

## III. Lyndon LaRouche Legacy

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October 1983

The Attack To Which Karl Marx Could Not Have Replied!

# Dr. Karl Marx Refuted

Introduction: Marx's *Capital* Since 1869

by Lyndon H. LaRouche, Jr.<sup>1</sup>

*The following constitutes an introduction to the larger work, "The Attack To Which Karl Marx Could Not Have Replied! Dr. Karl Marx Refuted," said to be "a recently discovered manuscript that 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.'"*

*Mr. LaRouche's Introduction and the "Karl Marx Refuted" manuscript, plus an Appendix, titled "One Hundred Years Later: Karl Marx As an Accountant," and a "Note on National-Income Accounting," both also by Lyndon LaRouche, were published in The Campaigner magazine Supplement, October 1983. It is unclear whether the Introduction was written before, or after President Ronald Reagan's March 23, 1983 televised address to the nation in which he announced*

*the Strategic Defense Initiative (SDI).*

*Be that as it may, in this Introduction, LaRouche presents in condensed form his thinking about why he had to intervene with a "Grand Strategy," in which both the United States and the Soviet Union would participate.*

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.

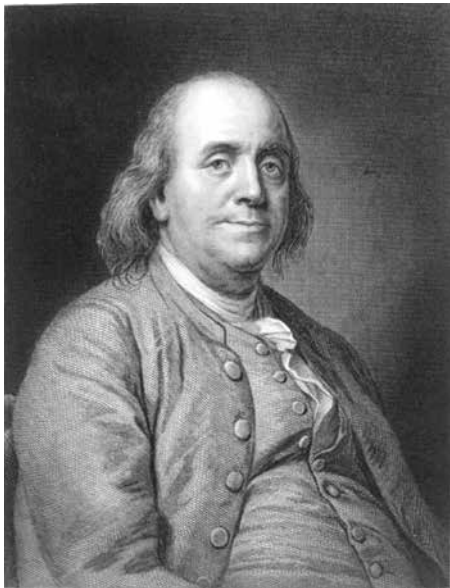
The principal difference in viewpoint between an admirer and contemporary of Henry C. Carey, and an American patriot criticizing Marx today, is that the names of the great issues exciting popular passions of Europe and the United States since October 1917 are fundamentally changed in many leading points.

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1. 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.

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Joseph Duplessis



John Trumbull

From 1766, for more than a century, the leading issue in most of the world was a life and death struggle between the American System of economy of Dr. Benjamin Franklin (left), Alexander Hamilton (right), and others, and the British System. Some proponents of the latter are pictured below.

versaries. 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.

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.

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



Scottish National Gallery

Adam Smith



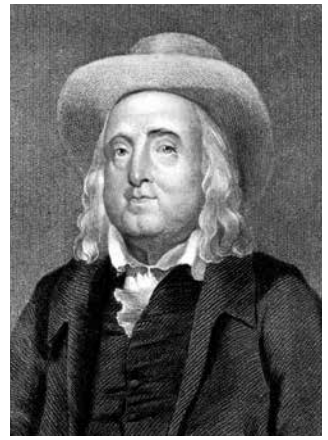
John Linnell

Thomas Malthus



Thomas Phillips

David Ricardo



Jeremy Bentham

an editor of an international news-weekly, 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 policymaking 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-



Office of the President of Russia

*Images such as this are used to justify a U.S./NATO posture of confrontation with Russia. Shown: a mobile ICBM being driven through Red Square as part of the military parade celebrating the 78th anniversary of Russia’s Victory in the Great Patriotic War of 1941–1945. Moscow, May 9, 2023.*

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

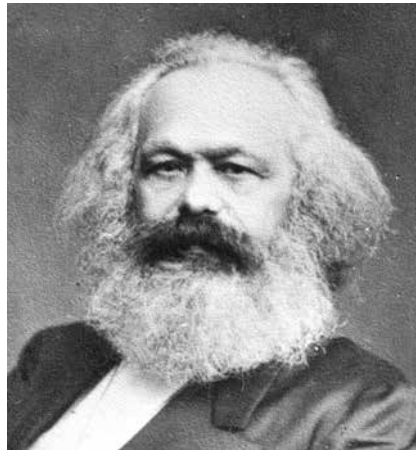
Karl Marx was a pebble dropped in the Jacobin waters of the last century, whose true significance has been misplaced, exaggerating his importance to giant size in the aftermath of 1917. In his own lifetime, he was, as our "Veteran of the War" describes him, one of a numerous assortment of Jacobin figures 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 counterproductive.

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,



John Mayall

*Karl Marx, "a pebble dropped in the Jacobin waters of the 1800s."*



*The Young Europe insurgencies of Giuseppe Mazzini (above) sent many to their deaths in the 1830s and 1840s. Shown: A romantic depiction of fighting at the barricades on the Rue Soufflot in Paris, June 25, 1848.*

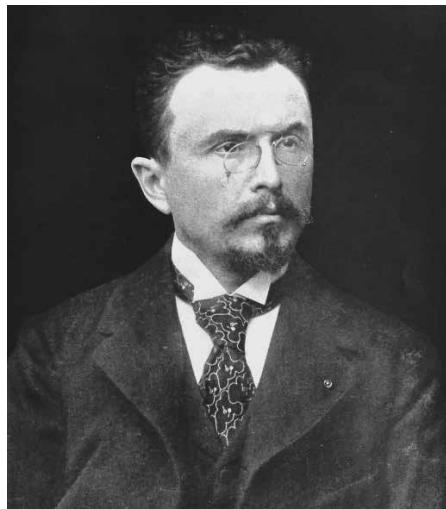


Horace Vernet

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 Cath-

erine 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.



*The threat to British interests in Asia posed by the collaboration of forces rallied around Gabriel Hanotaux (left) and Sergei Witte (right) was the trigger for World War I.*

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 of 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



Lenin Archives

*V.I. Lenin, greatly misestimated by the Venetians and London.*

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.



public domain

*Count Volpi di Misurata*

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,

of that period, Giuseppe 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.

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 ex-



Office of the President of Russia

*With Marxism gone in almost all but name, our republic must reckon with the power of Russia, with proffers of durable mutual security and peaceful cooperative development, not war. Shown: infantry units in Red Square on the 78th anniversary of Russia's victory in the Great Patriotic War of 1941–1945. Moscow, May 9, 2023.*

hibit 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 “deregulation,” 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.