. Kenneth Colby. The simulation of the Minskian "mind" by computer combines the principles of Jeremy Bentham's hedonistic calculus with the Feuerbach Isis-cult program which the author of the manuscript has identified. The result is the mother-fixed schizophrenia from the work of the London Tavistock Clinic's Dr. R. D. Laing. The mind of the "computer" is psychotic, classic schizophrenic.²⁰

The results of Dr. Colby's work are useful, chiefly, in approximating the "mechanisms" operative in a case of a "programmed" Manchurian Candidate variety of "lone assassin." The results are dangerous as well. Given a network of "Reesian shocktroops" variety of psychiatrists, and given the literature from such Reesian psychiatrists in the public domain on the techniques for "programming" a Manchurian Candidate, and given networks of computer records on cases of drug-related, prisoner, and other psychopathologies, the Reesian with access to such records today can reach out to take from a selected part of the recorded population a sampling of those cases best suited for "programming." Colby's work provides, in the most obvious way, a means for monitoring the behavioral modification of the victims.

The characteristic feature of Minskian "artificial intelligence" is that it is intrinsically incapable of mapping the cognitive processes of human intelligence. Colby's work illustrates the point; there is no error in Colby's efforts responsible for this, except the error of assuming that a Minskian program could map actually human intelligence.

We are not implying that Karl Marx was degraded into a Reesian zombie. We are reporting that the damage done to Marx's intellect at Berlin is a form of impairment of his intelligence which would suffice to prevent him from developing certain kinds of conceptions, kinds of conceptions evident in his education at Trier, and reflected in the locations we have identified. This impairment is of such a specific functional quality, that Marx's injured mind would not be capable thereafter of producing or efficiently comprehending the qualities of conception central to the geometrical basis of continental mathematical physics.

The intrinsic incompetence of Dr. John von Neumann's program for econometrics provides the connection. As the pathetic *Theory of Games and Economic Behavior* illustrates Dr. von Neumann's own efforts to

elaborate his axiomatic program for econometrics, the use of a system of linear inequalities in a zero-sum game (a linear equilibrium model) is intrinsically an absurd treatment of the subject matter of actual economies. Economies capable of surviving are negentropic, and the transformations caused both by introduction of improved technologies, or by failure to introduce such improvements, occur as "non-linear" transformations congruent with Riemann's 1859 dissertation on shock-wave propagation.

The injection of improved technologies into society is the work of the human mind. The creative powers of the mind produce the fundamental advances in science upon which depend only less intensely creative innovations in productive and related technologies. The power of a population, as technicians, operatives, administrators, et al., to assimilate such innovations, and to improve upon their application, is also fruit of the same species of cultivated creative powers of mind.

What we know with greatest relative certainty concerning the processes of the human mind, is not based on brain physiology or clinical psychology. The greatest degree of certainty we can possess respecting the lawful composition of mental processes of people depends upon examining the history and pre-history of our species in terms of reference which are at the same time the broadest and also the most profound. In that hunting-and-gathering mode which anthropologists and others speculate to have been our species' most primitive cultural condition, the area of the earth's habitable surface required to sustain an average individual would be between ten and fifteen square kilometers. This signifies that the total population of the earth by our species could never have much exceeded ten million individuals. By the eighteenth century, the population potential had reached a level of between a half-billion and one billion individuals. Today, our population is estimated to be in the order of four and a half billion individuals. With general application of established technologies of infrastructure, mining, manufacturing, construction, and the various branches of agriculture, including farming, forestry, fishing, and so forth, our potential population during the near future is several tens of billions of individuals enjoying living standards comparable to the United States prior to 1971-1974. This transformation in our species' population potential, effected through progress in science and technology generally, is the evidence which exposes the inner secrets of our mental life to us with the greatest degree of relative certainty.

Look at this matter from the standpoint of reference provided to us by the cited injunction from the Book of Genesis. We must progress in technology if mankind is to continue to exist at a higher level of culture than that of the wild beasts. This progress can be effected

in no way but willful changes in our species' behavior, changes which increase the efficient energy-throughput per capita in economic phase-space. Man, per capita, commands a greater amount of whatever might be the total energy-throughput of our universe, increasing his power (dominion) over nature. This signifies that mankind has increased the agreement between its willful practice and the lawful composition of the universe as a whole.

The alterations in general behavior effected with such improvements subsume a required development of the cooperative division of labor, and so require an enlargement of the population. This enlargement requires an acceleration of the rate of improvement, while the increase in the number of minds embodying creative potential makes such acceleration possible.

The creative aspect of mental life, upon which this necessary progress entirely depends, is demonstrated to be negentropic in respect of those transformations which embody a progress from one level of knowledge to a higher level. The exercise of such powers of transformation to the effect of increasing mankind's potential relative population density, is that activity of the mind which coincides *uniquely* with the power for human survival, and also with the most fundamental feature of the lawful composition of our universe. Our universe as a whole is proven to be negentropically ordered as a whole, as Leibniz argued against Descartes and Newton; and Riemann's program for mathematical physics, as identified above, is at worst consistent with this lawful, negentropic ordering.

To cause a machine to replicate the kind of activities which correspond to such mental life, the characteristic of that machine's function (e.g., a computer programming) must be of a negentropic form. By contrast, Marx's doctrine of capitalist political economy is everywhere linear to that degree, like the psychotic parodied by the Chomsky-Minsky variety of program, and by von Neumann's program in econometrics.

We summarize Marx's situation relative to the case we have summarized thus far, and then proceed to the concluding proposition of this criticism.

Marx never corrects what he acknowledges to have been an important omission, the effects of technological progress on the formulation of expressions for expanded reproduction. Although he acknowledges technological advances to be beneficial to capitalism under certain circumstances, to afford it "a new lease on life," he accepts the conditions of stagnation reported for early nineteenth century Britain by Babbage et al. as a demonstration of the necessary disposition of capitalism, to abhor technological progress up to the point it is forced to do so in self-defense against competition, and so forth. That aspect of the British System's monetary processes, which he acknowledges with some appropriateness to be antagonistic to tech-

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nological progress, is for him a necessary trait of David Ricardo's most perfected form of capitalism. Despite his emphasis on labor power, and explicit and implied references to the freedom-and-necessity principle, and despite his emphasis on the same point, in prizing the development of the productive forces, Marx never permits his accounting procedures to escape the confines of a linear model from which sustained technological progress is axiomatically excluded.

A defender of Marx could, with diligent scholarship, produce a long list of citations from Marx's writings which appear to contradict this characterization. The writer has read almost the entirety of Marx's published writings, and is familiar with such citable passages. Marx's defender would prove nothing different than we have reported here. Marx was aware of technological progress, and discussed numerous among its effects descriptively, but he never permits such knowledge to invade the accounting-art of his *Capital*, he never permits his own limited but interesting reflections on technology to lead him into a situation in which his own argument begins to deny the absolute superiority he asserts for the British System over the American System.

Marx's Lost Soul

What Marx excludes from human nature, the exclusion which subsumes his incompetence in scientific method, is man's *soul*. We employ the term, soul, here in the most rigorous sense, as that manifestly efficient quality of human nature which absolutely distinguishes man from the beasts, a *divine* aspect of human nature which yearns for reconciliation with the *Logos*, and through that *Logos* which is sometimes translated from the Greek as Holy Spirit, to effect reconciliation with the Being of that Composer of the universe Who is of the nature (*consubstantial*) as the *Logos* which is the embodiment of His efficient Will in respect to the ordering of all particular things. The soul yearns, in Christian theology, to achieve that consubstantiality with the Composer and *Logos* of Christ, a Christ from whom the *Logos* flows as from the Composer. The soul yearns, implicitly in the Judaism of Philo, as also in Christianity, to achieve for itself the imitation of Christ.

This is no arbitrary introduction of theology. This is the central point at issue for Marx, at least since he became a Feuerbachian at Berlin. Feuerbach's blasphemous attack on Christianity (and implicitly Philo's Judaism), in service to the Isis cult, is key to all of the problematic features of Marx's adult life, his hostility to scientific method included.

The mention of this subject may be a cause of unease to some readers, not only professed atheists and agnostics, but those Christians who have misunderstood their "religious experience" to represent the kind of "personal revelation" which is opposed to an experience of *discovery*. This writer will place no arbitrary limits upon the unknown powers of the Composer of this universe, and, at the same time, does not consider this the occasion to examine Blaise Pascal's arguments on the topic of miracles.

That much said, it is a great error, which must be born of conceit or mere ignorance of the matter, to propose that there was ever a dividing line between Christian theology and science for any among the greatest continental scientists, or for any among those admirers of Philo's work who walked as theologians in the footsteps of St. John and St. Paul. The deepest roots of such theology and such science are one and the same: science is the principle embedded in the *Logos*, become manifest to man's discovery of the lawful composition of the universe. The essence of the Christian religious experience, except as invasions of churches by pagan cults cause confusion on the matter, is one of scientific discovery in the most profound and impassioned sense of such creative discovery.

It was upon this basis in knowledge that Cardinal Nicholas of Cusa established the ecumenical program of the Papacy. The natural law, whether in statecraft or scientific inquiry, is nothing but God's law, as the truth of that law may be discovered with the same authority for practice by the people of any culture, in any place. Hence, the separation of church from state, adopted by the founders of our republic, is not a concession to atheism. It is an ecumenical affirmation of the universality of God's law, as natural law, for all nations and peoples, a notion of law directly opposed to the amorality of the British Common Law. So Leibniz understood and argued the connection between science and theology, and so also Cusa before him.²¹

There are two, interdependent, subordinate propositions embedded in examination of Marx's anti-scientific impulses from this standpoint. The most immediate and primitive, which touches most directly on the individual Christian's religious experience, for example, is the discoverable nature of the individual soul, the conflict between the divine (the soul) and the beast (hedonistic irrationalism) within oneself. It is Marx's denial of his own soul, not merely by profession of atheism, but in a deeper, more fundamental respect, which is key to the shaping of Marx's motives from a point no later than his brainwashing by the influence of Hegel, Savigny, and Feuerbach, at Berlin. The second of the subordinate propositions, is the ordered composition of the universe, as it must appear in one form to the conscious souls inquiring into this matter, and in an opposing form to those British empiricists and others who deny the primacy of the efficiently manifest existence of the soul.

