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Blair, Obama Ally with al-Qaeda in World War Drive  
LaRouchePAC Exposes Obama's Role as the 'New Osama'  
'Hartz IV Jobs' in the U.S.A.: Glass-Steagall or Die?

**How Andrew Jackson  
Destroyed the United States**



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e-mail: [eirns@larouchepub.com](mailto:eirns@larouchepub.com)

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Webmaster: *John Sigerson*

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(703) 777-9451

**European Headquarters:** E.I.R. GmbH, Postfach

Bahnstrasse 9a, D-65205, Wiesbaden, Germany

Tel: 49-611-73650

Homepage: <http://www.eirma.com>

e-mail: [eirma@eirma.com](mailto:eirma@eirma.com)

Director: Georg Neudecker

**Montreal, Canada:** 514-461-1557

**Denmark:** EIR - Danmark, Sankt Knuds Vej 11,

basement left, DK-1903 Frederiksberg, Denmark.

Tel.: +45 35 43 60 40, Fax: +45 35 43 87 57. e-mail:

[eirdk@hotmail.com](mailto:eirdk@hotmail.com).

**Mexico City:** EIR, Ave Morelos #60-A, Col Barrio

de San Andres, Del. Azcapotzalco, CP 02240,

Mexico, DF. Tel: 5318-2301, 1163-9734, 1163-9735.

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# EIR

## From the Managing Editor

*The myth is ended.*

So begins this week's cover story, "How Andrew Jackson Destroyed the United States," in which author Michael Kirsch, 180 years after the dramatic events of the 1830s—events which led inexorably to the Civil War—rips away the veil of lies and propaganda that have presented Jackson as a hero of the "little man." Instead, what is revealed is the life-and-death battle centered on the economic engine of the nation, the Bank of the United States: on the one side, the British Empire and its treasonous lackeys: Jackson, Van Buren, Burr, Taney, et al.; on the other, the defenders of the Republic, above all, John Quincy Adams, Alexander Hamilton, and the young Illinois lawmaker Abraham Lincoln.

Understanding how the American people, only a few decades after our historic Revolution, could fall for the fraud of the British-orchestrated "Jacksonian democracy," will allow us to address *the same flaw* in the American people today.

That flaw comes boldly into view, when we observe the insane debate taking place today over the so-called "fiscal cliff." Can our fellow citizens really be so gullible as to believe that the choice they face is either threatening the lives of millions of elderly and poor, or raising taxes, or both? This is the Jackson's legacy writ large. Lyndon LaRouche takes on the underlying axiomatic fraud in this "choice," in *Economics*: "Hartz IV Jobs in the U.S.A. too: Glass-Steagall or Die?"

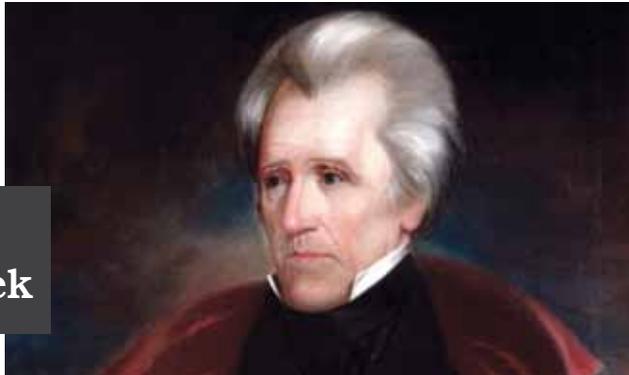
And what of the current replay of the 2003 lies that got us into the war against Iraq? Will our people fall for the latest phony "WMD" threat, this time from Syria? That appears to be exactly what is happening, as you will read in "Time for Him To Go: LaRouchePAC Exposes Obama's Role as the 'New Osama,'" in *National*.

"Blair and Obama Ally with al-Qaeda in World War Drive" (*International*), documents the Obama's de facto alliance with the British-Saudi-al-Qaeda cabal which is leading to a confrontation with Russia and China. The evidence is mounting that as long as Obama remains in office, we are headed toward global showdown. Is there any question that it is past "Time for Him To Go"?



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*President Andrew Jackson; portrait by Ralph E.W. Earl (c. 1835)*



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# How Andrew Jackson Destroyed the United States

by Michael Kirsch

*The myth is ended.*

The Jackson Administration was the greatest crime in the history of the United States, not merely because it was the first time a wholly foreign-owned President sat in the White House, destroying the policies of the United States, adopted by the people since 1789, but because it left an array of prejudices and axioms which have continually wrought the destruction of our nation.

In this report, the policy shift which the Jackson Administration (1829-37) brought about is demonstrated, and the lies which have since been told are demolished by the voices of those who have been silenced for nearly two centuries, including John Quincy Adams, other key statesmen of the time, and the people themselves.

The purpose of this report is to understand the nature of the false axioms destroying the United States today. But it is also to demonstrate that no objective reason exists for the waste of our nation's potential. If enough citizens understood how to wield the true nature and history of the United States Constitution, its stated and implied powers, and laws based upon it, then the nation's industrial and scientific resources could immediately be put into motion.

First we will look at the creation of Jackson as President, a character sketch of his controllers, and then begin the dramatic unfolding of his Presidency and its destruction of the United States Government, punctuated by the reaction of the public. Then, we review the final destruction of the American credit system and its replacement during the Van Buren Administration and beyond.

After viewing these pages, and the true process they document, the

reader who continues to hold onto his prejudices does so at his great peril. The nation's existence depends on learning these lessons, and discovering the true power of a United States under the American credit system, rather than one imposed by foreign laws and the laws of Empire—it depends on a return to principle and law, rather than precedent and popular opinion.

## PROLOGUE

### The Forecast of John Quincy Adams

These are the consequences which must flow from the reproduction by the President, as a fundamental principle of Government, of the old and long exploded doctrine, that the wealthy landholders of all countries constitute the best part of their population.

*John Quincy Adams, Feb. 27, 1833,  
Committee on Manufactures*

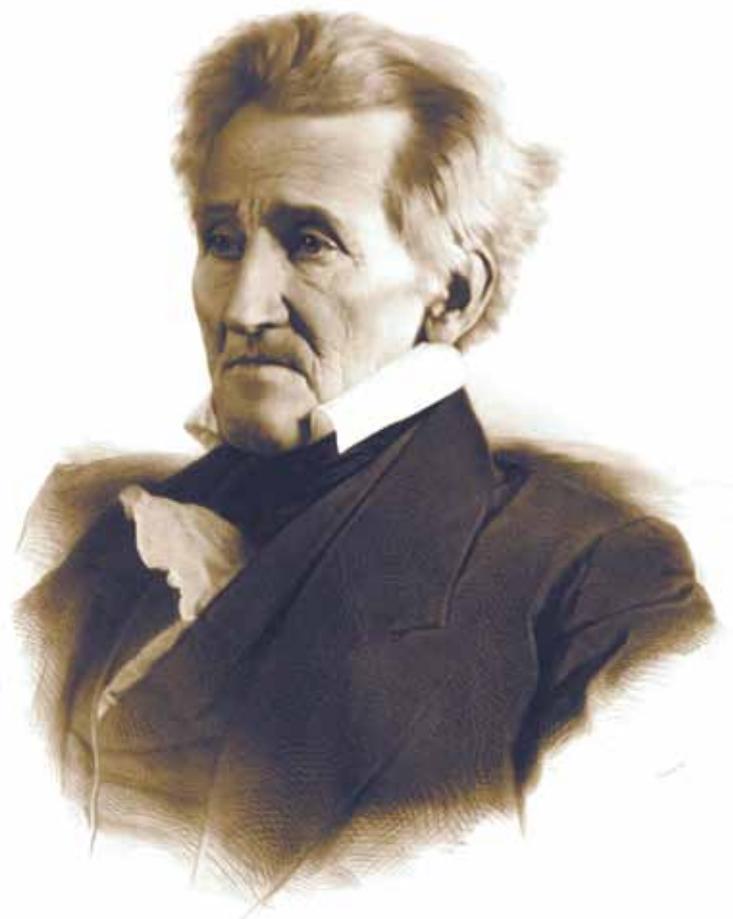
On Dec. 4, 1832, after his famous veto of the Bank of the United States, and upon being re-elected to a second term, President Andrew Jackson was handed a speech to deliver as his fourth annual address to Congress.

The speech was unprecedented and unfit for a President of the United States.

The public mask of Jackson's first administration fell away: The requests of the radical states-rights groups, the wealthy landowners, and slaveholders of the Southern states would be granted, while the interests of manufacturing, internal improvements, and national independence, were thrown aside.

The new policy for the nation would be one of "reducing the general government to [a] simple machine," and "withdrawing from the States all other influence," than maintaining peace, currency, contracts, and "discharging unfelt" its other functions. The speech gave the most alarming clarification that this new "simple machine of government" was for "the best part of [the] population," "the basis of society," and the "true friends of liberty," meaning the independent farmers, wealthy landowners, and slaveholders.

The speech said that "the public lands shall cease . . .



*Andrew Jackson, the seventh President of the United States (1829-37), destroyer of the Bank of the United States, and enemy of the American Republic and its Constitution.*

to be a source of revenue," but sold at prices "barely sufficient to reimburse the United States," thus no longer being used as a tool for internal improvements and the general welfare. The land was pledged instead for the spread of slavery, as it would eventually be "surrendered to the states respectively in which it lies," namely, the slave states of North and South Carolina, Virginia, and Georgia.

Congress was told to stop promoting internal improvements, unless a majority of slaveowners, who amounted to 4% of the free population, voted to ratify an amendment that bestowed on Congress additional power. The speech claimed that the states were not benefitting equally—echoing the radical "states-rights" cry that federal road, canal, and rail projects could give the government the power to emancipate slaves. To end all support for existing projects underway, it called for measures to "dispose of all stocks now held by it in corporations."

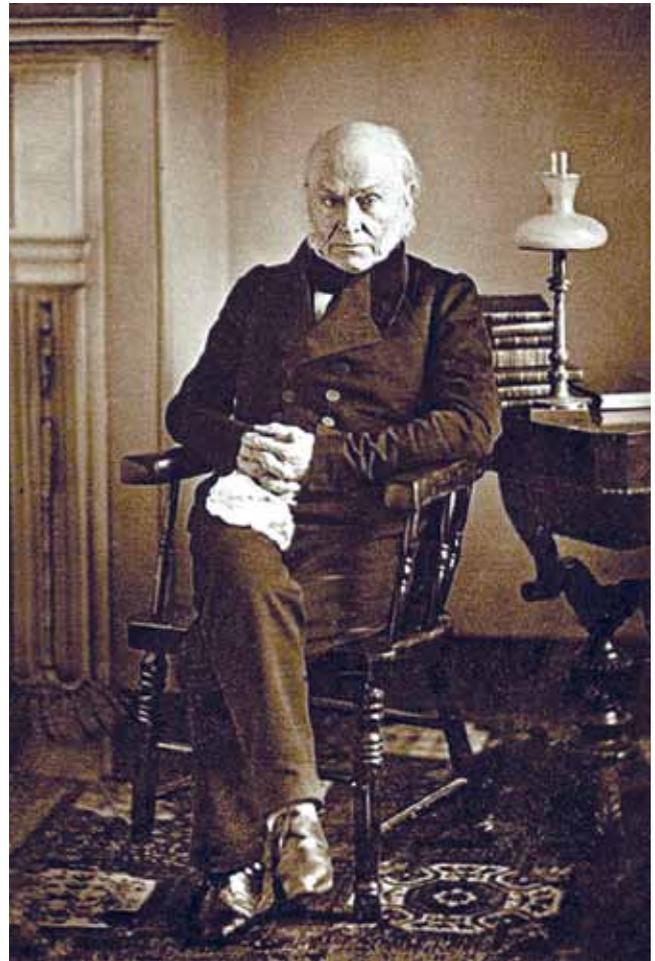
The long-established duty of the federal government, since the first act of Congress in 1789, to encourage and protect manufacturing was no longer deemed fair to the Southern states, which objected to paying impost taxes. The economy was to be run according to foreign rules and foreign laws: that for the “interests of the different states . . . [the] policy of protection must be ultimately limited to those articles of domestic manufacture which are indispensable to our safety in time of war,” meaning virtually nothing except unwrought iron.

The Bank of the United States, and its integral relation to expansion of roads and canals, manufactures, and credit for the poor but industrious classes, was one of four elements of government protection and regulation of the economy which was to be abandoned, for the sake of “reducing the general government to [a] simple machine.”

The speech concluded: “Limited to a general superintending power to maintain peace . . . to prescribe laws on a few subjects of general interest . . . this government will find its strength and its glory in the faithful discharge of these plain and simple duties. Relieved by its protecting shield from the fear of war . . . the free enterprise of our citizens, aided by the state sovereignties, will work out improvements and ameliorations which cannot fail to demonstrate that . . . the people can govern themselves . . . by a machinery in government so simple and economical as scarcely to be felt.”

Former President John Quincy Adams, speaking on behalf of the minority of the Committee on Manufactures, made an extensive reply, drawing out the various implications of the December address:<sup>1</sup>

Connected with the other effective recommendations to abandon all further purposes of national internal improvement, and all future revenues from the public lands, with the hand of ruin raised against credit and currency, in the denunciations of the bank of the United States, and, at the root of all, the proclamation of the principle that the wealthy landholders, or, in other words, the slaveholding planters of the South, constitute the best part of the national population, they can perceive nothing other than a complete system of future government for this union directly tending to its



*John Quincy Adams, who served honorably as Secretary of State, U.S. President, and member of Congress, warned against a Jackson Presidency; he led the fight against slavery, and fought to defend the Republic from the Jacksonian traitors.*

dissolution—a system totally adverse to that which has prevailed from the establishment of the Constitution, till the day of the delivery of the message—a system altogether sectional in its character, wasteful of the property of the nation, destructive to its commerce, withering to its future improvement, blasting to the manufactures and agriculture of two thirds of the states, and looking in its ultimate results to sacrifice the labor of the free to pamper with bloated profits the owner of the slave.

John Quincy Adams took on the abandonment of manufacturing, which, since the end of the Second War of Independence with the British in 1815, had been prospering and strengthening the power of the nation at

1. John Quincy Adams, “Protection: Domestic Manufactures,” Feb. 27, 1833, 22nd Congress, 2nd Session, Committee on Manufactures.

unheard-of rates:

It is the adoption for the future of a system of policy directly opposite to that with which the administration of Washington laid the foundations of the social existence of this great community—our national and federal union. Those foundations were, that all the great interests of the nation were alike entitled to defense and protection by the national arm, and from the national purse. And to the interest of manufactures was the first pledge of encouragement and protection.... That pledge is now ... to be withdrawn. The government is to be reduced to a simple machine, and its operations of superintending beneficence are to be *unfelt*. The great body of the manufacturers, including the numerous classes of mechanics, handicraftsmen, and artificers, and with them great multitudes of cultivators of the soil, though not that best part of the population, the independent freeholders, all the hard-working men, in short, the laboring part of the exclusively free population of the country, are to be turned out of the paternal mansion, cast off as worthless children of the common parent, and surrendered to the mercy of foreign laws, enacted for the express purpose of feeding foreign mouths with the bread denied by our simplified machine of government to them.