There are no grounds for supposing the existence of the soul to be a form of being confined to the imagination. It is manifest as the efficient difference between man and beast, most directly on this account as those creative powers which produce the progress in science upon which the efficient existence of society depends. The following dialogue identifies the possible causes for confusion on the matter.

"Does man have a soul?"

"I believe I have a soul, and that other men do."

"From whence do you obtain this belief?"

"All good men share in this belief, as the Bible teaches us."

"Could you prove to a heathen who rejects the Bible, that you, personally, have a soul?"

"I can feel the existence of my soul. I know it is there."

"Can you prove it by any means excepting asserting your personal experience of such a feeling?"

That is the gist of the matter; since we have already identified the general basis by means of which the existence of the soul is proven empirically to a point of certainty, we need not examine the dialogue's further elaboration in this location. We resume devel-

opment of the previous point on this topic.

It is the distinguishing activity of the soul, by means of which the existence of the soul is demonstrated as an existence separate from the quality of beasts. The basis for the Christian religious experience—whether or not particular Christians have thought this matter through—is a shift of one's sense of personal identity and most fundamental self-interest, away from the beast within, to those interests embodied in the work of the soul. *The Christian gives up his infantile self*, with its hedonistic irrationalism, and chains the residue of that infantile self, as he would a dangerous beast, to subordinate its beast-like powers to service of the work of the soul.

The Phoenician cults have recognized this central feature of the Christian religious experience, to the effect that Gnosticism invades the churches by aid of a delphic trick of sophistry, which is aimed directly at capturing the religious passion, by transforming the image of Christ into that of the dismembered Horus of the Ptolemaic Isis cult, or something equivalent. In the extreme case, professing Christians are seduced to worship of Lucifer (Apollo), as the leaders of the theosophists and anthroposophists did this. This trick was first attempted as an invasion of Christianity by a Phoenician magician known as Simon Magus, against whose Gnostic (hermeticist) dogma, St. Peter fought at Rome. The Emperor Constantine, in recognizing Christianity as a state religion of the Roman imperial pantheon, appointed a pagan priest, Arius, as a bishop, and launched the form of Gnosticism sometimes reappearing as Christology, Arianism. The monophysite dogmas occurring within the Eastern Rite are similar productions of this same corruption. The appearance of the kind of monophysite doctrine seen in Islam, in the cases of al-Ashari, al-Ghazali, and Ayatollah Khomeini, is a result of the direct extension of monophysite dogmas into Islamic factions' belief under the direction of monophysite factions within the hierarchy of the Byzantine Eastern Rite. If the image of Christ is perverted to become a disguise for Horus, the principle of consubstantiality, i.e., Filioque, is rejected in this way. Unless the Logos flows from Christ as from the Composer, it is something other than the soul which

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The great work of the soul, is to transmit to present and future souls an increase of the potential for accomplishing the work of the soul. This limitless task, this work of the soul passed lovingly from generation to generation, is our true self-interest as individual persons.

is addressed. It is as the Logos flows from Christ and the Composer, that the quality, the activity of the soul is addressed by the image of Christ, and the dedication of the Christian's religious experience then becomes the imitation of Christ on this specific point: the Logos's work must be caused to flow through the soul of the Christian, as it flows from Christ in consubstantiality with the Composer. Destroy that, and Christianity has become something other than Christianity. As to the principles of theology, there is no difference between Philo and the Christians on this central point.

This perversion is precisely the effect of Feuerbach's *The Essence of Christianity* upon Marx at Berlin.

The activity of the soul impinges upon the matter of economic science (to which reference we limit our inquiry here), in the form of what we identified as *net work*, negentropy, above. It is this benefit, as transmitted potentially to the broader society and posterity, which expresses the activity of the soul. This activity is centered in the development of the creative potentialities of the mind, and in the exercise of those potentialities. This benefit is manifest in particular as material benefits to present and future generations, either as material productions accomplished by this means, or as knowledge which enables others to provide such benefits as could not be provided otherwise. These material benefits are but the predicated benefits of the soul's activities upon the matter of economics. The great work of the soul, is to transmit to present and future souls an increase of the potential for accomplishing the work of the soul, as we today have received such increase of our own powers from the work of souls over countless generations who have gone before us. So, the true work of the soul, in its most profound feature, becomes *a work of love*, a lovingness in shared endeavor, which unites us so with the souls of past, present and future, with the divine in past, present, and future generations of our species.

The material benefits of this process are indispensable to existence of our species, and to raise the level of material culture in such a way that our dependency on the beast-like powers for labor is reduced, in favor of a shift toward control over nature by means of our minds, by means of the creative powers of discovery

which are the activity of the soul. Labor, so directed in its self-transformation, serves as the indispensable mediation of the work of the soul, although it is only that mediation.

This limitless task, this work of the soul passed lovingly from generation to generation, is our true self-interest as individual persons. The self-interest of our species as a whole, and our immediate self-interest as individual members of that species, are directly one and the same. That is the self-interest of such philosophers as should be "kings" of republics. That is the self-interest which, expressed as practice of societies and their individual members, is the substance of the natural law, and in the manner we have indicated, a reflection of God's law.

On precisely this point, Karl Marx falls, falling from that standpoint which he reflected in a matriculation essay written under the direction of Johann Wyttenbach in 1835, in Trier. There are many alleged dividing lines among commentators on Marx, between a supposed "young Marx" and a "mature Marx." The only meaningful such division is the separation effected under the influence of Hegel, Savigny, and Feuerbach, most emphatically Feuerbach, at Berlin.

Finally, the second sub-proposition. The only form of anti-Christian doctrine which has appeared in the disguise of being rational, is that of Aristotle. As Philo was among the first to refute Aristotle thoroughly on this point, the fallacy of Aristotle, as his arguments pertain to the universe's composition as a whole, is that he asserts what is today often called a "big bang" doctrine of Creation. He argued that the Creator had simultaneously produced a universe containing a fixed supply of matter and immutable laws, thus rendering the Creator at that instant both omniscient *and impotent*. This is the basis in the work of the cult of Apollo (Lucifer) for the Calvinist doctrine of predestination. This doctrine is immediately, and obviously vulnerable not only to its proto-Nietzschean avowal that God is, to all intents and purposes, dead. It is also vulnerable in the elaboration of Aristotle's system, the true model for the systems of René Descartes and G. W. F. Hegel, among others. The sophisticated character of Aristotle's efforts to elaborate a system is embedded and conclu-

sively demonstrated by his logic.

The Aristotelean syllogism is based on the so-called middle term, a form which properly guides the modern positivists to develop radical algebraic forms of "mathematical logic" along the lines popularized by the evil Bertrand Russell. This construction of the syllogism excludes the notion of *causality* as we know causality, for example, in experimental physics.

A brief dossier on Aristotle and his influence is essential to understand Hegel, Savigny, Feuerbach, and Marx, since the Hegelian and Marxian "dialectic," in particular, are derivations from Plato's adversary, the form of sophistry which Aristotle adopts as "dialectics."

Aristotle appears in history as a student assigned to Isocrates' school of rhetoric in Athens, and is later assigned to Plato's Academy at Athens as a spy. He later, after Plato's death, has cause to flee for his life from Athens, when it is discovered that he has been a spy for King Philip of Macedon (as was also another associate of the school of rhetoric, Philip's paid provocateur, Demosthenes). This and the later parts of his career were directed by the Temple of Apollo at Delphi, near the Phoenician colony of Thebes. The cult of Apollo was in the strictest sense a Phoenician cult, interchangeable with the figure of Horus in the Isis cult of the Ptolemaic and Roman periods. The cult of Apollo was variously a center of covert intelligence operations, a cult as such, and the principal usurer of the Mediterranean of the period. It controlled the republic of Rome as its instrument of policy through a branch of the temple of Delphi at Rome. The agents, intelligence operatives and debt collectors for Delphi were the Peripatetics, a name which best implies their wide-ranged activities of troublemaking and usury. Aristotle was an accomplice of King Philip of Macedon in the plots to conquer Greece, all as part of a larger scheme, later disrupted by Alexander the Great, to create a Mediterranean-wide, Western Division of the Persian Empire, to the west of the Euphrates River. On all issues, he was an enemy of Plato and the projects of the Academy at Athens.

The secret of Aristotle's political character, as far as his own surviving writings attest this, is most extensively displayed in the complete edition of his *Politics*, a recipe book for every piece of scalawaggery which the Jesuits, the Scottish Rite, and the Calvinist bankers deployed against France, from the time of Montesquieu and Voltaire, through the Jacobin Terror, and beyond.

In flight from condemnation for his part in the assassination of Alexander the Great, Aristotle and his crew of Peripatetics fled to the protection of Ptolemy in Egypt, where this crew and its successors devised the Ptolemaic version of the Isis cult, created the layman's version of the Isis doctrine called Stoicism as

that was known in Rome, and engaged in other enterprises of a similarly ennobling quality. They fell into the cracks of the Ptolemaic bureaucracy over time.

The designs of the Phoenicians for the Western Division of the Roman Empire, together with a code of Roman law based on Aristotle's evil *Nicomachean Ethics*, were established by the Ptolemaic priests of Isis as the Roman Empire under Augustus Caesar and that gentleman's successors, men of ennobled spirit all.

The influence of Aristotle spread into Western Christendom relatively late, brought into the West by way of the Byzantine colony at Venice, the usurers of Rome, and the unwholesome baggage of Eastern cults dragged into Western Europe by crusader orders, notably both the Templars and the Hospitallers. Its original penetration of Christian churches was accomplished by the Gnostics of Byzantium, where the battle between Christianity and Gnosticism has raged to the present date, with Aristotle the rallying-point for the most significant of the Gnostic factions within the hierarchy of the Eastern Rite. This was the same Gnostic faction of the Eastern Rite which planted the Phoenician "blood and soil" cult of "Great Mother" in Russia, as the "Mother Russia" cult, and produced such excrescences of the beast in man as the Old Believer cults, the Raskolniki.²²

Although the formal split between the Western and Eastern churches was concluded later around St. Augustine's issue of the Filioque, from the time of Charlemagne, most of the wars fought in Western Europe, including the invasions by the pagan-Arian Normans and other barbarians, were deployed by the Aristotle faction of Byzantium against the Filioque doctrine, and the kind of society that doctrine implies. Aristotle was not established as a factional force openly to be reckoned with in Western Christendom until approximately the period of Albertus Magnus.

From the period A.D. 1233 to 1268, Aristotle rose to prominence in the intellectual life of the West, everywhere an expression of the influence of the Lombard faction based then in Venice and Genoa. This was associated consistently with a war by the feudal Aristoteleans for the adoption of Roman imperial law, and a feudal confederation. This feudal utopia was based chiefly on rentier interest in ground rent and usury, of a sort akin to present-day proposals for a world-federalist form of "post-industrial society." There we have encapsulated, among other notable examples, Hegel, Savigny and Feuerbach.

The principal target of hatred of these Aristoteleans, since the middle of the fifteenth century, has been against those notions of natural law associated with Cardinal Nicholas of Cusa at the beginning of this period, and the form of the sovereign nation-state established in conformity with natural law, by King Louis XI of France. In this, on matters of political

economy, the point of reference of all the writers of the feudalist faction, Marx in this sense included among them, was Aristotle.

The Aristotelean Logic of Capital

We have so far, traced Aristotle's influence to Berlin, in time for the brainwashing of Karl Marx. This brings us to the final argument in our proposition: How does Aristotle's logic directly prevent Marx from becoming an economist, and leave him instead a confused accountant?

The origin of Aristotle's logic is, in all essential respects, very ancient. We know of it as a practice among the Phoenician priest-cultists known as the Mobeds, who introduced it among Jews of the diaspora in the form of *cabalism*. In that later form it appeared at Oxford and Cambridge universities no later than the close of the sixteenth century. It has been associated, in Britain, with the curious doctrine, that the Anglo-Saxons were the "lost tribes of Israel"—if so, self-respecting Jews were well rid of them. This particular cult was that to which Isaac Newton devoted most of the work in his laboratory (when he was not plagiarizing for his books from Hooke and others). Its prevalence around the Stuart court was so widespread during the period of the Stuart Restoration, that one of the most notorious of the King's cabinets was listed in popular wit, so that the names of the ministers formed the word *cabal*. It formed the basis in cult-belief for the formation of John Locke and Isaac Newton's Royal Society (of Baconians) by the grandfather of Adam Smith's owner, Lord Shelburne, the Jesuit William Petty. Of the Royal Society's ranks, the majority of leading members formed a freemasonic group, of whom Society member Elias Ashmole, Christopher Wren, and others formed the Scottish Rite of Freemasonry, based largely on the hermeticist doctrine of Johannes Kepler's enemy, Robert Fludd. This was a British version of the cult of Isis which traces its origins to Phoenicia.²³

The root of the doctrine, both cabalism as such and Aristotle's logic, is the insistence that empirical knowledge is the describing of events by means of the counting of things. The things counted are assumed,

for purposes of the procedure, to be self-evidently existing, and self-evidently distinct individualities. Things are compared for their similarities and differences in attributed qualities. Knowledge of events is based on matching the items of a collection of things counted with the members of an ordinary counting-series of the integers. Mathematics itself is presumed to be nothing but an outgrowth of mechanical kinds of arithmetic operations performed on these integers.

The argument in support of this practice is the "big bang" argument. A God who rendered himself impotent by this tremendous act, created all the things in the universe at once, giving to each its permanent qualities, and setting the whole into motion under the governance of an unchangeable set of laws of fixed number of such laws. The radical cabalist modifies this slightly, to propose that God created chiefly the counting numbers and an available array of qualities, such that the magician-cabalist, employing the proper arithmetic operations, can use those operations to create, destroy, and control things. The variations premised on this kind of assumption are potentially large in number; the point is already clearly made.

The opposing view, that of Plato and his followers of modern science, is "God is not an omniscient, but impotent mere accountant. He is a geometer, who has embedded continuing causality within the universe in the form reflected in the nature of those processes we describe by means of functions of a complex variable."

The visible universe we see is a lawful distorted reflection of the real universe, and is not in any other sense the universe itself. Although we can see only the reflection of the universe, we are able to discover within that reflection the internal metrical qualities of physical space, which define the way the lawful distortion is ordered. From this, we can infer the real universe (continuous domain) projected to us as a distorted reflection. We can test experimentally the hypotheses we construct concerning the real universe, by those kinds of experimental observations, using observations of the visible domain (discrete manifold). The key to this lies in knowing the boundary condition proven to be imposed upon visible space by the uniqueness of the five platonic solids.

Since this boundary is known to us only through

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geometry, we must use no other method but that of the purest geometry to explore the questions before us. We develop a synthetic geometry, which discards all of the axiomatic assumptions of Euclid's *Elements*, and which starts with only one axiom of existence: that the rotation which produces the closed curve is the only geometric existence axiomatically existing in visible space, and that the circle, defined as the closed curve which encloses relatively the largest area in space, is the primitive form of that existence.

The circle folded against itself defines the straight line; there is no other definition of a straight line in our work. The folding of the half-circle against itself defines the point; there is no other definition of a point in our work. This straight line and this point are the singularities of the circle. Beginning only with the circle and these singularities, any possible form in visible space must be proven to be a possible existence solely by means of the elaboration of constructions employing these root-principles. All forms constructed in space are understood by this derivation, and by their relation to those circles and spheres they inscribe, and those they may be inscribed within.

In this procedure, the counting-integers become the means for counting singularities generated by some geometrical construction rigorously satisfying the program of synthetic geometry. No self-evident objects exist, only objects corresponding to singularities of geometrical constructions. On this understanding of the nature of series of integers, as corresponding to geometrical forms, Leibniz combined the geometry of Kepler with the work of Pascal and others on geometrical determination of numbers, to construct a differential calculus during the years of 1672 to 1676, between the time of his settling in Paris and his submission of his differential calculus to a Paris printer before leaving that city. (Some eleven years later, Isaac Newton published a badly plagiarized differential calculus based on the Royal Society's knowledge of Leibniz's 1676 paper. That is, the Royal Society tried to cook an imitation of Leibniz's calculus, but wishing to give no credit to Kepler, Pascal, et al., they sought to rationalize their copy by means other than those by which the calculus had been actually constructed.)²⁴

Action in the universe becomes defined as the generation of additional singularities in the universe by means of an action rooted in the rotation which generates and perpetuates the existence of the circle. The simplest example of this is made by constructing a logarithmic, self-similar spiral on the slant surface of a cone, using only methods of synthetic geometry to accomplish this. The movement which describes the

generation of this spiral, from the apex of the cone outward, or in the reverse direction, is the most primitive form of the complex variable, adequate to generate by projection an Archimedes spiral on the cone's base. Except for the counting of generated geometrical singularities by counting-integers, the primitive numbers which occur in the mathematics of physics are transcendental numbers generated by means of complex variables.

The principal action we measure with aid of such methods is that kind of qualitative change in the metrical qualities of visible space which is associated with a continuous function situated with respect to the continuous manifold, which latter is ontologically the domain of the physical functions corresponding to functions of a complex variable. These changes are analogous to, and include the case of the *net work* represented by a negentropic function for a variable of the kind we defined in respect to the ratio $S'/(C + V)$.

In the case of economic science, this action, the *net work* accomplished by the entire work of society, the increase of the productive power of labor as a whole for that society, reflects directly the creative work of the soul-part of persons within that society. This activity, and the view of mathematical physics associated with its representation, concurs with the self-interest of the soul in its characteristic, purposeful activity.

The mechanistic arithmetic world-outlook, which excludes cause as substantial, is the view of objects agreeable to the notions of self-interest of beast-man, the irrationalistic hedonistic aspect of the infantile self.

For physics, this is the same point made by B. Pascal and Leibniz against René Descartes, and again by Leibniz against Newton. Any system of mathematical physics, based on the notion that arithmetic is the primitive root of mathematics, and accepting Descartes's image of self-evident objects in empty space, must describe the universe as entropic, as Newton did, as like a clock whose mainspring is running down. The fault lies not in the universe, but in an Aristotelean, or Jesuitical neo-Aristotelean misperception of that universe. When men of considerable intellectual powers have been presented the solution to this paradox, and then devote their lives thereafter to defaming that solution, we should recognize from such behavior of such men, that they have been deprived of their souls.

So, Karl Marx remained an accountant, a significant historical eccentricity in the history of the development of a form of national-income accounting derived from the feudalistic, British System for ruining capitalist development.



Footnotes

Introduction

§ The author of the Introduction and Appendix to this publication qualifies as the leading economist in the world today, if the degree of success of the LaRouche-Riemann quarterly forecasts for the U.S. economy is the test. The former candidate for the Democratic Party's 1980 presidential nomination is currently contributing editor for the international political-intelligence news weekly, the *Executive Intelligence Review*; a member of the board of directors of a prominent scientific association, the Fusion Energy Foundation; and chairman of the advisory council for a leading political-action committee, the National Democratic Policy Committee. For a number of years, 1966-1973, he taught a course on the subject of Marx's economics at a number of campus locations.