Adams forecast the final effect of decomposing the elements binding the Union together, and the result implied in the new principle set forth by the administration:

The planter of the south, the new settler of the west, the husbandman of the north and center, the merchant of the Atlantic shore, the navigator of the ocean, and the artisan of the workshop and the loom, have each, in his several spheres of action, a separate and distinct interest, but a common right, a common stake, a common pledge in that great social compact, the constitution of the United States. All are equally entitled to its protection, and to that of its laws. To bind,



*Adams, defending manufacture and internal improvements, stated: "The planter of the south, the new settler of the west, the husbandman of the north and center, the merchant of the Atlantic shore, the navigator of the ocean, and the artisan of the workshop and the loom, have each, in his several spheres of action, a separate and distinct interest, but a common right, a common stake, a common pledge in that great social compact, the constitution of the United States...." Shown, "A Long Island Farmer Husking Corn," by William Sidney Mount (1833-34).*

to interweave, to rivet them in adhesion inseparably together, is the duty of the American patriot and statesman: to bring one of those great interests in hostile collision with all or any of the others, is to loosen the bonds of the union, and to kindle the fires of strife.

A sound, uniform and accredited currency; an inexhaustible and invaluable fund of common property in the public lands; an organized and effective application of the national energies and resources, to great undertakings of internal improvement; and a firm, efficient protection of commerce and navigation against the arm of for-

eign violence, and of manufactures and agriculture against the indirect aggressions of foreign Legislation and competition:—these . . . are the cements, which can alone render this union prosperous and lasting. To decompose and unsettle the currency, to cast away the treasure of the public lands, to abandon all enterprises of internal improvement, and systematically to deny all protection to the domestic manufactures, is to separate the great interests of the country, and to set them in opposition to each other. It is to untie the ligaments of the union.

. . . However in one portion of the union, the independent farmers or planters, cultivating the soil by their slaves, may be considered, by one of themselves, as the basis of society, and the best part of the population, the assumption of such a principle, as a foundation of a system of national policy for the future government of these United States, is an occurrence of the most dangerous and alarming tendency; *as threatening, at no remote period, not only the prosperity, but the peace of the country, and as directly leading to the most fatal of catastrophes—the dissolution of the union by a complicated, civil and servile war* (emphasis added).

## By Design

Jackson's first speech of his second term was not a tangle of policies from his personal prejudices, with accidental side effects; it was a deliberate abandonment of a set of federal powers chosen at the formation of the Union as fundamental to its existence, and increasingly expressed by laws adopted by the people, up until that time.

While utilizing strict controls over its own economy, the British Empire insisted on, and militarily enforced, "free trade" on other nations, in order to assure its global dominance. At the conclusion of the first Revolutionary War and the signing of the Treaty of Paris, British Prime Minister Lord Shelburne proposed to recoup the losses that the British Empire had suffered in North America, by enforcing its policy of free trade to ensure that the newly established nation would remain a supplier of raw materials.<sup>2</sup> The 1789 U.S. Constitu-

tion was created to ensure the power to break from this colonial model, and was successfully implemented by Washington and Hamilton.

The United States came out of the War of 1812 with a new patriotism, determined to break its dependence on British trade and manufactures, and to increase the unity, area, and power of the territory by federal infrastructural improvements, as well as with a renewed support for a National Bank to regulate the currency and facilitate trade. The tariffs which Alexander Hamilton called for in his 1791 *Report on Manufactures* were implemented after the war, in 1816, and then increased rapidly during the second Monroe Administration (1821-25). As Secretary of State (1817-25), John Quincy Adams crafted the Monroe Doctrine, stating that the United States would treat any further attempts to impose European colonialism on the Americas as a foreign act of aggression.

With the election of John Quincy Adams to the Presidency in 1824, the growing independence and influence of the United States became an existential threat to the interests of the British Empire. President Adams gave his unrestrained support to internal improvements and protection for industrial and westward development. The Adams Administration worked closely, beginning 1823, with the new president of the Bank of the United States, Nicholas Biddle, to make the financial system a tool for these policies.<sup>3</sup> Under its intended operation—during Alexander Hamilton's direction in 1791-1801—the Bank was the means to implement the powers of Congress. The legislated act created a system of future payments on credit, making possible the long- and short-term investments associated with roads, canals, rails, and new manufactures. The system of future payments was the linchpin for economic stability and growth, creating a regulated national currency that promoted productive value rather than individual mon-

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more capital, with more enterprise than any trading nation on Earth, it ought to be our constant cry: 'Let every market be open.'"

3. Nicholas Biddle's appointment as President of the Bank in 1823 was a culmination of his early devotion to the cause of improvements, education, and scientific agriculture, working with Benjamin Franklin ally Mathew Carey, John Quincy Adams, as well as under President James Monroe earlier. Biddle and Carey's Society for the Promotion of Internal Improvements pushed the state of Pennsylvania to initiate its system of canals, as well as to pioneer the promotion of railroads in 1825. Michael Kirsch, "The Credit System vs. Speculation: Nicholas Biddle and the 2nd Bank of the United States," *EIR*, July 20, 2012; Anton Chaitkin, "The American Industrial Revolution That Andrew Jackson Sought To Destroy," *EIR*, June 22, 2012.

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2. Shelburne, also the head of the ruling committee of the British East India Company, stated before the House of Lords in January 1783, "All we ought to covet on Earth is free trade. . . . With more industry, with

etary profit.<sup>4</sup>

In addition to the direct credit provided by the Bank, under Presidents Monroe and Adams, the Secretary of Treasury subscribed to the stocks of various canal, harbor, and turnpike companies associated with internal improvements.<sup>5</sup> The Secretary would subscribe to the road and canal stocks based on revenues from the sale of public lands, and the dividends which would accrue on the government's stock in the Bank of the United States, a system allowing the government to use the future profit of the economy to guide investment.

This long-term strategy for increasing the power of the nation was replaced with one of selling off all investments in corporations for internal improvements, dropping protection for manufacturers, and ending the use of revenue from public lands. The fixation on paying off the national debt was an attempt to justify abandoning the promotion of manufactures through duties, and stopping allocations for federal internal improvements. All of this played on the prejudices of local interests, giving the people back their tax money for immediate gain, sacrificing the future to the present.

The destruction of the nation's credit bank had noth-

4. When the country was founded, it established a system of exchange depending not on hereditary or saved-up capital of gold and silver, but one based on mutual confidence, on *credit*, which formed the basis of trade for industry, both internal and external. The Bank of the United States concept evolved from the earlier system of the Massachusetts Bay Colony and Franklin's system of credit in Pennsylvania. Crafted in collaboration with Robert Morris, Gouverneur Morris, James Wilson, and Benjamin Franklin, Alexander Hamilton's "System of Public Credit," as expressed in his Bank of the United States, further developed the power of a sovereign currency. Nancy Spannaus, "A Matter of Principle: Alexander Hamilton's Economics Created Our Constitution," *EIR*, Dec. 10, 2010; Kirsch, *ibid*.

5. Including, but not limited to, the Cumberland Road into Ohio and its continuation west to St. Louis, the Chesapeake and Ohio Canal, the Delaware and Chesapeake Canal, and the Portland to Louisville Canal around the falls of the Ohio, connecting the Great Lakes to the Ohio River system in Ohio and Indiana, and enlarging and rebuilding the Dismal Swamp Canal in North Carolina and Virginia.

ing to do with helping the poor, or with machinations of the bank's directors, as the Jackson Administration claimed, but was instead aimed at eliminating growth in all areas of national economy and facilitating an aristocracy of wealth, disabling those who depended on borrowed capital from the Bank to participate in the nation's growth, in favor of wealthy landowners and New York-Boston speculators.

All of these policy shifts were inseparable from the spread of slavery and promotion of British trade interests, just as the horrific removal of the Native Americans from the Southern states facilitated the same.

The intended destruction of the nation's financial system was completed through the Van Buren Administration, which made explicit all of the implied policy changes of the Jackson Administration. Van Buren would openly profess that the British East India Company's policy of *laissez faire*, against which the American Revolution had been fought, was our own. He would demand budget cuts as the only means of reducing debt, and say that all of the Presidents before

Jackson, from Washington through John Quincy Adams, had been running a system of government handouts and violations of the rights of property.

These administrations, from 1829-1841, accomplished all the tasks desired by the British Empire. And, having removed all the crucial powers of government from operation, they established new precedents and traditions, leaving the majority of citizens as a mass of confused and corrupted partisans on both sides to fight over lost causes and issues. Threats to return to the former system were beaten down by force. Slavery spread, speculative banking consolidated capital, and the nation sailed toward the Civil War forecast by Adams.

We will now walk, step by step, through the true story of Andrew Jackson, not as the mythical hero, but as an instrument of those who orchestrated the destruction of the government of the United States, and its chief expression, the American credit system.



*President John Quincy Adams (1825-29) worked closely with Nicholas Biddle, the new president of the Bank of the United States, to make the Bank a powerful tool for economic development and westward expansion. Portrait of Biddle by William Inman (ca. 1830s).*

## Why Jackson Became President

In 1804, Alexander Hamilton exposed Aaron Burr's treason plot to split New England from the Union, ruining his campaign for Governor of New York. Burr plotted to kill Hamilton, as attorney Martin Van Buren prepared the legal bail of William Van Ness, Burr's associate and intermediary in the duel with Hamilton, anticipating his arrest for the murder. Van Buren was incorporated into the Burr political machine, and regularly visited Burr, his political boss and mentor, at his home. When the New York coroner's jury ruled homicide in the killing of Hamilton, Burr and his aides, John Swartwout and William Van Ness, fled New York to avoid prosecution.

In his endeavors, both before and after the Hamilton murder, Burr was connected with the highest level of British army and espionage leaders, including British intelligence officer Charles Williamson to whom Burr communicated an offer of his services, passed on to British Ambassador Anthony Merry, who wrote to the Foreign Office:

I have just received an offer from Mr. Burr, the actual Vice-President of the United States . . . to lend his assistance to his Majesty's government in any manner in which they may think fit to employ him, *particularly in endeavoring to effect a separation of the western part of the United States from that which lies between the Atlantic and the mountains, in its whole extent.* His proposition on this and other subjects will be fully detailed to your Lordship by Colonel Williamson. . . . If . . . his Majesty's minister should think proper to listen to his offer . . . his present situation in this country, where he is now cast off as much by the democratic as by the Federal party, and where he still preserves connections with some people of influence, added to his great ambition and spirit of revenge against the present Administration, may possibly induce him to *exert the talents and activity which he possesses with fidelity to his employers* (emphasis added).<sup>6</sup>

6. Edward Payson Powell, *Nullification and Secession in the United*

Another of Burr's aides was Edward Livingston, a former New York mayor, with whom he planned to seize Louisiana, and, with the British, to conquer Mexico.

In 1805 and 1806, Burr spent many weeks at Jackson's home in Nashville, Tenn., and began recruiting mercenaries. Jackson personally arranged 40 boats for the endeavor and recruited 75 men. The plan was exposed, and Burr was arrested in 1807, and put on trial for treason against the United States. Jackson himself was subpoenaed as a material witness and as an unindicted co-conspirator.

Congressman John Randolph of Roanoke, Va., was an ally of Burr and Jackson, and served as chairman of the grand jury shaping the charge against Burr. After the trial, Burr went into exile in England with his aide Samuel Swartwout, where he lived with British secret intelligence strategist Jeremy Bentham, the two becoming best friends.<sup>7</sup> Burr also strategized with the head of Britain's spy rings in America, Lord Castlereagh.

The despised Burr returned to the U.S. in disguise a month before the war with Britain began in 1812. After their return, Samuel Swartwout became Jackson's political aide and advisor, and Edward Livingston served as Jackson's aide de camp in Louisiana, along with aide Thomas Hart Benton. Now, back in America, serving as an agent of the British Empire under Jeremy Bentham, Burr partnered with Van Buren on legal cases and on co-writing legislation. Together they revived Burr's old New York State political machine, with Van Buren as the new political boss.<sup>8</sup>

### Electing a President

The project to make Jackson President was first proposed by Burr on Nov. 20, 1815, in a letter to his own son-in-law Joseph Alston, the ex-governor of South Carolina. Burr wrote to Alston that the United States had been misruled by its Presidents, from George Washington of Virginia to Thomas Jefferson and James Madison of Virginia, and would again be duped if James Monroe, another Virginian, were nominated for President. Burr proposed Jackson for the position, adding that his own role in the project must be concealed:

*States* (New York: Knickerbocker Press, 1897).

7. *The Private Journal of Aaron Burr*, Vol. I (New York: 1838).

8. Anton Chaitkin, "Andrew Jackson as a Treason Project," *EIR*, Dec. 21, 2007, and op. cit., footnote 3; Seba Smith, *The Life of Andrew Jackson*, By Major Jack Downing [pseud.] (Philadelphia: 1834).



*When Alexander Hamilton exposed Aaron Burr's treason plot to split New England from the Union, Burr challenged Hamilton to a duel, and murdered him, July 11, 1804, as portrayed in this drawing.*

If, then, there be a man in the United States of firmness and decision, and having standing enough to afford even a hope of success, it is your duty to hold him up to public view: that man is Andrew Jackson. Nothing is wanting but a respectable nomination, made before the proclamation of the Virginia caucus, and Jackson's success is inevitable. If this project should accord with your views, I could wish to see you prominent in the execution of it. It must be known to be your work.

The attempt to stop Monroe's nomination failed, and the nation, now unified for the common aim of independence from the British, launched a vast program of internal improvements and industrial projects, both North and South.<sup>9</sup> The party system declined. Monroe avoided partisanship, recalling Washington's Farewell Address, and the former party name Democratic-Republican came to represent the national program under the Monroe Presidency.

By 1821, now-Senator Van Buren was in control of a large political apparatus in New York, the Albany Regency, which controlled a legion of newspapers and politicians through slander and reward. Beginning in 1822, Van Buren led a campaign to actively create a national political machine out of an alliance of his New York banking apparatus with Southern slaveholders

9. Chaitkin, op. cit., footnote 3.

and Virginia's radical "states-rights" movement, the latter led by the pro-British John Randolph.

Randolph was a close collaborator of Aaron Burr, and had family ties to the director and future chairman of the British East India Company, through his stepfather Henry St. George Tucker. Among Randolph's first cousins were British admirals who fought against the United States in the War of 1812. He represented the British Tory families of Virginia that never gave way to George Washington, and was the leader of the Richmond Junto, the state's anti-national power structure. In 1823, this union of interests attempted to destroy the nationalist unification of North and South, attacking Monroe for weakening sympathy for Southern slaveowners.<sup>10</sup>

In 1824, there was effectively only one party, as the Federalist Party was moribund. Van Buren's political machine was not able to secure the election of a Presidential candidate, nor was Jackson yet entirely a controlled entity of Burr, Van Buren, Randolph, and company. Van Buren continued building an apparatus to defy the strong and consolidated national outlook of the Madison-Monroe presidencies, using his political machine to create the only anti-nationalist candidate in the election, William Crawford, who was against federal support for internal improvements and manufactures.