Marx's Capital Since 1869

The original notes by the author of the manuscript have been edited only in form. They are denoted by the signature AU. The notes supplied by the editors are identified by ED.

1. Karl Marx, *Das Kapital, Kritik der Politischen Ökonomie*, Vol. I, Hamburg, 1867. (AU)

2. The direction of Mazzini's Young Europe by such agencies as Lord Palmerston and Swiss bankers, was already public knowledge before 1848. Heinrich Heine's exposure of Ludwig Börne is a notable instance. Karl Marx refused to accept the evidence presented to him by the highest authority he might have recognized at that time.

David Urquhart of the British secret services ran a "desk" at the British Library (Museum), from which he monitored items of interest to Britain in Mazzini's operations. The several references to Urquhart in Karl Marx's writings are sufficient to show that Marx should have suspected that he was being "controlled" by Urquhart. (ED)

3. Marx's contributions to the *Tribune* appeared between 1851 and 1862. (ED)

4. The political party of the Franciscans was known as the Cordeliers. (AU) This author's information on the Dominican convent is accurate, and significantly so, as the roster of priests and monks of various orders in the leading ranks of the French Revolution otherwise indicates. (ED)

5. The Mallets were established in Britain by Mallet du Pan. The de Neufville family also has a prominent British branch. From approximately 1770 onward to the present day, these two Swiss-Calvinist banking families have been linked with a third, the Schlumberger. The British branch of the Mallet family included the in-laws of Aaron Burr. (ED)

6. The bitter division within Freemasonry then centered on the conflict between Franklin and Orléans, has not ceased to the present date. (ED)

7. On Albert Gallatin's pedigree and his role inside the U.S.A., see Anton Chaitkin, "Treason in America: From Aaron Burr to Averell Harriman," *Campaigner*, Special Supplement, April 1983.

8. The Bastille at that moment held seven prisoners, petty criminals, a convicted sex offender, and two certified lunatics, which the mob transported on its shoulders to the

nearest next available place of imprisonment for the insane. So much for the portrayal of the motives of the action as a humanitarian expedition. (ED)

9. As the mob marched away from the site of the Bastille, their prisoners' severed heads were borne proudly on pikes. At the head of this procession was borne the carved bust of Jacques Necker, a warning to the king that Necker's appointment was the demand from the "voice of the people." (ED)

10. At the same time, the Madame de Staël maintained her position as a spy and provocateur within the circles of Queen Marie Antoinette. (ED)

11. The British agents directing the Jacobin Terror threw Tom Paine into prison and would have beheaded him but for a strong and persisting protest from the government of the United States. (ED)

12. A legend has it, that when a Princess Pallavicini of that period was asked how much of Corsica her family controlled, she quipped, "the best part," "buona parte." Apocryphal or not, the "Genoese" owned at least a piece of Bonaparte, to the effect that the Swiss bankers who owned Necker and his daughter were describable as Napoleon's partners. It appears that she attempted for a time, at least, to appear to cease meddling directly in the affairs of France, apart from what transpired in her salon and bedroom at Lausanne. (ED)

13. Heinrich Heine, *Die Romantische Schule (The Romantic School)*, 1835. (ED)

14. The Communist League was founded in Switzerland, but was expelled, during 1845, to arrive in Brussels. Swiss authorities discovered that the League's production of Jacobinism was not being strictly limited to the export market. (ED)

15. This was the same doctrine whose most notorious, later exponent in Britain was Oxford University's John Ruskin. It had already been a rather fanatically enforced policy of the British monarchy during the 18th century. The British monarchy played a leading part in the ban on public performances of Bach's music or teaching of his method in most of Europe throughout the second half of that century. The British boosted Rameau, who limited musical composition to setting an arbitrary but amusing melody to an agreeable accompaniment, as among those composers to be preferred to Bach. (ED)

16. Jeremy Bentham was a creature of Lord Shelburne raised to power, together with Shelburne's puppet, William Pitt the Younger, as part of the agreement King George III made with Baring's Bank. This was the bank spun off as an instrument of the British East India Company, the latter the owners of Adam Smith, and, later, Thomas Malthus, James Mill, David Ricardo, and John Stuart Mill. The agreement was to launch a counteroffensive against the American Revolution and its influence in Europe, using such included advantages as the corrupt New England families of New England and Manhattan and what became known as Jacobinism. Bentham, who performed a key role in training and coordinating such British secret services' agents as Danton and Marat, was a loathsome personality in his own right. He was the first to propose the legalization of pederasty in a public pamphlet (whose publication itself was a reflection on the

condition of the British aristocracy, monarchy and government at that time). He, together with his confederate, James Mill, proposed to free David Hume's empiricism of its adopted burden of observing prevailing customs of belief and conduct, thus launching what became known as British nineteenth-century philosophical radicalism. The author is referring in this passage of his manuscript to a paper by Bentham written in 1780, *An Introduction to the Principles of Morals and Legislation*, in which he argues for the rejection of any principle but hedonism, which he describes in one passage, cited by Carol White in her *The New Dark Ages Conspiracy* (New York, 1980): "The principle of utility—the greatest happiness or the greatest felicity principle" (p. 262). This proposal for a hedonistic "calculus" by Bentham was the entire basis for the modern British doctrines of political economy, beginning with John Stuart Mill. Mill, together with William Jevons, explicitly insisted that their work in this field was premised directly on Bentham's hedonistic calculus, as was the entirety of the so-called utilitarian philosophy associated with Mill. Alfred Marshall, J. M. Keynes, Friedrich von Hayek, Milton Friedman, et al., are each exponents of the same marginal-utility doctrine and anti-moral hedonism of Bentham. Mill and Ruskin's philosophy and Pre-Raphaelite Brotherhood were the basis for the British doctrines of "guild socialism" and George Bernard Shaw's creation, the Fabian Society, represented in the United States during the present century to date by the League for Industrial Democracy (LID). (ED)

17. Later sections of the manuscript will demonstrate that its author does not intend to imply that Marx stopped with the British radicals in elaborating his own notion of "materialism," but only that he began from that as a starting point. (ED)

18. See Note 2, above. (ED)

19. To see Jacobinism as a resurrection of the Phrygian Cult of Dionysos and analogous productions of the Phoenician cults of "blood and soil" or "Great Mother" cults, is to identify the principle involved in the migration of some socialists, such as Benito Mussolini and his left-socialist followers, into fascism. For the case of Nazism, the best illustrations are those of the Strasser brothers, who were "solidarists," and the role of N. Bakunin's collaborator, the composer Richard Wagner, in producing the Nazi movement. The Wagner connection is illuminated by Friedrich Nietzsche, an avowed Dionysian. The most authoritative admissions are provided by a former Swiss Nazi, Armin Möhler, in the successive editions, beginning 1949, of his *The Conservative Revolution*. (ED)

20. The author is indebted to the papers of Mr. Edgar Allan Poe, and to assistance from friends of the late Mr. Poe, in uncovering these and other facts. (AU)

21. John Ruskin, whose followers have been the dominant policy-shaping force of Britain since Lord Alfred Milner's formation of the "Coefficients," based his doctrine of returning to a "pre-Raphaelite" condition of society on the choosing of the name of the School of Raphael as representative of every change in society effected by the entirety of the Golden Renaissance. Ruskin, like his present-day followers, who propose a world-federalist form of "post-industrial society," adopted the feudal form of Europe existing under the Lombards during the early 14th century as his utopian reference point. He, like the Jesuits associated with von Kettler's creation of solidarism in Germany, adopted the medieval guild as his proposed model of socialism under the rule of aristocratic landowners. (ED)

22. In 1751, Benjamin Franklin published a paper proposing policies for increase of the population in North Amer-

ica, *Observations Concerning the Increase of Mankind*. This was published in an Italian translation by a friend and admirer of Franklin, Giambattista Beccaria, in Italy, in 1783. This prompted Ortes to write a rebuttal, *Reflections on the Population of Nations in Relation to National Economy*, which was published posthumously in 1790. The latter was the source on which Malthus based his own *Essay On Population*, 1798. Malthus was, at the time, occupying the first chair in political economy established in Britain, a post created and controlled by the British East India Company. (ED)

23. This defense of such suffering as necessary Marx repeatedly stated was his defense of what he describes as Ricardo's strong point as a thinker. (ED)

24. The author is probably referring to the *Phenomenology of Mind* (1807) or the *Philosophy of History* (1825), or both. According to the reader submitting the manuscript, family tradition states consistently, that the author had military service in General Winfield Scott's command during the war with Mexico, although "there are conflicting legends as to whether he served as an officer or enlisted man." The reader also reports, "he must have been born somewhere between 1825 and 1830, probably somewhere in eastern Pennsylvania," and, that "I have no indication whether or not he either had German ancestry or spoke that language." (ED)

25. The author is referring to the *Communist Manifesto*. (ED)

26. The policy to which the author refers was probably first introduced to Western Europe by George Gemisthos (Plethon) during the first half of the fifteenth century, during his collaboration with Cosimo de Medici. However, it was the Neopolitan school of Giordano Bruno, Tommaso Campanella, and Antonio Serra, which established the study of a coherent body of statecraft during the period into the early years of the seventeenth century. (See Campanella's *La Città del Sole* and Serra's *Artefici*.) Most of the literature on political economy during the seventeenth and early eighteenth century, overlapping the influence to Leibniz's work on this subject, would prompt a reasonably thorough investigator to mark the work of Campanella and his contemporaries of his school as the starting point. (ED)

27. The author focuses upon Marx's circumstances at Berlin in the concluding part of his manuscript. (ED)

28. The author's reading of Marx on this point is a fair interpretation of the point addressed. The same interpretation of Marx's doctrine was offered, in a more radically mechanistic form than by Marx himself, in later writings of F. Engels, to which, of course, the author of the manuscript did not have access at the time of writing. (ED)