What brought about the consolidation of the project to elect a President capable of defying and reversing the new power of the U.S. government, was the violent reaction by the British Empire against the election of John Quincy Adams, whose unapologetic use of the Constitution and creation of new laws to strengthen the power of the nation, unleashed the scientific potential of the citizens and resources of the territory as never before, accelerating the break with British trade.

The British Empire's interests drew on every available asset to unify the alliance of New York finance and Southern slavery into a new party, the Democratic Party, and used various means to consolidate different factions under its banner behind Andrew Jackson, winning for him the 1828 election.

While the controlling elements of this new party

10. Ibid.

were Van Buren’s New York bankers and Randolph’s Southern slave plantation aristocracy, the majority of Democratic Party members and voters in the 1828 election were not aware of this fact. They voted for Jackson because of his legacy as a military hero in a war against the British; because he was “anti-Federalist”; because he campaigned as a pro-free-trade candidate to Southern slaveowners, and as a pro-nationalist candidate to Northern workers; and because he promised government jobs to all who would support him. In addition, the people were riled up with alarmist, populist slogans against President Adams as “monarchical,” and a spendthrift.

### The Kitchen Cabinet

Within the Jackson Presidency, there was a circle of speechwriters, advisors, and controllers, which gained increasing power over the official Cabinet members with each day, eventually pushing out the first Cabinet. In 1831, this controlling influence was dubbed by Nicholas Biddle the “Kitchen Cabinet.” While other advisors were crucial—such as John Randolph, who was in correspondence with Van Buren and Jackson—the two most influential figures in the Administration were Martin Van Buren and Amos Kendall.<sup>11</sup>

Although he served officially as Secretary of State, and in other official positions, Van Buren’s control was carried out on a level of subterfuge equal to that of his mentor Burr, in Burr’s dealings with British intelligence networks. Van Buren operated behind the scenes, like the Venetian Iago of Shakespeare’s *Othello*. Representative Tristram Burges of Rhode Island would later point to his controlling role over Jackson’s Kitchen Cabinet in March 30, 1831:

11. John Randolph and others collaborated with the Kitchen Cabinet, steering Jackson toward his attack on the Bank. Jackson replied to a letter by Randolph on Dec. 22, 1831, writing “Never fear the triumph of the U.S. Bank while I am here.”



Jackson’s “Kitchen Cabinet,” as it was dubbed by Biddle, and lampooned in this 1833 cartoon, consisted of a gang of his controllers, who eventually pushed out the legitimate Cabinet.

His cabinet was so selected and arranged, that the whole power and influence of the President, has been brought under the councils, and into the control of the secretary of state [Van Buren]. This man has exerted his managing capacities in such intrigues, as to have either brought every other man in the cabinet, into his schemes, or have excluded them from the confidence of the President.<sup>12</sup>

Amos Kendall was Jackson’s main speechwriter, and had worked in Kentucky for years with a newspaper owner named Francis Blair, to build and control a political party, by developing the art of seducing drunken mobs to demand populist measures that would end up destroying the interest of themselves and the public.<sup>13</sup> Kendall ran Jackson’s Kentucky campaign

12. Tristram Burges, “Speech of Mr. Burges,” *Niles’ Weekly Register*, Vol. 40, pp. 119-126.

13. This was the “Relief Party,” which passed through the legislature, under Kendall’s control, a measure to declare the debts of people to private parties null and void. The Court of Appeals in Kentucky declared this to be a monstrous act against the state constitution. In response, Kendall’s motley party, like the mobs of the French revolution, passed a law “abolishing” the Court of Appeals, setting up its “own” court under party rule, which allowed the measure to go through. Also, while in Kentucky, Kendall became a tutor for the family of Sen. Henry Clay, allowing Kendall to spy on and profile the number one opponent in the

## The Destruction of the Government

### 1. How It Began

before moving to Washington, and becoming Jackson's main writer, whose speeches echoed Kendall's long practice in manipulating mobs.

Despite the prominence he would assume, Kendall was not a member of the Cabinet, but officially "4th auditor of the Treasury," with an obscurity that allowed him to remain unaccountable to the public. The visiting English writer Harriet Martineau wrote in 1836:

I was fortunate enough once to catch a glimpse of the invisible Amos Kendall, one of the most remarkable men in America. He is supposed to be the moving spring of the whole administration, the thinker, planner, doer; but it is all in the dark. Documents are issued of an excellence which prevents their being attributed to persons who take the responsibility of them; a correspondence is kept up all over the country for which no one seems to be answerable; work is done, of goblin extent and with goblin speed, which makes men look about them with a superstitious wonder; and the invisible Amos Kendall has the credit of it all.

The personal correspondences and papers of both Van Buren and Kendall were mysteriously burned.

Also essential was Edward Livingston, a central figure in Aaron Burr's treason schemes in New York and Louisiana, and, second to Burr, the most prominent American agent of British intelligence strategist Jeremy Bentham; Reuben M. Whitney, a merchant who lived in Canada throughout the War of 1812, smuggling gold into Canada to be used to buy weaponry to use against Americans in the war, and who later spied on Nicholas Biddle as a bank director; and Roger Taney, a Tory against the second war with Great Britain in 1812, from an aristocratic slaveholding family of Maryland.

These are the men who directed and controlled the messages and actions of Andrew Jackson. This was the group of largely unofficial advisors managing Jackson's mind, his passions, and his psychology. Jackson himself and his own changing private views were of little importance to understanding the actions and effects of the Administration.

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Senate of the future administration, and also the family of John Randolph, an experience he would utilize for his subversive ends.

The inaugural festival became a scene of broken windows from the overwhelming mass of partisan office-seekers attending. The Post Office in particular was stacked with these office-seekers from the new party; between March 1829 and March 1830, 491 postmasters, 230 other officers, and thousands with their subordinates were removed from their positions and replaced with members of Jackson's party. The deputy postmaster reported the political character of newspapers around the country, sending the headlines to the Administration.<sup>14</sup> This use of the party system as a mechanism of political control was unprecedented in the United States, and once a call went out from Jackson, party members were expected to rally around the new party slogan, receiving reward or punishment on that basis. Thomas McKenney, Superintendent of Indian Affairs, was fired by Jackson in 1830, for advocating the view that "the Indian [is], in his intellectual and moral structure, our equal." Understanding the matter of party control personally, he wrote:

It was only necessary ... for some party tool, or some office-seeker, to whisper a charge against an innocent and unsuspecting incumbent in an office of *the Government*, when out he went, no matter how serviceable he was, or what his experience, or how ruinous it should prove to himself and family; and if he dared to inquire into the cause, or lift up a voice of complaint, the press, having been subsidized for the purpose, was ready to blacken him all over, and hold him up as worthy, not only of just such treatment, but of the hate and execration of society, whilst it lauded every new appointment, and cursed it in

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14. Burges, *op. cit.*, footnote 12. The Post Office would be a famous case of political corruption, a means for paying the friends of Jackson three to four times the required cost by overbooking contracts and giving them to partisans as favors. It ended up insolvent and under Congressional scrutiny. Jackson appointed Burr's aide Samuel Swartwout as the Collector of Customs in New York, where he would famously rob the government funds, eventually \$1.2 million, before fleeing the country.



*In a harbinger of things to come, the Inauguration of President Andrew Jackson in 1829 erupted in a riot, as a mass of partisan office-seekers jammed into the White House. Jackson is seen in this depiction, on the right, as the crowd tramples an American flag.*

turn, as it was found necessary to make the change, in carrying out the views of “*the party*.” “Ever and anon,” as one after another of those victims to party violence, was thrust from office, the press shouted, “*the work goes bravely on!*”<sup>15</sup>

In July 1829, the Kitchen Cabinet initiated its action against the Bank with public attacks on directors of the Bank branches, starting when Portsmouth, N.H. Sen. Levi Woodbury, and campaign strategist Isaac Hill—future members of the Kitchen Cabinet—wrote to Secretary of Treasury Samuel Ingham, calling for the Bank director to be replaced. “The friends of General Jackson have had too much reason to complain about Portsmouth,” Hill wrote, claiming the director was refusing loans on a partisan basis.

Bank President Biddle went to New Hampshire to give the director a hearing, calling for all evidence to be presented, but among the complaints, not one witness repeated the charge that loans had been granted or refused for political reasons. The Administration made similar claims about partisan lending in Louisiana and

Kentucky. Biddle replied to a letter from Secretary of Treasury Ingham that the Bank “would not sacrifice [its directors] either to appease any clamor, or propitiate any authority.” Biddle continued, “The director’s responsibility for the management of it is to Congress, and . . . no Executive officer of the Government, from the President of the United States downwards, has the slightest authority to interfere. . . . The bank owes allegiance to no party, and will submit to none.”

McKenney later wrote about the New Hampshire accusations, “From the moment Mr. Biddle, in the name of the bank, declared that it ‘would not submit,’ from that moment the whole country, through the officers and expect-

ants of the new administration, and the press, was put in motion, and the welkin was made to ring with the shouts of ‘the party,’ urging it upon all true friends, to aid in producing the downfall of the bank.”<sup>16</sup>

His December address to Congress in 1829 put Jackson officially on record against the Bank. In this speech, he first raised the question of the re-charter, declaring his administration against it, because the Bank “had failed” to create “a uniform and sound currency.” The latter charge was an outrage to the common sense of the people, as it was well known by all that ever since 1823, banknotes were redeemable at par with gold and silver at every location of the country, and had become a more uniform and sound currency than at any former time in the nation’s history.

Both houses of Congress rebuked the President for the claim, conducting formal reviews of the history of the currency since 1811, and how it had been restored in the aftermath of the chaos of 1812-1815, by the Bank.<sup>17</sup> In addition to its other functions of national development, with respect to the regulation of the currency, the Bank’s lending and depository function was used to soften the blow to the economy from internal and international trade stresses, by calling in or extending loans

15. Thomas Loraine McKenney, “Essays On The Spirit of Jacksonism” January 1835, published by Jesper Harding. The dedication read, “I inscribe these essays to the honest and just men of the Republic, by whatever Party name designated.”

16. Ibid.

17. Kirsch, op. cit., footnote 3.

and debts; it prevented speculation by keeping the state bank circulation in check; it created a uniform currency and uniform exchange rate internally; and it provided a lower interest rate than any private bank or broker would offer.

However, Jackson's controllers were not attempting to win a logical argument against the Bank, but to make it a party issue. Most Democrats were favorable to the Bank and its policies; however, they were unaware of who was directing Jackson's messages. Thus, numerous members of the Administration and Democratic Party officials attempted to sway Jackson or respond and answer his baseless claims. The issue grew throughout 1830, and Biddle replied by publishing essays to educate the public on its functions.

Meanwhile, the intention of the Jackson Administration was making itself clear in other areas of policy. In May 1830, Van Buren and Kendall directed Jackson to veto the Maysville Road and other federal internal improvement bills, which had wide support in both houses; Van Buren's first political project with Aaron Burr was to try to stop the construction of the Erie Canal in New York in 1816.

The Jackson Administration had made clear to the State of Georgia that it would reject the policy upheld since Washington toward the Native Americans, and that it would not uphold the federal treaty with the Cherokees, honoring them and their land as an autonomous nation. Consequently, Georgia claimed the land of the Cherokees as part of the state and arrested the missionaries who aided in forming a modern language and constitution for the nation. In June 1830, the Cherokees sent a delegation to Washington, and the Supreme Court ruled the next year that Georgia had no right to invade Cherokee land, as it was sovereign territory under the federal treaty. Despite that ruling, Jackson ordered the Army to expel the Cherokees from their terri-



*Overruling the Supreme Court, Jackson ordered the Army to expel the Cherokees from their territory, in the most open contempt for the separation of powers in the nation's history up to that time. He was roundly denounced by John Quincy Adams for this. Shown: "Trail of Tears," by Robert Lindneux (1942).*

tory. His failure to enforce the Supreme Court's ruling was the most open contempt for the separation of powers in the nation's history up to that time, and an action for which Jackson should have been impeached.<sup>18</sup>

John Quincy Adams' insight into the process unfolding is captured in three diary entries at that time:

June 22, 1830: The whole strength of the present Administration rests upon his personal popularity, founded upon his military services. He has surrendered the Indians to the States within the bounds of which they are located. This will strengthen and confirm his popularity in those States, especially as he has burdened the Union with the expense of removing and indemnifying the Indians. He has taken practical ground against internal improvements and domestic in-

18. Jackson's failure to uphold the treaty and his leaving the Cherokees submission to the despotic power of the state of Georgia led to the deaths of one fourth of the Cherokees in the forced removal. Jackson's action opened the way for subsequent removals of Native Americans throughout the South, and the Jackson Administration itself directly negotiated 70 removals, equaling 100 million acres of Native American land east of the Mississippi, making way for the spread of slavery in Tennessee, Florida, Georgia, Alabama, and Mississippi. Ronald Satz, *American Indian Policy in the Jacksonian Era* (Norman: University of Oklahoma Press, 1974).

dustry, which will strengthen him in all the Southern States. He has, as might have been expected, thrown his whole weight into the slaveholding scale; and that interest is so compact, so cemented, and so fervent in action, that there is every prospect it will overpower the discordant and loosely patched policy of the free. The cause of internal improvement will sink, and that of domestic industry will fall with or after it. There is at present a great probability that this system will be supported by a majority of the people.

June 30, 1830: I suppose that the sacrifice of the Indians and of the interest of internal improvement and domestic industry will strengthen, rather than weaken, the popularity of the present Administration. I have cherished the principle and the system of internal improvement, under a conviction that it was for this nation the only path to increasing comforts and well-being, to honor, to glory, and finally to the general improvement of the condition of mankind. This system has had its fluctuations from the time of the establishment of the present Constitution of the United States. During the Administration of Mr. Monroe it was constantly acquiring strength in Congress and in the public opinion. . . . The combination in Congress became . . . so strong that it . . . produced the Act of Congress of April, 1824. The slaveholders of the South have since discovered that it will operate against their interests.

January 13, 1831: The system of internal improvement, and the promotion of domestic industry, which from the close of the last war with Great Britain had been pursued until the present Administration came into power, will be abandoned; and, as they offer in its stead the remission of taxes, they will in all probability be supported by the people. The control of the General Government over the separate States will also be abandoned, and the powers of the Judiciary Department prostrated. The people will also sustain this. The entire discharge of the national debt will dissolve one of the strongest ties which hold the Union together; and the doom of the National bank at the expiration of its charter is already sealed. Of the two systems, that of the present Administration sacrifices the future and remote benefit to the present, and therefore ad-



*Sen. Thomas Hart Benton, the Kitchen Cabinet's top ally in Congress, led the attack on the National Bank with a stemwinder of a speech that piled lie upon lie, claiming that the stockholders in the Bank were "aristocrats." Painting by Ferdinand Boyle (1861).*

dresses itself more to the feelings and prejudices of the people.

### **Preparing the Cabinet**

The party press machine was consolidated in December and January, when Kitchen Cabinet member Francis Blair established the *Globe* newspaper in Washington, from which he could better coordinate the other party newspapers. Blair was a close associate of Amos Kendall, working with him in Kentucky since 1819 on the "relief party," before coming to Washington with him in 1828.

In February 1831, Kitchen Cabinet ally Sen. Thomas Hart Benton kicked off the full-fledged attack on the Bank in a speech on the Senate floor, under the guise of the question of re-charter.<sup>19</sup> The speech was devoid of evidence to be demonstrated or investigated, and Benton expected no one in the Senate to believe any-

19. Benton was a former aide to Jackson in Louisiana, along with Edward Livingston. In Congress, he was a front man for the anti-Washington Astor Fur company, and later became a close ally of the Jackson's handlers after the 1824 election. Benton served John Randolph as a close friend in his 1826 duel with Henry Clay.

thing he said. The speech was delivered for those as ignorant of banking and the National bank, as he came across himself. The intention was to have the speech published by the party press machine.

Benton spoke not of how the Bank functioned or how it came about, but uttered sweeping phrases and slogans, such as “this mass of power, thus concentrated, thus ramified, and thus directed, must necessarily become, under a prolonged existence, the absolute monopolist of American money. . . .”; it is “an institution too great and powerful to be tolerated in a government of free and equal laws,” because “its tendencies were dangerous and pernicious to the government and the people.” Nowhere did he supply any evidence for the alleged abuses of the Bank and its branches, or mention the restraints existing to prevent such violations. Nor did he explain how wiping out the Bank would help the people.

Though most Congressmen could not fathom the true intention behind Benton’s claims, his speech was understood to be mere rhetoric. It was unclear why someone holding state bank capital was supposedly a good “democrat,” but being a stockholder of the National bank made one an “aristocrat.” Nor was it clear how the Bank could be a “monopoly of American money” when it had a capital of \$28 million, against state bank capital of \$128 million, and its branch banks competed with the circulation of 500 other state banks. Also, at the time Benton made the claim, 7 million shares of its stock were held by the U.S. government, 8 million by widows and orphans charities, 8 million by company owners and businessman, with 7 million held by foreigners (who had no voting power). Only 3 million shares were held by the very rich.

The stockholders of the Bank were increasingly representative of the population itself, and thus the Bank’s capital was the people’s capital, and its profits were profits they had earned: Those farmers and manufacturers had built themselves up over a generation, through the very access to credit provided by the Bank. At the time, the business class understood that the Bank of the United States and other credit banks of the period were merely other names for the farms, the commerce, the factories, and the infrastructure of the country, since the banks had no funds not already lent out to those purposes; they were the representatives of the people’s property.<sup>20</sup>

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20. Tristram Burges, “Memoir of Tristram Burges” (Providence: Henry L. Bowen, 1835), pp. 318-404; Kirsch, *op. cit.*, footnote 3.

Soon after Benton’s speech was circulated, an attempt was made to give the attack academic authority, with various authors stating that “in theory” the Bank wasn’t needed to regulate the state bank currencies into a uniform currency, and that a better currency could be accomplished by “free competition,” by the “self-restraining principle,” and by “the method appointed by nature.” In other words, that the United States should follow the policies of the British East India Company, abandoning all regulation.<sup>21</sup> These economic theories were pushed at a time when the economy was growing faster than ever in the history of the country, by following the exact policies these theories attacked, under the regulation of the state bank currencies checked by the management of the National Bank currency begun by Biddle in 1823, which had kept the growth of credit in line with the growth of productive power.

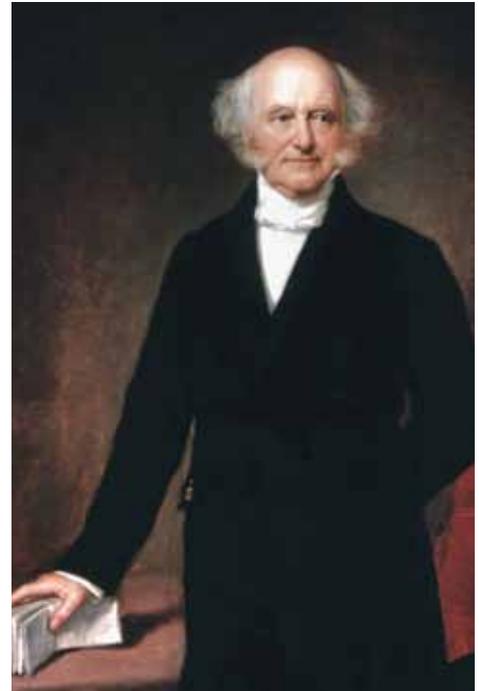
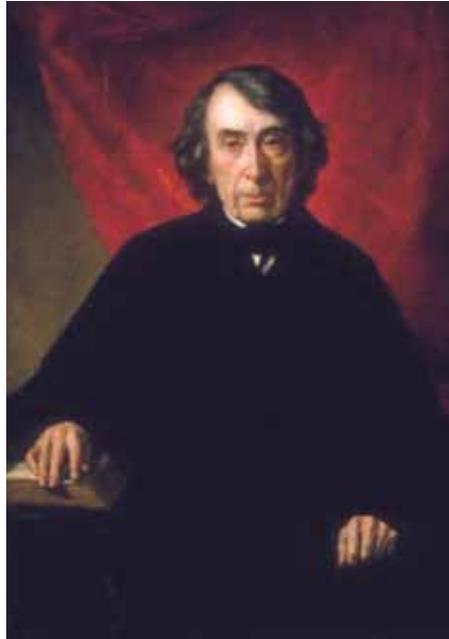
Meanwhile, the party press machine continued to beat the drum against the Bank, and Blair’s press revived old slanders that the Lexington directors loaned money for party purposes. By this time, over 150 party-controlled newspapers had been arranged to wheel and fire on command. A leader of Jackson’s own party from Louisville, Warden Pope, came forward refuting the claims, and assured Jackson that there was no basis for the slanders against the Kentucky branch Bank. In June 1831, James Madison, who had created the Bank as President, wrote a letter which would be widely published, explaining his support for the Bank of the United States since 1811, blasting any attempt to compare Jackson’s attacks with his own earlier opposition to the Bank in 1791.

That Summer, Van Buren used a contrived feud between Calhoun and Jackson to orchestrate a purge of the Cabinet officials who were not controllable by the Kitchen Cabinet.

Kitchen Cabinet advisors Edward Livingston, Roger Taney, and Levi Woodbury became official Cabinet members. As referenced, Livingston was a long-time Burr associate and a collaborator in his secession plots, an agent of Jeremy Bentham maintaining the sophisticated and proper public face for the Administration on various occasions. Levi Woodbury from New Hampshire (who initiated the attack against the Bank in 1829) and Roger Taney were both submissive assenters to Van Buren and Kendall. Taney was of the fox-hunt-

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21. Thomas Payne Govan, “Nicholas Biddle: Nationalist and Public Banker” (Chicago: University of Chicago Press, 1959), pp. 140-141.



National Archives

*Amos Kendall, Roger Taney, and Martin Van Buren (future U.S. President) were leading members of the Kitchen Cabinet. For his indispensable role in the crushing of the Bank, Taney was rewarded with an appointment as Chief Justice of the Supreme Court, from which post he issued the atrocious Dred Scott decision. Kendall photo by Matthew Brady (ca. 1860); portraits of Van Buren and Taney by George Healy.*

ing, slave-plantation aristocracy of Maryland, who opposed war with Britain in 1812 as a “Federalist,” but became a “Democrat” after the 1824 election, and part of the 1828 election team. For his later action against the Constitution and Bank, which other Treasury secretaries refused, he was awarded the appointment as Chief Justice of the Supreme Court by Jackson in 1836. Taney later rendered the infamous *Dred Scott* decision, that black people could never be citizens of the United States, that slavery was perpetual, and that Congress had no right to interfere.

## 2. Whitney’s Testimony

The Bank was not re-chartered and was eventually destroyed by Jackson. However, in the years that led to that result, the Kitchen Cabinet had no intention to find or prove the Bank guilty of any abuse of its charter. There was, in fact, *never a trial* against the Bank.

In January 1832, the Bank of the United States made a formal request to Congress for re-charter. In response, the Kitchen Cabinet put together a list of false accusa-

tions, along with abuses by the Bank in 1819.<sup>22</sup>

Sen. Thomas Hart Benton delivered the list of charges to a freshman Representative, Augustin Clayton from Georgia, and urged him to call for an investigation. The investigation began in March with the catalogue of charges chiefly supplied by a man named Reuben M. Whitney.

Whitney was an American merchant who became a resident in Montreal, Canada from 1808 to 1816—

22. After the five-year period without national regulation of the currency through the Bank, and an explosion of state banks and speculation, it was not a magic fix to restore a regulated national currency. While Madison chartered the Second Bank of the United States in 1816, the speculation and overextended lending committed under William Jones, Bank director from 1817-1819, brought on a bubble and a crash. The new director, Langdon Cheves, then overcorrected in saving the Bank’s credit, forcing through austerity and a credit crisis. Nicholas Biddle returned the Bank to the Hamiltonian purpose of nation building, as Bank president in 1823. It flourished under the John Quincy Adams Administration, creating a national currency for short-term business loans and credit for industrial development and canals. For a detailed account of these administrations, and the subsequent policy of nation building, see, Kirsch, op. cit., footnote 3. Nearly all the attacks by the Kitchen Cabinet on the Bank were based on ignoring the accomplishments of the Bank under Biddle, as though it had never changed since 1819, as though the Bank in all its operations since 1823 did not exist.

during the entirety of the U.S. war against the British—by taking an oath to the British government to obey British laws, never having requested permission from the U.S. government to remain in Canada. At this time, Canada was the center of the British spy system, coordinated by Foreign Secretary Lord Castlereagh in London. Whitney would later boast how he smuggled specie from the banks into Canada during the war, specie used to fund munitions used against Americans. Nicholas Biddle characterized it by saying, “The bayonets that were at Detroit and the [Battle of the River] Raisin, were forwarded by the funds thus furnished by Whitney.”

After returning to the United States and becoming a rich merchant in the import of foreign goods, Whitney rose in the ranks of Philadelphia commerce and got himself on the board of the Bank in 1822-1824. After leaving the Bank, his business failed due to “ruinous speculations” in foreign merchandise in 1825; another venture failed from speculation, and he went bankrupt in January 1832, after the board of the Bank refused to meet his request for special favors.<sup>23</sup>

Clayton’s committee investigation began in March 1832. Among other things, his report:

- Accused the Bank of influencing the elections, by loaning money to newspapers who were against Jackson. In the Congressional finding, the charge backfired, as the records that were all brought forward showed that newspapers supporting Jackson had received a vast majority of all newspaper loans.

- Accused the Bank of influencing the elections in its printing of pamphlets to defend its function, which was begun in the wake of the attacks from the President of the United States.<sup>24</sup> Adams commented in his minority report of the committee, “Would it not argue a consciousness of weakness in the appeals to public opinion against the Bank, if, to sustain the charges against it, there should be an attempt to suppress all the means of self-defense?”

- Accused the Bank of insolvency and for losing an amount of specie, which turned out to be related to pay-

ments of government debt. Adams replied, “This construction, by which payment of debts is converted into loss of specie, may serve as a consolation for the disappointment arising from the inability to convict the Bank of any other serious loss since 1819.”

But the most damning accusation and attempted character assassination was that of embezzlement, made against Biddle himself. Whitney testified to the committee, accusing Biddle of illegal practices in lending money to a relative’s firm in 1823, and saying that the relative was borrowing from the Bank at zero interest, with permission from Biddle. Whitney said he told the teller that the entries of the relative’s borrowing were not on the books, and that the teller then added them to the books. He added that he confronted Biddle about this, and Biddle turned red and admitted the entries should be added. The attempted character assassination of Biddle was stated under oath.

When the entries on the books themselves concerning the notes in the teller’s drawer were brought forward, contradicting his testimony, Whitney retracted his slander, saying, “I either directed them to be made, or *found them made.*” Further, when questioned about his supposed interview with Biddle, it turned out that on the day on which Whitney had supposedly rebuked Biddle and received a confession, along with a blushing promise of amendment, Biddle was absent from Philadelphia! Other witnesses corroborated Biddle’s testimony.

Although Whitney committed at least two counts of perjury, the Administration refused to recommend proceedings against him. Instead, for Whitney’s false testimony against the government’s loyal financial institution, the President of the United States rewarded him with an unofficial Cabinet position as economic advisor.

Judge Clayton’s majority report was sent to the House of Representatives in April. Two minority reports were issued, one by John Quincy Adams in May. Adams critiqued the majority report in detail, and exposed the attempt to blame Biddle for the boom-bust tenures of Bank Presidents William Jones and Langdon Cheves from 1817-1822.

If they enlarge their discounts and accommodations, they supply temptations to over trading, and bring the Bank to the verge of ruin. If they contract their issues, they produce unheard of distress in the trading community. Do they trade

23. John M. McFaul and Frank Otto Gatell, “The Outcast Insider: Reuben M. Whitney and the Bank War,” *The Pennsylvania Magazine of History and Biography*, Vol. 91, No. 2 (April, 1967), pp. 115-144.

24. Adams remarked in 1834 that the slanders circulated by Jackson and the Kitchen Cabinet effected a reduction in the value of the 70,000 shares owned by the public from \$130 to \$105 a share, costing the public \$1.7 million—an amount equaling over 7.5% of the annual operating expenditure of the John Quincy Adams Administration.

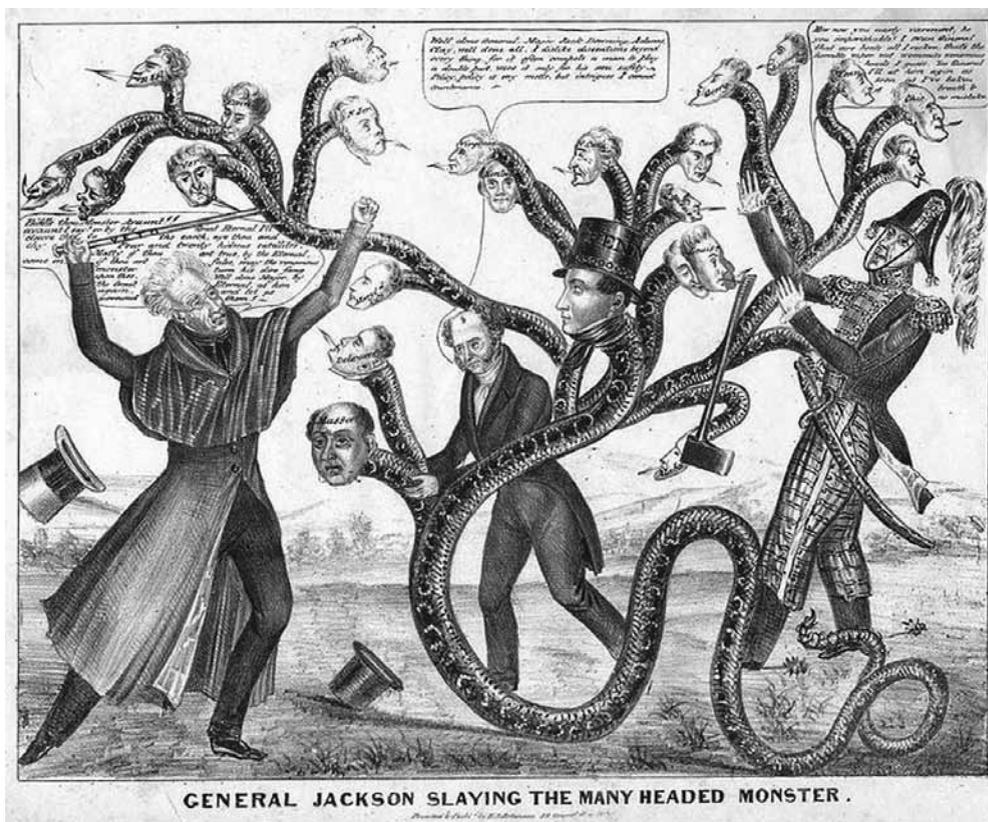
in foreign silver and domestic gold coins? They are accessory to the pernicious exportation of the precious metals. Do they substitute bills of exchange for silver dollars in the exportation to China? Who does not see that they must send to London the coin which formerly went round the Cape of Good Hope?