29. The author is correct on this point. This was the explicit argument of the Neopolitan school and Leibniz. The potential function used in the LaRouche-Riemann method is based on the mathematical physics of Bernhard Riemann (1820-1866), but the conception is that already developed by Leibniz, in his development of the modern notions of the terms *work*, *power*, and *technology*. Leibniz's work satisfies a requirement earlier anticipated as the central issue of political economy by the Neapolitans. (ED)

30. The writings of Mr. Henry C. Carey recommended to the reader for this purpose are his *Principles of Political Economy*, 1840; and his *The Past, The Present, and The Future*, 1848. Whether Dr. Marx examined these books carefully, the author has been unable to discover. Dr. Marx was acquainted with the content of two later books of Mr. Carey's, *The Harmony of Interest*, 1851, and *The Slave Trade, Foreign and Domestic*, 1853. (AU)

31. We have only one available corroboration of this remark by the author. Marx refers to Carey's sending him one

book, in a letter written to F. Engels datelined June 14, 1853: *The Slave Trade, Home and Abroad (The Slave Trade, Foreign and Domestic)*. The discrepancy in the titles is evidently Marx's. (ED)

32. The publication of Marx's correspondence and of the *Grundrisse* (Berlin, 1859) includes evidence which would not have been available to the author. However, since the author of the manuscript bases his criticisms chiefly on what is and is not published in *Capital I*, he incurs no fault in his criticism itself for want of conclusive evidence on this point. (ED)

33. Marx's articles on the subject of U.S. slavery and its effects on the U.S. economy appeared in *Die Presse*, Vienna, 1861-1862. (ED)

34. The best authority on such matters in the United States was a Mr. Joseph Weydemeyer, recently deceased. His origins in Germany were, like those of Dr. Marx, traced from the city of Trier, and he was Dr. Marx's principal correspondent here. The author has been obliged by the fact of Mr. Weydemeyer's death to rely on the documents made available from a generous gentleman residing in Philadelphia. (AU)

35. This is correct. Around 1845, Marx undertook a polemic against List. The evidence is that this was urged upon Marx by Engels. There is only reasonable suspicion as to the means by which the manuscript's author got wind of this obscured, but interesting bit of intelligence. (ED)

36. Both had been candidates for the editorship of the *Neue Rheinische Zeitung*, Marx's first position of employment (1842-1843). Marx was preferred because he was an obscure figure, and therefore would not subject the newspaper to the hazards the celebrated List would bring in attached to his person. (ED)

37. Friedrich List, *Das Nationale System der Politischen Ökonomie (The National System of Political Economy)*, Stuttgart, 1841. List had been an associate of a circle in Germany centered around the publisher Cotta, a key figure of the Weimar classical circles and of the pro-American faction in Germany. List contacted Lafayette in 1825, during his studies of France's political economists in Paris. At Lafayette's suggestion, List reached the United States in 1825, and was placed under the protection of Philadelphia's Mathew Carey, and worked closely with the Philadelphia Society for the Promotion of National Industry. He assumed the editorship of the *Reading Adler*, a newspaper continued today as the *Reading Eagle*. He assumed U.S. citizenship in 1830, and returned to Germany in 1832. After his success in winning adoption of the Zollverein, a project earlier promoted by Cotta, List became a target of British hatred. Knowing the hatred of the British, he risked a visit to London, and incurred the sickness from which he died prematurely back in Germany, in 1846. (ED)

38. London, 1776. (ED)

39. Leibniz's first published writing on political economy was his *Society and Economy*, 1671. (ED)

40. The term Physiocrat is applied to a wide range of figures, of which the most noted are Dr. Quesnay and Turgot. This was a pro-feudalist movement, significantly under the direction of the British secret services and the Jesuits of that period, a movement which proposed the model of mandarin China as preferable to toleration of manufactures. Its venom was directed chiefly against the memory of Minister Colbert, the Colbert whose policies, together with those of Leibniz, were made the basis for the American System by Hamilton. (ED)

41. This is factually correct, not in the least degree an exaggeration of Russia's development of that period. By Catherine's period, Peter I's 1722 abolition of serfdom had

been repealed, and Russia was already being pushed back toward a monstrous form of feudalism. This decline began to be significantly reversed after the Crimean War, when, with U.S. technical assistance, Czar Alexander II launched an accelerating program of economic development, which was reversed by the combined economic and political impact of the Russo-Japanese War and Revolution of 1905. (ED)

42. Adam Smith's career was one of service to the British East India Company and Secret Intelligence Service (SIS) simultaneously. His supervisors were David Hume (out of the Edinburgh SIS headquarters) and Lord Shelburne, the puppet-master also for both Bentham and Pitt the Younger. Under Shelburne's direction, Smith had been assigned to work on the problem of destroying the economies of the North American colonies and France since 1763. It was as part of this continuing assignment that Smith produced his substantially fraudulent propaganda tract against Franklin's policies, the *Wealth of Nations*. Malthus's famous essay was written for the British East India Company, as a parody of Ortes's direct attack on Franklin using the same argument copied by Malthus. We have no evidence to support the author's report that Ricardo's *Principles* was also intentionally directed against the United States, except to emphasize that Ricardo's book serves no apparent purpose, unless it is read as an attempt to refute Hamilton's 1791 Report to the U.S. Congress, *On the Subject of Manufactures*. (ED)

43. The author clearly means Antoine Henri Jomini's *Traité des grandes opérations militaires (1804-1805)*. Lazare Carnot, whom the King of Prussia had attempted to recruit in 1780, was already, at that time, a recognized leading authority in military strategy, a former student of that Gaspard Monge whose work on fortifications and mapping were so valuable that even Monge's contributions to the principles of geometry were classed as a military secret. It was Carnot who changed the logistical approach to strategy, and who built a new military system around this, and deployment of improved, mobile field artillery for producing a movable base of massed artillery fire. Napoleon's achievement, as he leaped from captain of artillery to become France's leading general, was that he quickly grasped the use of a revolutionary design in war fighting. The tactics were exemplary, but to lose sight of the margin of technological advantage commanded by French forces, and to overlook the determining role of strategy, is a dangerous error. Grant, Sherman, et al. brought strategy into that war, not always respectful of gentlemanly elegance in tactics in their destruction of the logistical basis on which the adversary depended to continue to fight war. (ED)

44. The toleration of falsehoods such as those of Dr. Marx on this matter, appears to rely very much on the reputation of Britain's power at sea. Mr. Mathew Carey's *The Olive Branch* (1815) is recommended to the reader for its useful observations on that matter. We must not forget that we brought Britain to her knees after France had been removed from the war, by means of chiefly a few brave frigates which were engaged in sweeping Britain from the oceans. On land, the superiority of France's manufactures was overwhelming. Had Bonaparte succeeded in reaching France, he would have assembled quickly a force adequate to crush the forces allied against him. (AU)

Scharnhorst et al. not only modeled the rebuilding of conquered Prussia on the work of Carnot, but through an understanding of Carnot's principles, were able to apply these principles to design, bait, and close a trap which destroyed Bonaparte. The trap was based on Friedrich Schiller's investigations of the 1818-1848 Thirty Years War, to lure Bonaparte into Moscow without losing the Russian army to a

decisive engagement against Napoleon's forces. Then, to blow up and burn a mined Moscow, and unleash the Russian army upon Napoleon's retreating forces. The difficulty the reformers faced was that of inducing the Prussian General Yorck, the Prussian monarch, and others, to commit all resources to destroying Napoleon's forces before Napoleon could reach France. (ED)

45. See Maboth Moseley, *Irascible Genius: A Life of Charles Babbage, Inventor*, London, 1964. (ED)

46. Alexander Hamilton, *On the Subject of Manufactures*, A Report to the Congress of the United States of America, Dec. 1791. (AU)

47. The great German poet Herr Heine arrived in Paris in the spring of 1831. Herr Heine declared himself a supporter of the Marquis de Lafayette. He died in exile in France in 1856. Herr Heine and Dr. Marx made acquaintance of one another at the end of 1843. In 1840, Herr Heine issued a tract, *Ludwig Börne, eine Denkschrift*, which appears to have later caused Dr. Marx to make a break between the two. Herr Heine's tract reported accurately his discovery of direction of the Jacobin organizations by bankers. A fanatical Dr. Marx rejected Herr Heine's report, and Herr Heine, too. (AU)

48. Genoa took control of Scotland with the accession of Robert Bruce in 1310. Bruce led a filibustering remnant of the Templar order into Scotland, and subjugated the country with Genoese backing. The Bruce family and associated wealthy families of Scotland and bordering areas of northern England have been Genoese from 1310 to the present date. The Bank of Scotland and the relationship of Scottish financier interests to the British East India Company and its opium traffic and to the chocolate trade, are subjects whose examination continues to have special practical significance up to the present date. (ED)

49. Alexander Hamilton, Reports to the Congress of the United States of America, *On the Subject of Credit*, 1790; *On the Subject of a National Bank*, 1791; *On the Subject of Manufactures*, 1791. (AU)

50. *The Olive Branch*, 1815; *The Addresses of the Philadelphia Society*, 1819. (AU)

51. Henry C. Carey, *Principles of Political Economy*, 1840; *The Past, The Present, and The Future*, 1848. (AU)

52. Henry C. Carey, *The Slave Trade, Foreign and Domestic*, 1853. (AU)

53. *Capital I*, Chapter 25, on the organic composition of capital. (ED)

54. Our country's admirers in Germany established a spider's web of places of assembly, which they named, according to their own language, Reading Societies. These local places of assembly were entrusted with the collection of the most recent intelligence which might be desired by an admirer of the United States. (AU)