...Thus, when the Administration of Mr. Cheves can be exhibited in favorable contrast with that of the present President, it is presented with high and earnest commendation: but when a charge of usury can be brought to bear upon the Bank, upon the credit of a confession implied in a demurrer, the occasion to stigmatize the Bank cannot be passed over, though ten long years have slumbered over the sin, and though Langdon Cheves himself must be branded as the usurer.

Clayton's majority report of the committee, issued on April 30, was rejected by the House. The minority reports were so effective, and so entirely did they vindicate the Bank from the charges and implications contained in Clayton's report, that a bill passed both Houses of Congress to re-charter the Bank on June 11, 1832, 28 to 20 in the Senate, and 107 to 86 in the House.

### The Globe

All of the charges against the Bank would have evaporated under normal political conditions. But these were not normal conditions, which too many Congressmen had yet failed to see. Like Benton's speeches, the Congressional investigations desired by the Kitchen Cabinet were neither intended to bring about any legal



*The Jacksonian party press machine, led by the Globe, flooded the nation with anti-Bank poison. This cartoon shows Jackson "slaying the many-headed monster"—the Second Bank of the United States. Jackson appears twice; on the right, dressed as a military "hero." Each head on the monster represents a state branch; Biddle's head, in the center, is the largest.*

or lawful process, nor to be answered by reason. The purpose of Whitney's testimony and other accusations was the circulation, printing, and reprinting of lies: The Bank had ripped off the government, selectively loaned to newspapers favorable to the Bank, influenced the elections, performed embezzlement, was corrupt and usurious.

By arousing fears and jealousies such that the people would follow the actions of the party, whether they were in violation of law or not, the logical refutations of the claims presented during the Congressional inquiry would have minimal impact on the minds of the people and Jacksonian partisans.

In the wake of this June 11 ruling by Congress, the Administration cried that the Bank had bribed the Congress, with Blair's *Globe* taking the lead in spreading this story.

It was sent over the whole country, with notes and annotations. Stage loads of the *Globe*, filled with every description of poison that could be ex-

tracted from that report, and other sources, accompanied it. Every where the charges were reiterated, Whitney's and all, blasted as he was, until the people were everywhere literally drugged with them. In vain did the press strive to scatter the proper light among the people. A cloud of darkness had been raised, and the power and patronage of the Government, headed by Presidential authority, and guided by it, gave support to those who were engaged in increasing its darkness. It was of no avail that Congress passed its judgment of condemnation upon the proceedings of the party, and upon Judge Clayton's Report, in a re-charter of the Bank. This, as I have said, was charged to Bank influence, and to bribery. Wherever, and whenever truth, in regard to these calumnies, showed itself, it was hacked and cut to pieces, and trampled in the dust.

... And thus were the foundations of the Bank undermined, and thus its presiding officer, and his associates, were covered all over with party political venom, its principal and most disgusting stream issuing from the lips of President Jackson himself.<sup>25</sup>

Later, in 1834, alarmed at the usurpations of the President and his disregard of Congress and of law, Augustin Clayton himself reviewed the part he had acted, and as McKenney describes it, "with his own hand severed the head from his own report, and [threw] its lifeless trunk into the arms of the party." Speaking in the House of Representatives in May 1834, Clayton stated:

Mr. Speaker, this is the first fair opportunity that has presented itself to make satisfaction for wrongs which I believe, I myself, have committed. . . . In my opposition to the Bank, on a former occasion, I have carefully reviewed my remarks, and find reflections which are unworthy of me, and the cause they were designed to support. They were calculated to wound the feelings of many high and honorable men, in, and out, of the Bank, and if such has been the effect, I can offer no higher reparation than the public expression of my regret.<sup>26</sup>

25. McKenney, op. cit., footnote 15.

26. Mr. Clayton of Georgia, *Niles' Weekly Register*, Vol. 46, pp. 251-252.

Though the very leader of the whole investigation had now recanted the origin of the slanders, admitting them to be entirely a fraud against the Bank of the United States, those slanders were circulated throughout that entire period and afterward.

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### 3. The Declaration of the Executive

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Jackson vetoed the bill to re-charter the Bank on July 10, 1832; the statement was written by Amos Kendall and Roger Taney.

The veto statement was a declaration of independence of the Executive from the other branches of government. It was filled with rhetorical statements against the Bank as a monopoly of money and destructive to the poor, in contrast to everyone's experience from the previous nine years. The Supreme Court was denounced as a betrayer of the "humble members of society," and its decisions were held to not be binding on the other branches of government, such as the 1819 ruling of the constitutionality of the Bank. It claimed that the Executive, Congress, and the Supreme Court must each for itself be guided by its own opinion of the Constitution.

Jackson's veto was received by the population not as a single event, but as the breaking point for those who had become increasingly alarmed by the actions of his Administration, provoking an array of anti-Jackson meetings, organized in great number by former Jackson supporters.

One political meeting in Louisville, Ky., on July 23, declared that the President's "preposterous and monstrous claim, that to the President belongs the right to construe the constitution, laws and treaties of the government, without direction or restraint from the judiciary, is appalling to every friend of liberty, and . . . betrays a disposition to obliterate the fair features of our constitution, and threatens us with the wildest anarchy, or a dark and dreary despotism." They also took aim at the general policy shift: "That in his . . . endeavors to crush the United States Bank, to abolish the tariff, and to check the spirit and spread of internal improvement, the President has waged an unrelenting hostility against the first, best interests of the country."<sup>27</sup>

Another meeting in Philadelphia took place on Aug. 6, where thousands of Irishmen, many who had voted

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27. *Niles' Weekly Register*, Vol. 42, p. 407.

for Jackson, published a series of resolutions, decrying Jackson's opposition to internal improvements, the Bank, and protectionist measures. The Aug. 1 invitation to the meeting read:

Irishmen! you have sworn to support the constitution of the United States: you cannot, therefore, support Andrew Jackson, who has repeatedly violated that constitution, by treating with contempt the decisions of the Supreme Court, and despotically appointing favorites to office in defiance of the voice of the Senate! As honest men and as true patriots, you are now called upon to assist in saving your country from the usurpation of the present reckless chief magistrate, and the corrupt and servile flatterers by whom he is surrounded.

Some of their resolutions are excerpted here:

- And whereas this meeting, instructed by experience, have witnessed with regret and indignation the daring and repeated attempts of the present administration of the general government and its officers ... to control the free expression of opinion, and ... by the seduction of rewards given to political friends, and the terror of punishments inflicted on political opponents, or, as a member from New York unblushingly avowed, on the floor of the Senate of the United States by "distributing the spoils," to establish a system of corruption, of fraud and force, such as has every where characterized a despotism.

- Nor would we omit to notice the extraordinary and revolting means employed, by martial music, tumultuously scouring our streets in carriages decorated by military banners, to stir up and attract the young, the idle and unthinking, and to disgust, confound and overawe the citizens who are capable of appreciating the right peaceably to assemble.

- Nor would we forget the declaration lately put forth by a sycophant, very near to the President [Blair], whose press is the especial object of Executive support, and the especial subject of the fourth auditor's letter [Amos Kendall] ... that the President was "born to command," a declaration too closely resembling the ascription of Divine Right by birth to kings ... which we

have often heard trumpeted forth by the satellites of power in our afflicted native land.

- That in the last paragraph but one of the late veto message of the President, we discern an intimation of a design on the part of the Executive, to give all its aid to destroy the system of protection to national industry, and to annihilate the value of free white labor. ... [T]he President if re-elected, will co-operate with [the nullifiers] in all their schemes of destruction to American manufactures and internal improvements.

- ... That the President's interpretation of ... the Constitution, is altogether new in this republic, and is without precedent anywhere, except in the construction given by Court of Appeals of Kentucky, to his coronation oath, to countenance him in a determination madly to persist, against all right and reason, to keep six millions of Irishmen in a state of disenfranchisement and subjection, because they did not agree with him in their religious opinions."<sup>28</sup>

### **Aaron Burr's Second Term**

In December 1832, after being re-elected, Jackson was handed the speech to deliver which removed any remaining veil kept up for his constituency. It was made clear that the Bank was to be destroyed because it facilitated manufacturing, internal improvements, and the development of the West. The "friends of liberty" to Jackson were the Southern slaveowners and wealthy landowners around the country, not the manufacturers or farmers who depended on borrowed capital from the Bank of the United States.

The message promoted the most radical states-rights doctrines of John Randolph, which had been designed for British interests, to which so many of his controllers and associates were committed. The slave interests would be extended, the manufacturers and the free farmers of the nation would be abandoned, and any government involvement in infrastructure dropped. His reduction of the tariff the following year (it had been increasing since 1816) would begin a decline to virtually nothing by the end of the decade. Jackson's vaunted "great triumph" in using all surpluses to pay off the entire national debt—only possible by the deft arrangements of Biddle—was exposed as a ploy to abandon the former system of laws and principles in operation.

28. *Ibid.*, pp. 424-426.

Adams wrote in his Diary on Dec. 4 and 5, that Jackson's message "recommends a total change in the policy of the Union with reference to the Bank, manufactures, internal improvement, and the public lands." He continued:

It goes to dissolve the Union into its original elements, and is in substance a complete surrender to the nullifiers of South Carolina. . . . He has cast away all the neutrality which he had heretofore maintained upon the conflicting interests and opinions of the different sections of the country, and surrenders the whole Union to the nullifiers of the South and the land-robbers of the West. I confess this is neither more nor less than I expected, and no more than I predicted nearly two years since.



*John Randolph promoted radical pro-slavery states-rights doctrines on behalf of British interests. Painting by John Wesley Jarvis (1811).*

### The Globe's Next Headline

With the mask removed, the post-election attack on the Bank accelerated. The Kitchen Cabinet told Jackson to charge it with insolvency and call for an investigation into the safety of the deposits, all to create enough commotion to give political cover for his violation of the Constitution the following year, which was already being planned.

The excuse used to even raise the question of the government deposits, which had been safe ever since 1819, was the fact that the Bank requested to delay the scheduled government debt payment of 3% bonds, on July 1, 1832, due to the threat of cholera, and requests from within the merchant community for an extension on custom duty payments. Secretary of Treasury McLane had acceded to the arrangement with the Bank as advantageous to all involved.<sup>29</sup>

29. Biddle had taken a trip to Washington in March 1832 to speak with Treasury Secretary Louis McLane about the threat of cholera spreading to the United States, and requests from merchants to postpone debt payments. He recommended a postponement of the payment of the government debt to prevent panic in business, which was already roiled by a cholera epidemic; the situation could only be made worse if the Bank

In his December address to Congress, Jackson attacked these debt negotiations earlier in the year as a "failure of the Bank to perform its duties," and stated that he was now going to "judge whether the public deposits in that institution may be regarded as entirely safe." But when Jackson appointed Henry Toland, a personal, political friend, to investigate the condition of the Bank for the safety of government deposits, Toland reported back that the deposits were safe.

The Kitchen Cabinet told Jackson the Toland report was Bank propaganda, and on Dec. 16, Jackson proceeded to write to James K. Polk, a slavish follower of his in Congress, "The hydra of corruption is only scotched, not dead. Call upon the Secretary of Treasury who must

agree with me that an investigation by Congress is absolutely necessary. . . . An investigation kills it and its supporters dead. Let this be had." Whitney also wrote to Polk on the importance of pushing the inquiry and advised him on the directions to take.

In January 1833, the Congressional Committee on Ways and Means investigated the condition of the Bank to determine whether it was "safe" to continue making government deposits there. The committee was led by Gulian Verplanck, a strong Jackson and Van Buren supporter. However, he broke party ranks and

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was calling in debts owed to it by merchants. He also relayed a request from the New York custom clerk for extensions of loans in February to prevent failure. Another extension would be necessary in June and July, just as large government debt payments were coming due on July 1; otherwise, the Bank would be forced to curtail loans from April through June, just when importing merchants would need credit. Jackson told Cabinet member William Lewis, "I tell you, sir, she's broke, Mr. Biddle is a proud man, and he never would have come to Washington . . . if the Bank had the money. Never sir. The Bank's broke, and Mr. Biddle knows it." Lewis tried to explain, but Jackson refused to hear it. Months later cholera did invade New York and Philadelphia, and as Biddle warned, it was "deranging all business and prostrating all industry," claiming the lives of over 1% of the population of New York City, and spreading panic, with nearly half the city's population of 250,000 fleeing to the countryside. The state banks panicked and promptly suspended all payments of debts. Only the Bank of the United States was in a position to begin resuming loans and to end the panic of the state banks in a timely fashion.

reported the facts of the matter, and the majority of the committee members agreed.

Verplanck's report concluded that the postponement of the 3% stock did not present any subject for inquiry, and after reviewing the condition of the Bank, he stated that the deposits were safe. "There can be no doubt of the entire soundness of the whole Bank capital, after meeting all demands upon it, either by its bill holders or of the government."

Polk issued a minority report which scrutinized the anomalies of one Western branch which had an outstanding debt, and the 3% government bond negotiations.<sup>30</sup> He claimed that all the branches were in debt, that the whole Bank was insolvent, and on the verge of breaking up. "There is not time left for the further action of Congress, with a view to a more perfect information at the present session," wrote Polk. "Whether existing facts are sufficient to justify the Executive in taking any step against the bank . . . is a matter for the decision of the proper officers, acting upon their own views and responsibility. An opinion by Congress can make it neither more nor less their duty to act" (emphasis added).

The Committee on Ways and Means submitted Verplanck's report to the House on March 1, together with a resolution reporting that the deposits were safe. "The Government deposits may, in the opinion of the House, be safely continued in the Bank of the United States." The resolution was approved by a vote of 109 to 46, a majority of 71%.

In March 1832, the Kitchen Cabinet initiated the first investigation of the Bank, and the consequent reports of April and May led to Congress's June vote to re-charter the Bank of the United States. Jackson vetoed



Library of Congress

*Gulian Verplanck, chair of the Ways and Means Committee, and a strong Jackson-Van Buren supporter, broke party ranks, and asserted that the Government's deposits were safe in the National Bank.*

it in July. A private inquiry initiated by the Administration in November, and a second Congressional inquiry beginning in January 1833, ended with Congress's vote in March on the safety and soundness of the Bank. Over the course of 12 months, it was repeatedly demonstrated that the claims of the Kitchen Cabinet against the Bank were entirely unfounded.

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#### 4. Antiochus Epimanes and the Removal of the Deposits

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*[These] are circumstances of a prominent kind, and therefore more particularly noticed by the historians of his time than the impious, dastardly, cruel, silly, and whimsical achievements which make up the sum total of his private life and reputation.*

—Edgar Allan Poe,  
"Epimanes," March 1833

The investigation had served its purpose to drum up accusations, and to deliver the message to Jackson through Polk to "bring down" the Bank as soon as possible. The continued charges and slanders filled the press: that the Bank was a monster, a monopoly, opposed to Jackson, and interfering in the elections. "Every appeal that human ingenuity could invent, was made to inflame the public mind against the Bank," McKenney wrote.

It was a monopoly—it had foreigners among its stockholders—it was opposed to Andrew Jackson, who for that reason and for no other, denounced it as "a monster"—And was it a monster? "The party" told the people so under every form of speech-making, and by its press. Some poor ignorant souls fancied it was a living thing, with horns and a forked tail, and club feet, and having fire issuing from its mouth. "Down with

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30. The special case of the Nashville branch came about because the branch was playing a double role of both dealing in bills of exchange and loaning, since the Administration had denied requests for a normal state bank in the state. With two bad years of crops, the Bank continued to loan to the farmers and merchants, in order that they not fail, and was thus overextended.

the monster,” was kept going the rounds of the country. Engravings were got up, representing President Jackson and Mr. Biddle, as engaged in personal combat. All this, like the fire fanned, or blown upon by strong winds, ignited every combustible material, until the purpose was formed, and the plan devised, to throw President Jackson in the foreground of this commotion, where, having taken his stand, he was to decide on his own responsibility—against the decision of Congress—against the report of Mr. Toland, and against the unqualified report of the committee of the House of Representatives, that for the reasons stated, (though proved to be false,) he would remove the public deposits.<sup>31</sup>

Kendall assured Jackson, that despite Toland’s report, and the vast majority vote in the House in favor of Verplanck’s report, “nothing had occurred to lessen the fears as to the safety of the deposits.” Jackson was made to believe that the results of the Congressional inquiry were an attack on his Administration by a wicked coalition of Clay and Calhoun, which allegedly controlled the Bank. Kendall told him that a new scheme “to govern the American people by fraud and corruption” had been formulated by Clay, Calhoun, and Biddle, through a combination of “the bank, the public lands, an overflowing treasury, and internal improvements,” and only a removal of the deposits could thwart their effort; that it was his duty “to cripple the Bank and deprive the conspirators of the aid which they expect from its money and power.”<sup>32</sup>

Through Jackson, Kendall delivered a formal paper to the Cabinet on March 29, 1833, which stated that the public deposits must be removed, and all relations with the Bank severed.<sup>33</sup> McLane told Jackson that the de-

posits were safe. He was violently opposed to the action being proposed.

McLane gave Jackson his final protest against removing the deposits on May 20, 1833, saying the Bank had been a most useful and faithful auxiliary, just as his predecessor, Secretary Ingham, had reported to Jackson in 1829, and that no system of state banks could replace this currency. McLane stated that the deposits had been placed in the Bank not for its profit but to enable it to accomplish the purposes for which it had been created, and that their removal would “produce serious disorders in the currency and the business of the country. What would become of the public deposits and what of those benefits which the government and the people now enjoy . . . amidst the general destruction of credit, distress, bankruptcies, and suspensions of specie payments? . . . I have no doubt that the ill consequences to be expected outweigh all the good to be hoped for.”

This was the Treasury Secretary appointed by Jackson, loyal to Jackson, telling Jackson he refused to do what was in violation of all reason and cause.

Ten days later, Jackson officially replaced McLane with a new Treasury Secretary. William Duane was expected to take orders, and was informed that very evening by Whitney that Kendall was preparing an Executive order to transfer the deposits from the Bank of the United States to a group of state banks, and that order would be accompanied by a Presidential statement relieving the Secretary, now Duane, of any official responsibility.

When Duane refused the role, Jackson tried to persuade him personally, saying that unless the Bank was “broken down,” it would break down the Administration. He repeated the message he received from Kendall, that “if the last Congress had remained a week longer in session, the Bank would have secured two-thirds of Congress to override the veto, and it would happen again in the next Congress.”

Duane wrote of Jackson’s open contempt of the Constitution: “My suggestions as to a Congressional

31. McKenney, *op. cit.*, footnote 15.

32. “Amos Kendall To Andrew Jackson,” *Correspondence Of Andrew Jackson*, edited by John Spencer Bassett, Ph.D., Late Professor at Smith College, Vol. V, 1833-1838, (Carnegie Institution of Washington, 1902) pp. 41-44; Govan *op. cit.*, footnote 21.

33. After this statement, Kendall and Whitney worked to inflame Jackson’s rage, engaging him in a back and forth with government directors. They told Jackson that secret information existed to damn the Bank, and to make a request to the government directors to deliver him the information (a request outside Jackson’s jurisdiction). Whitney wrote up a false list of accusations for the government directors to sign, which they refused to do. They later submitted a report to Jackson about their exclusion from certain meetings in the Bank. This letter and continued lies of about partisan lending, fed to Jackson by Kendall and Whitney, helped

inflame Jackson toward action. Sen. John Calhoun later spoke on the Senate floor on January 12, 1834, attacking these claims of partisan lending and saying, “Can he be ignorant that the avowed and open policy of the government is to reward political friends, and punish political enemies? And that acting on this principle and driven from office hundreds of honest and competent officers, for opinion’s sake, only, and filled their places with devoted partisans? Can he be ignorant that the real offense of the bank is not that it has intermeddled in politics, but because it would not intermeddle on the side of power?”

inquiry, as in December 1832, or a recourse to the judiciary, the President repelled, saying it would be idle to rely upon either; referring, as to the judiciary, to the decisions already made as indications of what would be the effect of an appeal to them in future.”

Kendall told Duane it was incumbent on him to remove the deposits to “complete the work of destroying the Bank which the veto had begun.” Duane was unwilling to risk a financial crisis in a vain attempt to cripple or break the Bank, and told Jackson that that crisis would be one for the people, not the Bank, and that the deposits were safe.

On Aug. 23, 1833, Duane wrote, “It is true that there is an irresponsible cabal that has more power than the people are aware of. . . . There is an undercurrent, a sly, whispering, slandering system pursued.” In his longer account five years later, he reflected on that period:

I had heard rumors of the existence of an influence at Washington, unknown to the Constitution and to the country; and the conviction that they were well founded now became irresistible. . . . Four of the six members of the last cabi-

net and four of the six members of the present cabinet opposed a removal of the deposits, and yet their exertions were nullified by individuals, whose intercourse with the President was clandestine. . . . Fictitious and selfish views alone guided those who had influence with the Executive, and the true welfare and honor of the country constituted no part of their objects.

Kendall wrote to Jackson on Aug. 25, that the question was “an immediate removal or no removal.” Duane refused to resign, knowing that as long as he remained, the deposits could not be removed. Therefore, Jackson was forced to fire him. After he was fired on Sept. 23, Francis Blair’s *Globe* lied that “Mr. Duane was dismissed for faithlessness to his solemn written pledges and for the exhibition of bad feeling, which made him totally unfit for the station to which he had been elevated. He was not dismissed merely for refusing to remove the deposits.”

### Executive Will

Toland, Verplanck’s Committee, the House of Representatives, McLane, and Duane had all delivered the message to Jackson not to proceed with removing the deposits, but Jackson’s role in the Administration was merely nominal.

Once the third Treasury Secretary was fired, Roger B. Taney was brought in as a recess appointment; he designated Amos Kendall as the agent for removal, and with assistance of Kitchen Cabinet member Levi Woodbury, prepared the written order, issued on Oct. 1, 1833. It stated that all government deposits were now to be placed in the selected state banks, and *pledged that the funds already deposited would only be withdrawn gradually as needed for the expenditures of the Treasury*. This pledge was nothing more than an agreement to follow the law, which forbade the Secretary to issue drafts to transfer existing deposits from the Bank to other banks. Three days later, Taney violated that pledge and the law, and began writing drafts to transfer existing deposits.<sup>34</sup>

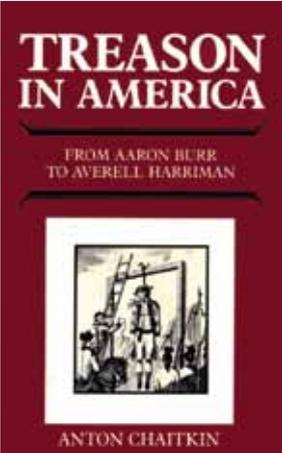
The Constitution mandates that the Executive branch, through the Treasury Department, collects the

34. Taney was never confirmed. Jackson didn’t send his nomination to the Senate until June 23, 1834, meaning that the unconfirmed Taney held his office illegally for seven months. The Senate rejected his nomination by a vote 28 to 18, the first Cabinet rejection up to that time.

# Treason in America

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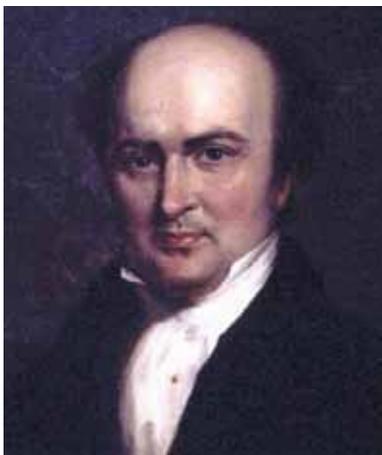
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revenue and makes sure that funds are appropriated and deposited; Congress is constitutionally in charge of raising the funds and determining how they are appropriated and deposited. Congress carried out its power over the nation's finances by means of legislation in 1791 and 1816 to incorporate a Bank of the United States as the tool of the government.

Beyond the destruction of a vast amount of credit for farmers and manufacturers, and the forced deceleration of general economic progress which his action created, Jackson's removal of the deposits from the Bank of the United States perpetrated six major violations of law.

First, according to Sections 15 and 16 of the 1816 Act to re-establish the Bank of the United States, the deposits of public money "shall be made" in the Bank, as an action, unless the Secretary orders otherwise.<sup>35</sup> This refers to money *before* it is deposited; once deposited, the money is to remain until appropriation. The authority of the Secretary and Treasury then ceases. The Bank therefore has a clear right and duty to hold and transfer the deposits, according to the schedule of Congress. Taney's branch drafts, ordering a removal of the deposits before appropriation, were therefore outside his jurisdiction and made in violation of law, breaking the chartered agreement between Congress and the Bank.

Secondly, the Bank was bound by law to perform the



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*Levi Woodbury was a member of the Kitchen Cabinet, who, as a Senator in 1829, initiated the attack against the Bank.*

service outlined in Section 15, to transfer government funds free of charge, unless there had been a valid reason for halting the flow of *new* deposits into the Bank according to Section 16. Under those conditions, he would then deposit the money in the Treasury. Taney introduced contracts which he was not authorized to make, and indeed, contracts which he was expressly forbidden by law to issue under the Treasury Act of 1820.<sup>36</sup>

Not only were the contracts illegal, they were unlawful with respect to the security of the public money, as John Quincy Adams stated in his speech on the removal of the deposits. The contracts, Adams wrote, were made with:

... a motley of State banks bound by no law of the United States to perform this service; beyond the superintendence and control of Congress; dependent upon twenty different States for their charters; of small capitals; of limited circulation; seated in the midst of rival banks, and in which the United States have no interest other than the deposits confided to them. This was the substitute provided by the Secretary of the Treasury for annulling the law by which the Bank of the United States was bound to perform, and did perform, this immensely important service! Contracts with State banks not even as contracts sanctioned by law!

Thirdly, and most damning of all, fabricating contracts was a direct assumption of Legislative power by Jackson, and open contempt of Congress, on par with his contempt of the Judiciary two years earlier in its ruling of *The Cherokee Nation vs. Georgia*. In Taney's statement to Congress on his reasons for removing the deposits, he assumed Congress's power in a single sentence, taking the whole revenue out of the hands of Congress, and placing it at the will of the Executive. He derided Congress, saying, "The propriety of removing the deposits being thus evident, [it was] consequently my duty

35. Section 15: "And be it further enacted, That during the continuance of this act, and whenever required by the Secretary of the Treasury, the said corporation shall give the necessary facilities for transferring the public funds from place to place, within the United States, or the territories thereof, and for distributing the same in payment of the public creditors, without charging commissions or claiming allowance on account of difference of exchange, and shall also do and perform the several and respective duties of the commissioners of loans for the several states, or of any one or more of them, whenever required by law."

Section 16: "And be it further enacted, That the deposits of the money of the United States, in places in which the said bank and branches thereof may be established, shall be made in said bank or branches thereof, unless the Secretary of the Treasury shall at any time otherwise order and direct; in which case the Secretary of the Treasury shall immediately lay before Congress, if in session, and if not, immediately after the commencement of the next session, the reasons of such order or direction." U.S. Congress, Act to Incorporate the subscribers to the Bank of the United States" April 10, 1816.

36. Treasury Department Act of May 21, 1820, Section 21: "No contract shall be made ... by the Secretary of the Treasury ... except under a law authorizing the same."

to select the places to which they were to be removed.”

Suddenly, Congress’s role was usurped in deciding where and how money should be appropriated, and deciding legal contracts. The President now had full control over imposts, duties, excise taxes, all government revenues, because it is the Executive’s job to carry out the collection of the revenue. If the Executive is the interceptor of that revenue, and the President decides it is his legislative job to make contracts with public revenue on behalf of the government, then the purse of the entire country is in the hands of the President. Under the Constitution, the President is required to work with Congress to repeal or change laws. To do otherwise is an impeachable breach of the separation of powers.

Fourth, Taney’s act was a violation of the Section 8 of the Act of Congress, which stated that “no person appointed to office, shall be concerned in the purchase or disposal of any public securities of any State, or the U.S., or take or apply to his own use any emolument or gain for negotiating or transacting any business.” However, Taney was a shareholder of the Union Bank of Baltimore, which he chose as a depository of public money, increasing his personal dividend from the bank.

This would be the hallmark of this system, and the later “Subtreasury” version implemented under Van Buren. John Quincy Adams proposed introducing a resolution to mark the new precedent set by Taney: “Resolved, That the thanks of this House be given to Roger B. Taney, Secretary of the Treasury, for his pure and disinterested patriotism in transferring the use of the public funds from the Bank of the United States, where they were profitable to the people, to the Union Bank of Baltimore, where they were profitable to himself.”