55. Friedrich Schiller responded with his epigrammatic: "The century has given birth to a great moment, but that moment has found a little people," in contemplation of these events. (ED)

56. On Oct. 14, 1806, the French under Bonaparte destroyed the famed military power of Prussia in a single battle. There was an attempt at continued resistance by elements of Prussian forces after that, notably that of General Gneisenau, but these gestures merely delayed the inevitable outcome of Jena. (ED)

57. The author is correct. It was the Germans who effected the first defeat and surrender of Bonaparte, which the allies would not have accomplished had the Prussians not succeeded in pressing them to do so. It has become customary to speak of Wellington's victory at Waterloo, overlooking

the point that Blücher's arrival later would not have saved Wellington from a well-earned, defeat in progress when Blücher arrived to reverse the situation. (ED)

58. General Scharnhorst had died in battle in 1813. Of the leading reformers, only Wilhelm von Humboldt retained access to the seat of power in Berlin. (ED)

59. The gymnasium's director was Johann Hugo Wyttenbach (1767-1848). He had been selected as the candidate best qualified to present the ideas of Dr. Franklin and Immanuel Kant. (ED)

60. Karl Marx attended the university at Bonn for a year, beginning in the autumn of 1835. He confessed to his father his regret for leading a wastrel's life during that interval. He matriculated at the University of Berlin in October 1836. (ED)

61. After Napoleon's defeat, Britain would have persisted in its demand for the dismembering of France had Carnot not made clear his intention to lead a continuation of the war unless France were given pledges the nation itself would be held intact. If Carnot were to be brought to power, he and the Prussian reformers would have effected an alliance between their countries. With such resources and such qualities of leadership, the Holy Alliance would not have survived even a year or so. Carnot was given exile, rather than a worse fate, only because there existed no visible opportunity for him to work his way back into power. (ED)

62. The Holy Alliance was brought into being by the Russian Foreign Minister, Giovanni Antonio Capodistria. Capodistria was a Venetian aristocrat, who had been imposed on the Czar by orders of Venetian financial interests. Prior to the 1815 Treaty of Vienna, whose proceedings he directed, the same Capodistria, in his capacity as foreign minister of the Czar, composed the present-day constitution of Switzerland, Venice's prized colony. (ED)

63. The revolutionary progress in mathematical physics effected under the direction of Carnot and Gaspard Monge at the Ecole Polytechnique depended upon principles of geometry introduced to every part of the curriculum by Monge. Laplace, taking direction of the Ecole in 1816, uprooted the Monge program in every part of the institution. Augustin Cauchy, was assigned to destroy French science from within by a key intelligence agent of Venice, the Jesuit Abbot Moigno. Since the author indicates he has had access to the papers of Poe, among others, his information on the subject of Laplace and Cauchy must have most probably come to him from such records. (ED)

64. G. W. F. Hegel died on Nov. 14, 1831, during a cholera epidemic. (ED)

65. Carnot escaped the Jacobin guillotine by being out of Paris, assigned to the French military. From this position, Carnot made possible the successful coup d'état which wiped the Jacobins out of power, on July 27, 1794. This was the day of the year named Ninth of Thermidor, according to the special calendar previously adopted during the preceding period. (ED)

66. Mr. David Hume, who served as a British diplomat and spy in France during the years 1746 to 1749, settled himself comfortably as head of the British secret services at Edinburgh in 1751. In that post, he supervised Mr. Adam Smith, whose principal brief in the secret services had been espionage against French interests. (AU)

67. The term, "artificial labor," was established in political-economic usages, up into the nineteenth century, by the influence of the Neapolitan school. The manuscript's author is obviously referring to the appearance of this usage in Hamilton's *On the Subject of Manufactures*. (ED)

68. The author encourages the reader to compare the remarks of Mr. Ricardo on this matter, with those of Dr. Marx. David Ricardo, *On the Principles of Political Economy and Taxation*, 1819, Chapter 1 and passim; Karl Marx, *Capital*, I, Chapter 1. (AU)

69. Friedrich Karl von Savigny (1779-1861), professor of law at Berlin (1810-1842), author of *Das Recht des Besitzes* (*The Rights of Possession*) (1803), *Geschichte des Römischen Rechts im Mittelalter* (1815-1831, multivolume). (AU)

70. Ludwig Feuerbach (1804-1872), *The Essence of Christianity*, trans. by George Eliot, London, 1845. (AU)

Ludwig Feuerbach was adopted as a forerunner by Karl Barth (1886-1968), and used as a principal starting point for an existentialist current of Protestant theology. (ED)

71. The author is evidently basing his summary of Hegel's work chiefly on *The Phenomenology of Mind* (1807) and *The Philosophy of History* (1825). It is in the introduction to the first that the famous remark, referring to Schelling, "a night in which all cows are black," appears. In the same book appears Hegel's claim to have refuted Kant's system. The charge that Hegel intentionally falsified history, the author probably intends should be read in the context of the reference to Schiller. At the time Hegel wrote the *Phenomenology*, Schiller was still the most beloved dramatist, and the leading authority on statecraft in Germany. Schiller was the greatest single influence on many among the reformers, especially Schiller's earlier close co-conspirator, Wilhelm von Humboldt. Schiller established the teaching of universal history at Jena, where he elaborated the principles of that subject, founding a new, more rigorous method of historical investigation, which he employed as the basis for his greatest dramas. Schiller was then the leading exponent of the principles of the American Revolution, as these are reflected, for example, in his *Don Carlos*. Hegel would not have dared to publish a lying work such as his *History of Philosophy* before the Treaty of Vienna of 1815.

Historical research into primary sources at Berlin have documented that Hegel was working as an agent of Metternich during his tenure at Berlin, and that this fact was known at the time to those Prussian secret services which intercepted and read Hegel's correspondence. Our own judgment on the matter, based on such primary sources as Clausewitz, is that Hegel was controlled from Geneva and Lausanne from very early in adult life, which would have brought him into the service of the Holy Alliance against Prussian interest. This is supported by the political power Hegel manifest against one himself as potent as Alexander von Humboldt. The foreign influence with that degree of clout in the Prussian court at the time was the Anglo-Swiss interest, not Metternich as such. (ED)

72. The modern source for European natural law or law of nations was Cardinal Nicholas of Cusa (1401-1464), the close collaborator of Cardinal Enea Silvo Piccolomini (Pope Pius II), and the canon of the Papacy during the last period of his life. The original work setting for the law of nations was Cusa's *Concordancia Catholica* (1440). Cusa completed work undertaken earlier by Dante Alighieri, including notably Dante's *De Monarchia* (composed in the years following 1308), one of the several of his writings which mobilized the forces later establishing the Golden Renaissance of the fifteenth century. Cusa was also the founder of modern science in the strictest sense of that description. His work was assimilated by Leonardo da Vinci, in collaboration with Luca Pacioli at Milan, during the last decades of the fifteenth century, and was crucial in guiding Leonardo to solve the problems of convex-spherical-mirror perspective, and to found

the science of hydrodynamics to such effect that this is recognizably the case in the work of both Leibniz and Bernhard Riemann. It was Leonardo's program which was directly the basis for the great hypothesis Johannes Kepler developed to found modern mathematical physics in such principal works as his *Harmonies of the World* (1619), *Cosmographicum Mysteriorum* (1596), and *New Astronomy* (1609). Leibniz employed Kepler's design of the first known working calculating machine for his own improved versions. Leibniz brought together Kepler's specifications for a differential calculus with the work of chiefly Gaspard Desargues (1591-1662), Pierre de Fermat (1601-1665), and, most emphatically, Blaise Pascal (1623-1662), on geometrical determination of number series, to produce the first version of the differential calculus, sent to a Paris printer in 1676. From thence into such successors in the work of Kepler, Leibniz, et al. as Karl Gauss (1777-1855), and, by way of the Ecole Polytechnique, into figures such as Lejeune Dirichlet (1805-1859) and the student of Gauss and Dirichlet, Riemann. The entire sweep of modern science flows like a genealogical table of men and ideas, from Cusa. The idea of natural law signified that there was no division between the arts and sciences on this point. (ED)

73. In Germany, this became known as the later tradition of a hermetic separation in method between *Geisteswissenschaft* and *Naturwissenschaft*. Except for the materialists and empiricists, such a division would have been viewed as an abomination and display of utter incompetence before the period of the Holy Alliance. (ED)

74. For this intelligence, the author is indebted to a scholar from one of our few great colleges still left uncorrupted by the British influence. (AU)

75. The author of the manuscript is referring to the notorious connections which have long existed between the Society of Jesus and the Calvinists in France. Both Calvin and Loyola were originally trained under the same direction in Paris, and each established their religious orders under direction of Lombard *fondi*. During the period immediately following the sponsorship of Martin Luther by the *fondi* of Venice, the Jesuits were created by the Venetian *fondi*, the Calvinists by the Genoese *fondi* of Geneva. Clermont was the Jesuit institution in France which produced Voltaire, Diderot, Robespierre, and Danton, among many others of the same specific political significance. During the eighteenth century, the operations of Clermont's Jesuits so much overlapped the Calvinist operations against the American party in France that Jesuit and Calvinist meant one and the same party in that country. This party was directed in Paris from the Nine Sisters lodge, under its Grand Master, the Duke of Orléans. This party in France was indistinguishable from the Scottish Rite of British Freemasonry, and from the connections and operations of Edinburgh's David Hume.