Fifth, in addition to usurping legislative power, Jackson claimed judicial power as well. If the corporation had done wrong to the Executive and failed in its duties, the attorney general was the officer to prosecute it before the courts, and it was entitled to a trial by jury. Through Jackson, the Kitchen Cabinet said “there would not have been time for the Supreme Court to bring the trial to an issue before the expiration of the charter of the Bank.”

John Quincy Adams wrote on the assumption of judicial power in his speech on the removal of the deposits from the National bank:

The President and the Secretary of the Treasury, by these declarations, constitute themselves the accusers of the Bank. Shall they sit in judgment

upon those whom they accuse? Shall they be the executioners of those upon whom they sit in judgment? The removal of the deposits from the Bank, for the misconduct of the Bank, necessarily imports all this. The Secretary of the Treasury, under the direction of the President, constitutes himself at once the accuser, the judge, jury, and executioner of the Bank. He draws up the charge, he pronounces sentence of guilt, he adjudges the forfeiture of the right, and he executes the judgment. All this he does by the removal of the deposits; all this he does, without hearing the parties accused, without even giving them notice of the charges against them.

Sixth, Jackson and Taney’s reasons for removing the deposits, which Taney was required to lay before the Congress, were not sufficient, but rather an attempt to justify the exercise of pure Executive will.

All of these acts together amounted to treason, a nullification of the purpose and function of the Constitution and the nation.

### **Toward the Simple Machine**

What was the purpose of such treason? What was the reason for the first investigation, the veto, and the removal of the deposits?

John Quincy Adams summarized Jackson’s intention in a speech on April 4, 1834:

The legislative and judicial authorities were alike despised and degraded. The Executive will was substituted in the place of both. These reasons had already been urged, without success, upon one Secretary of the Treasury, Louis McLane; he had been promoted out of office, and they were now pressed upon the judgment and pliability of another. He, too, was found refractory, and displaced. A third, more accommodating, was found in the person of Taney. To him the reasons of the President were all sufficient. There is an air of conscious shamefacedness in the suppression of that which was so glaringly notorious; and something of an appearance of trifling, if not of mockery, in presenting a long array of reasons, omitting that which was at the foundation of them all.

In the annual message of the President of the United States to Congress, at the commence-

ment of their last session, a complete system of administration for the future Government of this Union was set forth at full length, the single principle of which was declared to be to reduce the Government of the Union to a simple machine; and its ultimate object to sacrifice all other interests to those of the “best part of the population.” The simple machine was the means, the exclusive benefit of the best part of the population was the end of this system of Government. As illustrations of the great design, the message went much into detail upon four principal objects of national concernment, and the policy resulting from the whole system was, the determination to give away all the public lands to the best part of the population; to withdraw all protection from domestic industry; to renounce forever all undertaking of internal improvements; and to annihilate the Bank of the United States.

The destruction of the Bank is but one of the four elements of this stupendous system.... The destruction of the Bank was necessary, both to the simplification of the machine, and to the accomplishment of the end.... The Bank presented an obstacle to the absolute and unlimited control and disposal of the whole revenue of the country. So long as the public funds were deposited in the Bank of the United States and its branches, they could not be used for the purposes of political partisans, or for gambling in the public stocks. So long as the Bank could sustain the credit of the commercial community, it would be impossible to break all the traders upon borrowed capital, certainly not the best part of the population, probably, in the estimation of our Lycurgus, the worst.

The reason then, paramount to all others, for the removal, by the Secretary of the Treasury, of the public deposits from the Bank of the United States, was the will of the President of the United States. It was a part of his system for simplifying the machine of Government. It was a part of his system for breaking all traders upon borrowed capital. It was a

part of his system of ultimately reverting to a hard money currency, and prostrating every other interest in the community before the holders of lands and the holders of slaves.<sup>37</sup>

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## 5. The Memorials of King Pest

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As the depository of government revenues, the Bank’s policy was to lend the government funds to the public until they were needed for appropriation. Removing the revenues from the Bank meant all those who depended on the credit of those government funds

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37. John Quincy Adams, “Speech on the Removal of the Public Deposits” (Washington, D.C.: Gales and Seaton, 1834).



“King Pest” is a story by Edgar Allan Poe, which caricatures Andrew Jackson. Shown here is an illustration, showing “King Pest” at the head of the table; from an 1923 edition of Poe’s works.

would be forced to pay off their debts immediately, and call in their debts to others. Biddle planned to extend its credit to those in need throughout the period of transition to alleviate the financial difficulties. However, due to the illegal branch drafts that Taney began requesting, as well as politically orchestrated runs on the Bank, Biddle had to abandon his plans; but the Bank maintained its usual operations.

The depository banks, which had been chosen by Taney and the Kitchen Cabinet, tried to give the appearance that they could perform the same operations as the Bank. But soon they were forced to curtail their lending, once the government needed the money that had been deposited for scheduled expenditures and appropriations. In the crisis that ensued, the Bank was finally forced to call in assets to maintain the solvency of its branches.

By the time Congress returned in December 1833, a financial crisis was raging. For months the Kitchen Cabinet denied the reports of a mounting crisis as Bank propaganda. When it became undeniable, they told Jackson to blame the Bank for having caused the crisis. After having lied that the deposits were moved because the Bank was bankrupt, months later they would tell Jackson and the people that the Bank was too strong and was hoarding gold and silver.<sup>38</sup>

The citizenry, having obtained no response from Jackson for their requests for assistance in what became a growing economic crisis, by Spring, was sending a flood of letters to the U.S. Senate from around the country.

#### **Young Men's Meeting, Troy, N.Y., April 14, 1834<sup>39</sup>**

"Resolved, that in the opinion of this meeting it is a policy too venturesome and dangerous in the President of the U.S. . . . to depart from the landmarks of a safe experience set by the sages of the revolution, and to attempt to uproot institutions established and sanctioned by them. The first charter of the U.S. Bank received the signature of George Washington; the second of James Madison; and we have yet to learn that Andrew Jackson is a wiser patriot, or a safer expounder of the constitution, than they.

"...That we regard the hostility manifested by the

present Chief Magistrate against the U.S. Bank, and those who goad him on and sustain him, as wanton and ruinous, waged to gratify political aspirants, and which, if finally successful in prostrating that institution, the currency, set afloat on a sea of experiment, without any regulating and controlling power, must be wrecked amid the contentions and unrestrained issues of rival institutions and interests."

#### **People of Lenoir County, N.C., April 22, 1834**

"We believe that the unauthorized, illegal, and unwarrantable removal of the public deposits from the Bank of the United States, where they were placed by Congress, and where they were admitted by all to be safe, to irresponsible State banks of doubtful solvency, lies at the bottom of all our embarrassments and distresses.

"...We consider a far more solemn and important matter, that our liberties are in imminent peril by the union of the purse and the sword in the same hands, and that if President Jackson be not rebuked by the representatives of the people for his lawless assumptions, and high handed encroachments on the Legislative Department of our constitution, we shall soon be under the dominion of one man. The will of Andrew Jackson will have usurped the place of the Constitution and the laws."

#### **People of Mifflin County, Pa., April 23, 1834**

"Resolved. . . . That the unwise and unlawful removal of the public deposits from the Bank of the United States, and the war of extermination which the President has declared against that institution, and the mutual distrust and alarm necessarily attending those acts, are in the opinion of this meeting, the sole and only causes of the present pecuniary distress in the country.

"...That the present disorganized state of the currency, the unparalleled scarcity of money, the loss of public credit and private confidence, has the inevitable tendency to oppress the poor, and to foster the rich.

"...That we view, with no ordinary feelings of disapprobation, the doctrine of the President of the United States, that 'all who trade on borrowed capital ought to break,' as anti-republican and unchristian in its sentiment, and in its effect calculated to paralyze native industry and enterprise, and to place the poor but industrious and enterprising trader and merchant at the mercy of their more wealthy competitors."

38. Govan, op. cit., footnote 21, pp. 236-246.

39. All memorials are from *Public Documents Printed By Order of the Senate*, 1 Session, 23 Congress, December 1, 1834, Washington, in ten Volumes.



Library of Congress

This satire on the Panic of 1837 condemns Van Buren's continuation of Jackson's hard-money policies as the cause of the crisis. Van Buren (second from right) is haunted by the Ghost of Commerce, who is strangled by a Specie Circular. On the left are a Southern planter and a Tammany Democrat. Jackson appears in the center, dressed like a woman.

### Memorials and Resolutions of the People of Trenton, N.J., April 23, 1834

“Resolved, that, in removing the Secretary because he could not consent to deprive the bank of its rights, without cause, and placing in his stead one who had prejudged and predetermined the matter, the Executive has prostituted a conservative power to the promotion of injustice and oppression, in as much as it deprives the bank of the right of being judged fairly by the officer named in its charter; that, in acting upon the reason he has advanced, he has decided questions which he was, by the law, expressly directed to refer to the judiciary; . . . and that in his precipitate action almost immediately before the meeting of Congress, we perceive what we consider a disregard of the rights of the Representatives of the people, and a disposition to grasp a power over the public purse not granted him by the constitution and laws, hostile to the spirit of republicanism, and which the experience of all free Governments has shown to be dangerous to public liberty for the Executive to possess.

“...That we cannot but admire and applaud, particularly, the magnanimous conduct of [the Bank] directors in their endeavors to relieve the pressure on the country, in refraining to curtail their discounts further than was absolutely necessary, and that, too, at a time when the Administration is so relentlessly waging war

against them, and the pen and tongue of slander and vituperation are so busily employed in plotting their prostration.

“...That the declarations of some of the partisans of the President in his present course, that there is no distress in the country, is an outrageous and cruel mockery of the sufferings of the people.

“...The admission of the President himself to the Philadelphia committee: ‘I never doubted that all who were doing business upon borrowed capital would suffer severely under the effects of the measure.’

“...That we sincerely deprecate the feeling conveyed in the declaration of the President, ‘that all who do business on borrowed capital ought to break’, as calculated to prostrate every spirit of enterprise; to throw all business into the hands of the wealthy, and deny to the poor man any participation therein; in short, we consider it as tending irresistibly to build up in this country an aristocracy of wealth, by making the rich richer, and the poor poorer.

“Resolved, that the object recently avowed by the President, and his partisans in this measure, that of bringing the country to a metallic currency, by destroying first the Bank of the United States, and then the State banks, is utterly visionary and fallacious.

“Resolved. . . . That any attempt to destroy our system of credit which has conduced so much to our country’s prosperity, and which has been truly styled ‘the poor man’s capital’, must be productive of the most disastrous consequences to every class of society.

“...The universal consternation and ruin to that reckless and mistaken policy which has blasted the fairest prospects every enjoyed by a free people . . . in the full possession of all the blessings of prosperity, and pressing onward in a steady march of successful enterprise and industry, when their progress was suddenly arrested by the ill advised ‘experiment’ of the Executive.”

### **Citizens of Warren County, N.J., April 23, 1834**

“That we deeply deplore that the President of the United States should ever have expressed or entertained the sentiment, ‘that all who trade on borrowed capital ought to break;’ a sentiment that strikes at the most enterprising and meritorious classes of the community, and the effect of which, if fully acted on must be to reduce society to but two classes—the moneyed aristocracy and the abject poor.”

### **Citizens of Windsor County, Vt., May 2, 1834**

“Of what importance, we would ask, is it to the laborers of this community, that Andrew Jackson should hold his present official station in preference to another, if the great purpose of our political compact be disregarded? If the most prudent calculations of the industrious, but confiding poor, are to be rendered abortive by speculative theories, and they and their families reduced to want? Will they surrender their daily bread to permit the most popular man living to demonstrate the wisdom or folly of a political experiment?

“...If the Bank of the United States, as a corporate body, had exceeded its chartered privileges, or had incurred any legal penalty, the ordinary execution of the laws would have furnished a peaceable and effectual corrective. That the bank had been thus delinquent, was not to be assumed as true.... In all criminal prosecutions the accused shall enjoy the right to a speedy and public trial by an impartial jury; such are the rights secured to the bank by the constitution; but ... those rights have been violently wrested from that institution in defiance of the constitution.

“...At one time, effort is made to induce a belief that the public money was insecure in [the Bank’s] custody; and after the investigation of Committees, and the action of that body had shown the falsity of such a pretense, the public deposits are violently withdrawn; and general distress ensues; and when application is made by the people to the Executive for relief, they are referred to [the Bank] as having the means of allaying the public distress!!!

“All this is done after the withdrawal of the public funds to the amount of many millions; and, as if to coerce that institution to disgorge its specie, on which alone it must rely for its safety, the President has threatened to forbid the receiving of its paper on debts due the Government.

“It has been our boast, that we lived under a gov-

ernment of laws; that none were so low as to be beneath their protection, and none so high as to be above their controlling influence. It is this government of laws, emanating from the governed, which has given us the high distinction of a free people; which prescribes the duties of the strong, and secures the rights of the weak.”

### **Meeting of the Citizens of Cumberland County, Pa., May 12, 1834**

“We now see the people borne down by a peculiar pressure upon their business; the voice of discontent and disaffection is everywhere heard; the great scheme of public improvements by the General government is abandoned; the tariff is repealed or neutralized; manufactories are prostrated; public credit is destroyed; the people themselves have become restive; our public elections in a neighboring state were disgraced by the presence of brutal force, and the necessity occurred of calling out the military power of the country to suppress a furious mob.... The Chief magistrate is striving to concentrate in himself most dangerous powers.... He claims the right to appoint and to dismiss cabinet and other officers at his pleasure, without the ‘advice and consent of the Senate,’ and to reappoint after the nominee has been rejected; And of the doleful catalog, perhaps the most afflictive and portentous, is the sad truth, that the discipline of party, and devotion to one frail man, have justified these measures in the eyes of thousands and tens of thousands, honest, respectable, and intelligent citizens.”

### **Citizens of Detroit, Michigan Territory, May 12, 1834**

“The means of obtaining the usual and necessary bank accommodations are crippled; and credit, the very life blood of western enterprise, the vital principle which impart vigor and activity to the settlement and improvement of every part of the West, has received a shock, from which, as we fear many years will not be sufficient to recover it.

“By the existing law it is impossible for them to purchase the public lands on a credit, and without the means of making ready payment at the land office when they arrive, few will be likely to undertake the enterprise.

“...They think they perceive in the measures of the Executive a disposition to usurpation and oppression: of usurpation, in assuming of himself a responsibility

which the existing law, the whole course of legislation from the foundation of the government, and indeed, the very spirit of the English and American constitutions, have confided to other hands; of oppression, in his open disregard of the distresses of the people, and his avowed contempt of their petitions for relief.”

**A Meeting of the Citizens of Adams County, Pa., May 13, 1834**

“Resolved, That the assertion so often repeated by the advocates of the Executive, that the existing distress is merely ‘imaginary’ can scarcely be viewed by this meeting in any other light than as an insult upon the sufferings of the people.

“...That we view as one of the dangerous symptoms of the times, the attempt that is [being made] by the office holders to influence freemen by their prejudices instead of their reason: hence their cry of aristocracy, bank influence, etc., when they freely grant and justify the most unlimited assumption of power by the national Executive.