These facts were well known to influential circles in the U.S.A. associated with the Society of Cincinnatus during the last century, especially such prominent figures of the secret intelligence service as Samuel Morse, James Fenimore Cooper, Edgar Allan Poe, and General Winfield Scott. This was the service directed for a period by Chief Justice John Marshall within the United States, and by the Marquis de Lafayette from Paris. Friedrich List, like Mathew Carey and Henry C. Carey, were prominent figures associated with that secret service. Union College in New York State was for a time the center of philosophical and related inquiries closely associated with the work of that secret service. The author of the manuscript must have been either a member of those circles, or closely associated with them in some meaningful fashion. (ED)

76. Lyndon H. LaRouche, Jr. has published a study of this matter, "The Case of Ludwig Feuerbach," *Campaigner*, New York, Pt. 1, Vol. 7, No. 2, December 1973; Pt. 2, Vol. 7, No. 3, January 1974. (ED)

77. The *Timaeus* is the location in which Plato elaborates with rigorous argument the notion of the *consubstantiality* of the *Composer* of the universe with the *higher hypothesis* of the universe's lawful unfolding, the efficient Logos. This appears in the opening verses of the Gospel of St. John, and in the Nicene Creed and St. Augustine's defense of Christ's nature in the form of the Latin Liturgy's Filioque doctrine. The complementary feature of the *Timaeus* is its originality in discovering that the fact, that only five kinds of regular, polyhedral solids could be constructed in geometry, was a bounding principle of the visible aspect of our universe, to the effect that what we see is a distorted reflection of the real universe, like shadows reflected on the walls of a cave. This is reflected in St. Paul's famous sermon on love (charity), "we see as through a glass darkly." From this same treatment of the five Platonic solids, Plato adduces that the composition of the visible universe must be everywhere ordered by harmonic principles consistent with the division of the circumference of a circle by the regular polygons from which these solids are constructed. The *Timaeus* was the centerpiece of the development of Judeo-Christian theology by Philo and the leading Christian writers. It is featured in the writings of St. Augustine, on account of which the principles of harmony in music and in the cathedral building of Chartres were known as Augustinian principles of harmony as recently as the leading writers of the sixteenth century. The *Timaeus* was the principle point of departure for modern mathematical science, beginning with the influence of Cusa's work we have already noted on Luca Pacioli and Leonardo da Vinci. The latter set modern science into motion, leading into the work of Johannes Kepler (1571-1630) and Gaspard Desargues. Kepler first proved empirically that Plato's notion of the lawful composition of the universe is uniquely lawful universally, thus establishing modern mathematical physics. The work of Desargues and his students was fused with the work of Kepler through Christian Huyghens (1629-1695) and Gottfried Leibniz (1646-1716). Leibniz experimented directly in composing Socratic dialogues on selected crucial issues of science in his own reflections on his intellectual ancestry. The *Politeia* is more familiar as the *Republic*. The reader is to be warned that the translations of Plato into the English language are, predominantly fraudulent. These were begun in England by Benjamin Jowett, a confederate of Oxford University's John Ruskin in forming the "hermeticist" cult of the Pre-Raphaelite Brotherhood. Jowett wildly falsified the translation of terms and phrases where Plato's argument is most offensive to "hermeticist" dogma. To make matters worse, the standard British Greek-English lexicon relies on the putative meanings Jowett fraudulently assigns to these terms, and the British schools of Platonic studies have improved upon Jowett's translations only by substituting their own frauds for those of Jowett. A fresh translation of the *Timaeus* was prepared and published by the *Campaigner* (New York, Vol. 13, No. 1, February 1980), which eliminates the frauds, providing the most faithful translation from the Greek so far available. A projected translation of the *Republic* has not yet begun.

The poem of Solon (c.596-94 B.C.) is the first modern constitution for a republic. However, Plato reports Solon to have worked in collaboration with the same Egyptian (Cynaic) temple of Ammon with which he collaborated in such enterprises as the study of the five Platonic solids, the same center which collaborated with the Academy of Athens in

sponsoring and advising the conquests of Alexander the Great. Alexander's "Testament," which reflects direct influence of the temple of Ammon, should be included among the great classical documents on this subject. See St. Augustine, *The City of God*, and Dante Alighieri, the *Commedia*, as the works to which the author refers. (ED)

78. The principal internal struggles of the classical period were between the republican faction allied to the temple of Ammon and the Phoenician faction associated with Cadmus, Hesiod, and the temple of Apollo at Delphi. The secondary conflict is treated best in existing literature by Friedrich Schiller's contrast between the constitutions of Solon and Lycurgus. (ED)

79. Niccolò Machiavelli's *Commentaries on the Ten Books of Livy*. This was the book which immediately became the most influential writing on principles of military science in various places, including sixteenth century England. The military policy of Franklin's circles was strongly shaped by this work. (ED)

80. Henry C. Carey's proper choice of the term, "feudal," is an awkward choice of term for such enlarged application. The better choice of term here would have been "oligarchical." In his correspondence with his masters at Rhodes, King Philip of Macedon was given elaborate instruction concerning the principles of the new "Western Division of the Persian Empire" which was to be established by his part in the Phoenician-directed plot to divide the Persian Empire into two parts—to the west and east of the Euphrates River, respectively. In these documents, the same principles adopted by the modern feudalist faction of Venice, Geneva, London, etc., for a world-federalist form of post-industrial society, were presented. The documents refer to this design variously as the "Persian Model" and the "Oligarchical Model." This design from the fourth century B.C. was not only a precedent for the modern faction of followers of John Ruskin, et al. There has been an unbroken continuity of that oligarchical faction by way of Egypt under the Ptolemies, Imperial Rome, the Gnostic faction of Byzantium and the Eastern Rite, by way of Venice and the usurers of the city of Rome, through the Welf (Guelph), "Black Guelph" faction of the Lombards into the fourteenth century, and from the resurgence of the Venetian and Genoese Lombard interest down to the present day. (ED)

81. Cf. Helga Zepp-LaRouche, "Die Modernität des Humboldtschen Bildungsideal," *Ibykus*, October 1981, for a modern appreciation of Wilhelm von Humboldt's education reforms of 1808 from a contemporary German vantage-point. She reported on the same subject for a U.S. audience in "The Modernity of the Humboldt Idea of Education," *New Solidarity*, Dec. 21 and Dec. 28, 1981. Humboldt's program was never fully extended to the population of Germany, but was the form of primary and secondary education of the professionals and the elites. It was crushed by the Nazi regime, and largely restored during post-war reconstruction. It was ordered destroyed, by the OECD under director Alexander King, during the early 1960s, but remained in effect until it was destroyed again by the government of Chancellor Willy Brandt. (ED)

Appendix

1. Since December 1978, this has been the basis for a method of economic forecasting, the LaRouche-Riemann method, successfully employed for computer assisted national forecasting. This includes the regularly published, quarterly LaRouche-Riemann forecasts for the U.S. economy, pub-

lished by the *Executive Intelligence Review*, which have been issued to date beginning November 1979. These have been the only reliable forecasts published for the U.S. economy by any government or private forecasting service during that period.

2. *Laborem Exercens*, English trans., Vatican, 1978.

3. *Beginning Society and Economy*, 1671.

4. The assassin, Edwin Booth, was dispatched for the deed by way of London and Montreal, under the direction, from London, of Judah Benjamin. This was the British agent, Benjamin, who had directed the Confederacy, and who, later, 1867, was to found the Ku Klux Klan. The Surrat family, which figured prominently among the ranks of the assassins deployed that same night against other members of the government, was a Jesuit part of the operation, run in conjunction with British SIS, but itself coordinated from Rome.

McKinley was killed by an anarchist assassin dispatched from Mazzini's organization in Europe, and safe-housed by Emma Goldman's Henry St. Settlement House, in Manhattan, a British intelligence safe-house used as a conduit for anarchists from Europe. With President Theodore Roosevelt's inauguration, a fanatically pro-British figure was placed in command, replacing a McKinley who had campaigned on the issue of throwing the British influence out of control over our nation's life. The death of Franklin Roosevelt replaced Winston Churchill's capable opponent with a Truman increasingly under the influence of rabid anglophile Jimmy Byrnes, his secretary of state.

5. This public statement by Lincoln was issued shortly before his assassination. See *The Collected Works*, ed. by Roy P. Basler, New Brunswick, N.J., 1953-55.

6. Cf. Allen Salisbury, *The Civil War and the American System*, New York, 1980, passim.

7. Cf. Fritz Stern, *Gold and Iron: Bismark, Bleichroeder and the Building of the German Empire*, New York, 1977.

8. Cf. Lyndon H. LaRouche, David P. Goldman, *The Ugly Truth About Milton Friedman*, New York, 1980, for treatment of Ricardo's successors. Overlapping material bearing on this matter and others treated in this appendix, is available from Carol White, *The New Dark Ages Conspiracy*, New York, 1980.

9. Von Neumann's "A Model of General Economic Equilibrium," written in the early 1930s, published in *Cambridge Review of Economic Studies*, January 1946.

10. This statement first appeared as an observation by Isaac Newton on what he conceded might be a problematical feature of his own work. Leibniz raised reference to this earlier admission by Newton in the course of his public literary debates against both Newton and Clarke. We refer to this matter again, at the close of this Appendix.

11. The Jesuit Descartes is the most significant of the collection on this point. That was Leibniz's view, and the prevailing view of the Ecole Polytechnique under Monge and Carnot. Newton, Cauchy, Maxwell, et al., are offshoots of the fallacy introduced to scientific literature chiefly by Descartes.

On Maxwell's famous paradox. The fruitful approach to electrodynamics was begun years before Maxwell's work, by Heinrich Weber and Bernhard Riemann. A paper on this matter by Riemann solves many of the matters to which Maxwell implicitly claims his own original solution earlier, and is free of the errors at the center of Maxwell's work, as well as including understanding of retarded potential, lacking in Maxwell. Work in the direction of solving the mess left by Maxwell was undertaken by E. Schroedinger, adopting Riemann's 1859 dissertation on the propagation of shock

waves as a point of reference. Arnold Sommerfeld attacked the problems in a provocative, flawed, but fruitful manner, in treating the atomic spectra as a form of Keplerian harmonic series. The particle-field issue, as it occurs in this context, warrants more space and special reader's prerequisites, but we must mention the fact of this connection here.

12. The principal reference reflecting Luca Pacioli's collaboration with Leonardo published from that period was Pacioli's *Divina Proportione*, 1494. This was the basis for related published material by Albrecht Dürer. Otherwise, the primary source reflecting the development of this method is Kepler's *Harmonies of the World*, of which a German edition (Munich, 1982) is currently the best available in print.

13. An early version of Steiner's program in synthetic geometry for schools is his *Geometrical Constructions with a Ruler Given a Fixed Circle with its Center*, published by Yeshiva University, New York, 1950. The view of the circle as the only axiomatic primitive in geometry, which Cusa is apparently the first to have written, was adopted in the Steiner program at a later phase.

14. An excellent edition, overlooking minor quarrels with some of the contributors, was compiled from a Leonardo celebration convened in 1969. This is presently available in print, the best available single source compilation, *Leonardo's Legacy*, ed. by C. D. O'Malley, Berkeley, Calif., 1969.

15. The clincher was provided by Karl Gauss. Kepler had asserted that the harmonic ordering required the former existence of a planet in a dissonant orbit, such that the planet had been destroyed. He gave the harmonic values for the orbit, which Gauss was first to prove was the orbit of the asteroids.

16. Riemann spent much of the last few years of life, while suffering terminal tubercular illness, collaborating with Betti in Italy. Since his illness crippled his use of his hands, Riemann wrote little during that period, to the effect that Betti's manuscripts recording their conversations are the principal source for Riemann's later productions. This circle around Betti was, not irrelevantly, linked to the Cavour faction in Italy, as well as the extensions of the Ecole Polytechnique in that country. The industrialization of northern Italy, and Italy's superiority in aerodynamics worldwide during the 1920s, are reflections of this important circle of Riemann's collaborators there.

17. Cf. White, op. cit.

18. For much of the original research on classical Greek history, the writer is indebted to accumulated work by a team led by Criton Zoakos, et al.

19. On this and related matters, the source is a counter-intelligence dossier compiled by the author and his associates beginning early 1974.

20. Cf. Robert Gallagher, "Artificial Intelligence," *Campaigner*, June 1975.

21. The work on Cusa referenced here was compiled by Helga Zepp-LaRouche with assistance on theology from Dr. Helmut Boettiger.

22. The source for this is chiefly a file compiled by Russian language research-specialist teams in Wiesbaden (FRG) and New York City offices of the *Executive Intelligence Review*.

23. Most of the material for this is drawn from work done or coordinated by Christopher and Carol White, including her op. cit.

24. Cf. collected work of Pascal, Paris, 1963, and collected papers of C. Huyghens, Paris, 1979. The treatment of Descartes (and Spinoza) by Leibniz is from his collected (selected) works, passim.

Note on National-Income Accounting

The following diagram illustrates the total production and consumption of tangible goods, as it is reflected in national-income accounting categories. It is taken from the author's Saudi Arabia in the Year 2023, an Executive Intelligence Review Special Report issued in June, 1983.

The diagram provides the simplest possible outline of the input-output relations of labor and production of tangible goods.

The labor-force is divided into labor employed either directly in either production and transportation of tangible goods, or as administration, services, or wasteful occupations. The first portion represents production costs; the second portion corresponds to "overhead expenses." All tangible wealth is produced

solely by the productive labor of the first portion of the labor-force.

The necessity for such a distinction between productive and non-productive forms of labor is already proven, in our earlier examination of the matter from the vantage-point of thermohydrodynamics. It is the physical changes in nature, and in the process of man's alteration of nature, which determine changes in the potential relative population-density of society. Services, such as science, engineering, medicine, and education, most obviously, affect most significantly the productive powers of labor. The effects of necessary forms of administration and services are fully reflected as changes in the manifest productivity of labor: therefore, to consider administration and services as adding wealth, over and above the tangible output of newly produced goods, would be to count the benefit of such administration and services twice.

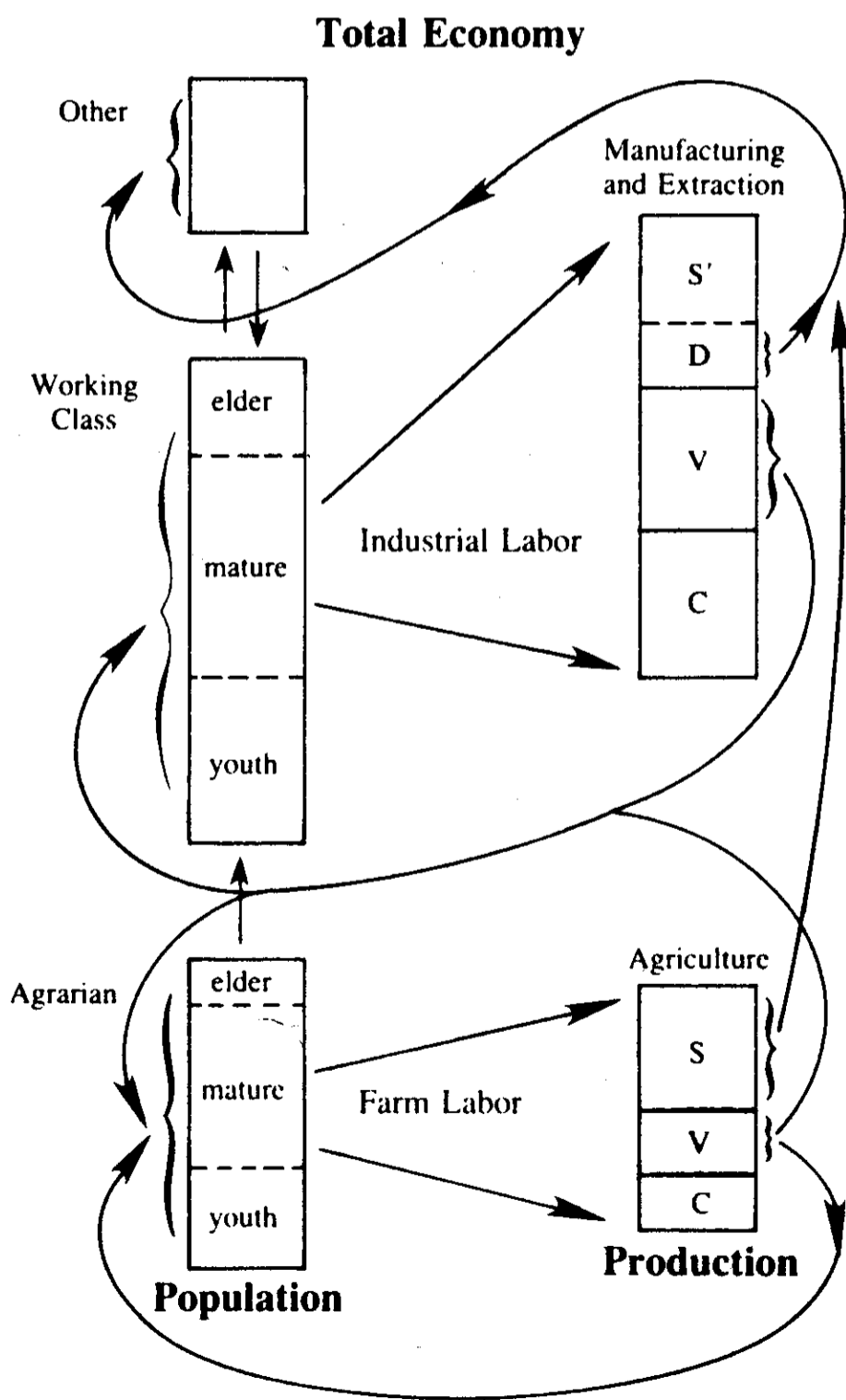
One may quite usefully imagine a national economy as a giant agro-industrial firm, such that the output of the economy is the tangible wealth it produces, and in which administration, services, and wasteful occupations are aggregately the management expenses of the firm, expenses which must be compensated out of the proceeds of tangible output.

The productive employment of the labor-force is in its entirety, the direct social cost of operations of production and transportation as a whole. This is the input; we analyze this activity as input according to the principal social categories of output it yields. As the diagram illustrates, one part of the output, *Variable Cost* or V is allotted to maintaining all of the households from which productive labor is drawn. Another cost, *Constant* or C , is the product and transportation consumed internally by production, to the effect that this portion, C , does not exceed the combined value of $(C + V)$ as energy of the system.

Deducting $(C + V)$ from the total output, we have the *Gross Operating Profit* of the "firm," S . Out of this *Gross Operating Profit*, we must pay the *non-productive costs of society*, both in the form of consumer-goods and capital-goods. Let us designate this by D . Deducting D , non-productive costs, as measured in the ratio of productive labor required to produce the goods involved, from *Gross Operating Profit*, S , we have *Net Operating Profit*, or S' . We complete the picture by treating administration and services as a flow from the households producing these, into both itself and the body of households corresponding to productive labor.

The money-costs of administration and services are paid either by the state, as purchases by firms, or as purchases by consumers. This money-cost is fully accounted within the D of the input-output analysis of costs of production.

This analysis leads directly to the adoption of a list of accounting-ratios for national-income analysis.




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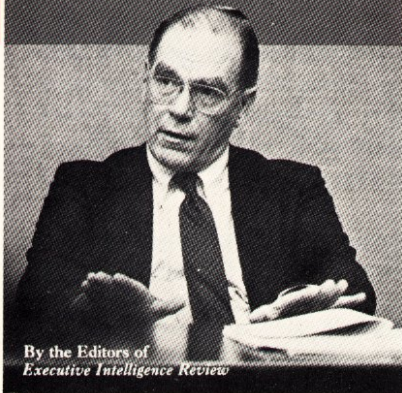
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