“...That this meeting cannot close their eyes to the gross inconsistency manifested by those who cry out against a paper currency ... while at the same time, they are proposing to establish state banks in Pennsylvania, Ohio, New York ... with enormous capitals.

“...That we regret to see the effort ... to crush the banking system of the country, by advancing such detestable doctrines as that ‘the poor are the natural enemies of the rich.’ Such insidious and dishonest attempts to array one class of our citizens against another could emanate only from dishonest minds, and are calculated, more than any other, to overthrow the republic.”

**Citizens of Athens County, Ohio, May 14, 1834**

“Almost the whole of our surplus products of last year, far exceeding in quantity that of any preceding year, is now afloat, hopelessly seeking a market on the Ohio and Mississippi, or has already been sacrificed at prices absolutely ruinous: prices which blast the hopes of the future, and spread universal discouragement and despondency.



Library of Congress  
*Jackson appears in the caricature as “King Andrew I”; it was issued in the Fall of 1833, in response to Jackson’s removal of federal deposits from the Bank.*

“...Your memorialists do feel bound to complain and protest against the course of the Executive in regard to that portion of the suffering community who have appealed to his interposition for relief, and more especially the indifference and insensibility so often and emphatically avowed to the distress and utter ruin of those ... whom he please to denominate as those who are doing business on borrowed capital (a class comprising, as we believe, more than one half of those actively engaged in every great department of business,) as highly disrespectful to the whole American people, and unbecoming to the elective head of a nation of freemen.

“And we believe that the moral and political effect of the credit system presents a trait of far greater value; that this system has been found eminently to contribute to the elevation of individual character; practically to realize the true republican equality which must otherwise be a mere phantom of imagination, by affording facilities to men possessing talents, industry, skill, enterprise, sterling merit, wherever found to acquire that rank and distinction, and to exert that salutary and auspicious influence on society for which God and nature have qualified them.”

**State Convention of Delegates, Harrisburg, Pa., May 27, 1834<sup>40</sup>**

“...That in taking these steps a few weeks before the meeting of a new Congress, recently elected by the people ... so that he might thereby be enabled to interpose his veto power... he was guilty of a violent encroachment of the constitution.

“...That in assigning his reason that if he didn't do it a majority would be bribed or corrupted, he was guilty of unwarrantable assault upon the character of the representatives of the people, an unjust and fatal disparagement of the representative system, and a destructive outrage upon the whole scheme of our government; amounting to an assertion, that there was no virtue but in the government of a single man, or what is properly denominated an absolute despotism.

“...Let them number, if they can, the armies of office holders and office seekers who swarm through the country, and whose only rule of action and opinion is the command of their chief; and let them observe, how the number and compensation of officers has been increased, and these officers arrayed like a standing army, at all our elections.

“Like the weak kings, of whom history furnishes too many examples, we find him surrounded by a few interested favorites, who, by flattering his vanity, and stimulating his passions, maintain exclusive possession of the royal ear. Thro' the barriers thus created, the language of truth cannot pass, nor can his constitutional advisers expect to enter.

“...For the first time in the history of this country, the power of the Executive has been so exerted as to interfere with the business and ruin the prospects of pri-

40. “Proceedings of the State Convention of Delegates from Pennsylvania Opposed to Executive Abuse,” *Hazards Register of Pennsylvania*, Vol. 13, pp. 362-367.

vate individuals ... the currency has been deranged, produce depreciated, labor deprived ... not by the regular legislation of the representatives of the people, but by the act of one man, who, in his rage for conquest, has set himself above the people and the law.”

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## 6. Adams' Forecast Unfolds: Congress's Folly

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When Congress reconvened after the removal of the Bank's deposits, the House of Representatives swayed with partisan rhetoric, while those in the Senate could barely rally themselves to condemn the Administration. The opposition was not sufficient to defeat the beast which had been unleashed by the tolerance of men loyal to the cause of the British Empire to run the Executive branch.

Following the removal of the deposits, Biddle had written to Daniel Webster on Dec. 15, 1833, that “the fate of the nation is in the hands of Mr. Clay, Mr. Calhoun, and yourself. It is in your power to save us from the misrule of these people ... but you can only do it while you are united.”

But the Congress, and those seeking the Presidency, did not unify sufficiently, nor correctly identify the coup which had just been run against the government, and its true purpose. Senator Clay proposed focusing on the illegality of the Administration. Senator Webster pursued his own strategy of a compromise bank, rather than fully uniting with Clay. And while Calhoun opposed Jackson's violations of the Constitution, he also pursued a compromise bank suited to his own new ideology of implementing a gold currency. Both Webster and Calhoun sought the Presidential nomination of the impossibly divided Whig party, and appealed to the base prejudices of the old Federalist vs. Republican debates for supporters, and succumbed to the erroneous belief that popular opinion guaranteed Van Buren's defeat in 1836. Clay barely rallied the Senate out of complete uselessness, and introduced a resolution to censure Jackson in March.<sup>41</sup>

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41. “Resolved that the President in the late Executive proceedings in relation to the public revenue, has assumed upon himself authority and power not conferred by the Constitution and laws but in derogation of both.” In 1837, the Senate fell into the hands of the Van Buren Administration, and Thomas Benton passed a resolution to expunge the censure of Jackson.

In the House of Representatives, the majority wanted to discuss the re-charter of the Bank, its constitutionality, its supposed crimes—anything but the violations of law Taney had just committed. Rep. John Quincy Adams attempted to make a speech on the removal of the deposits, on April 4, 1834, but the Speaker of the House deprived him of his right, refusing to recognize him; his speech was circulated through the press. He reviewed the actions of Taney and Jackson, and concluded by forcing the issue at hand:

In conclusion, Mr. Speaker, I am well aware that I cannot expect to find myself in the majority in this House upon any question relating to this subject; but I would fain indulge the hope that the majority will take this question directly, without retreating from it, without flinching before it. Are the reasons assigned by the Secretary of the Treasury, for changing the depository of the public funds, from places prescribed by law, to places selected at his will—are they, or are they not, sufficient to justify the measure...? The question to be answered is, has your Secretary of the Treasury wronged the Bank, or has he not? ... If you shrink from answering this question, it will be an argument of strong prevalence, to those who shall occupy these seats hereafter, that you dared not meet it. The complaint of wrong and the petition for redress will survive you. ... The Bank of the United States will die; but its ghost will haunt this hall, though justice should be denied by Congress after Congress—perhaps from age to age—and your evasion of the question will be a standing recommendation of the claim, till importunity shall extort from your successors the reparation sought in vain from you.

The House of Representatives would not respond to Adams' question and rushed to address others, thus failing to condemn the unprecedented and unconstitutional actions of the Kitchen Cabinet. Both Houses of Congress had the chance, and were required by their oaths to uphold the laws of the Constitution to condemn the action, and halt the usurpation of the branches of government. The retreat from the question would inaugurate the long plunge into 30 years of national dissolution, bankruptcy, and civil war.

John Quincy Adams wrote in his diary on July 30, 1834 of the state of the nation in the wake of the removal of the deposits and the reaction of Congress:

The system of administration for the government of the Union is radically and, I believe, irretrievably vitiated at the fountain. The succession to the Presidency absorbs all the national interests, and the electioneering contests are becoming merely venal. My hopes of the long continuance of this Union are extinct. My own system of administration, which was to make the national domain the inexhaustible fund for progressive and unceasing internal improvement, has failed. Systematically renounced and denounced by the present Administration, it has been undisguisedly abandoned by H. Clay, ingloriously deserted by J.C. Calhoun, and silently given up by D. Webster. These are the opposition aspirants to the Presidential succession, not one of them having a system of administration which he would now dare to avow, and at this time scarcely linked together by the brittle chain of common opposition to the unprincipled absurdities of the present incumbent.

Thomas McKenney concluded his exposé of Jacksonism, published in January 1835, with the warning, that while purchasing friends and punishing enemies had been the secret of the Administration's success, the want of union and action was the secret of the failure of the opposition to save the country.<sup>42</sup>

The friends of the constitution have to encounter a fearful responsibility. They must surrender sectional and personal predilections, and forgo what they would desire, for what they can obtain, or as certain as there is a sun in the Heavens, all will be lost! Thrown by the power—forced by the stream of corruption from their position, the patriots of the Republic have nothing left but to get footing where they can. The question at present is, not whether Henry Clay, John C. Calhoun, or Daniel Webster, or any other great man, shall be President of the United States, but whether Liberty and Union shall be, or cease to be.

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42. McKenney, *op. cit.*, footnote 15.

## The End of the American Credit System

The purpose of the creation of the Bank of the United States was to enlarge the active and productive capital of the country. It was to create more transactions reflective of future payment, resulting from increases of productivity, rather than limiting trade to transactions of existing goods using expensive gold and silver (specie). The metallic-based system, insisted upon by the British, sought to restrict production to the currency in circulation, rather than to make the currency a reflection of growing powers of production.

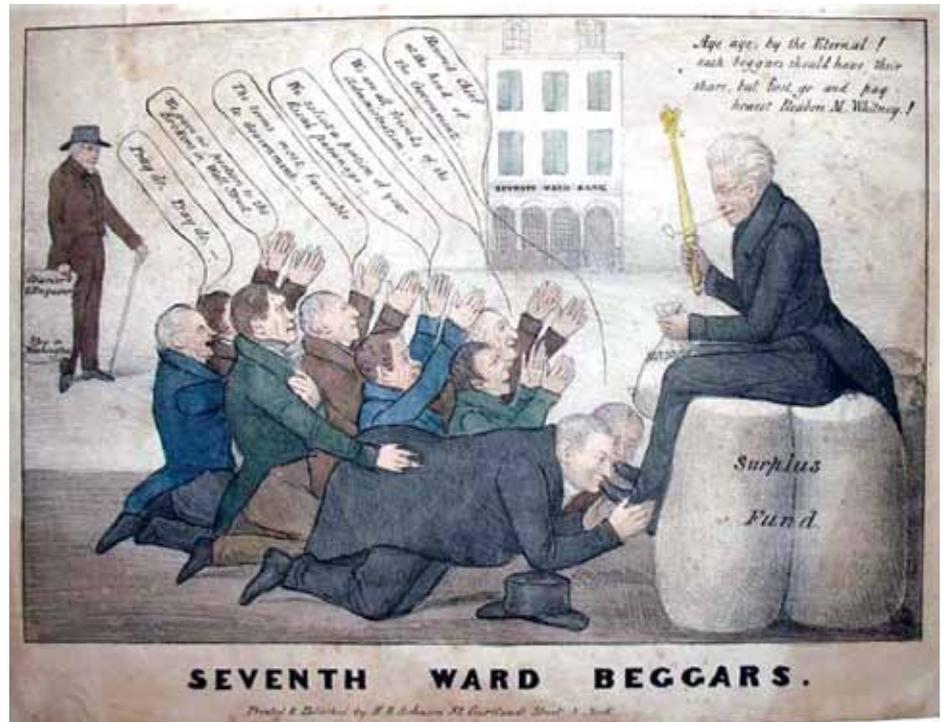
Under the regulation of the Bank of the United States, specie was a reserve in the banks to maintain a uniform currency entirely sufficient for the internal economy, and to settle accounts with foreign countries. Banks safely issued multiple times the specie they had on hand, maintaining the ability to redeem any note with specie. It was rarely necessary for the banks to do so, however, since within the internal economy of the Union, banknotes were the preferred means of payment amounting to roughly nine-tenths of all transactions. By the regulation of the Bank from 1823-1832, the proportion of reserve to banknotes in circulation was determined by the productive economy.

A circulating currency was created of the magnitude proportional to the active capital of the country, such as manufactures, agriculture, etc., without requiring the trading in of most of that capital for specie with which to exchange goods, as was necessary with a metallic currency. The substitution of banknotes for metal decreased the capital required to be used as currency. This saving of physical capital meant that it could be absorbed in the purchase of land,

new dwellings, and new manufactures.<sup>43</sup>

In settling and cultivating new lands in the interior of the country, citizens possessing no specie or prior wealth obtained the necessities of life upon a credit founded on the expected returns of their industry. Confidence in the future accomplishment was the medium of exchange, not past production or stores of wealth.

The policy of Jackson's controllers was that the credit system of the nation's economy, as facilitated by the Bank, must be stopped, and with it, the increasing



*This cartoon shows Jackson sitting on the government's surplus funds, and holding a bag full of money, as patronage seekers bow down before him.*

independence of the United States from the British Empire. The events which followed would prove this fact in its entirety.

### 1. The Credit System Destroyed

The state banks which received Taney's deposits from the government were irregular in their lending and squandered the public funds; however, after the crisis of personal loss of profit and assets which resulted in the removal of U.S. government deposits from the Na-

43. Kirsch, op. cit., footnote 3.

tional Bank, trade eventually normalized, though in lesser volume, and the Bank maintained its operations without the government funds. But, at the end of 1834, the Kitchen Cabinet further tightened the screws on credit, giving Jackson a directive to sign, stating that the government would no longer accept National Bank currency for payments to the government.

The new favorite slogan was that the states would create more banks, and that the state banks could create a better system of currency and exchanges. They were called upon to perform the function of transacting credit arrangements in the sale of public lands and the collection of duties, and thus to receive the notes of all other banks for such payments, as the Bank of the United States had done. Hundreds of new banks were called into existence and praised for increasing their issues and loans. With increased sales of public lands, and since the Administration had paid off the national debt, the new depository state banks thought they were in permanent possession of large and increasing government funds.

Without the restraining function of the Bank to keep the state bank issues in check, and since they were not appropriated or loaned for federal internal improvements, the surplus, idle government funds stimulated land and commodity speculation. The public lands were auctioned off cheaply in great amounts, fueled by the cheers of the Executive. Even with the clearly dangerous speculation, Jackson's December 1835 speech to Congress continued to praise the growth of agriculture and sales of lands as a mark of success that the currency had improved, and that it had proven that the Bank wasn't necessary.

The next move by the Kitchen Cabinet would once again reveal the true purpose of Jackson's Administration.

The charter for the Bank of the United States expired in January 1836, and in June, Congress responded by passing the "Distribution Act." The Act was to ensure that the surplus government deposits were accessible as credit, in the same locations of trade as before, rather than squandered or made idle by the Executive. In response, the Kitchen Cabinet violated the Distribution Act, continuing the assumption of legislative power by the Executive, and distributed the government funds around the country, according to its will, rather than the law of Congress.

Treasury Secretary Levi Woodbury transferred the funds from state to state, against the provisions of the

law, without deference to region, season, or trade, making the revenue work against the industry of country.<sup>44</sup>

This was accompanied by another act by the Executive to arm itself with an order of magnitude greater power to inflict destruction on the credit system. Suddenly, without any notice to the banks which it had created and applauded, the Administration issued a statement on July 11, 1836, that, in order to protect the Treasury "from frauds, speculation and monopolies in the purchase of public lands," and from "excessive bank credits," from "ruinous extension of bank issues—*nothing but gold and silver would be accepted by the treasury in payment of government land*" (emphasis added).<sup>45</sup>

Since the banknotes were no longer receivable by the government, the notes in the West for land purchases became useless, inviting all who held notes or had deposits in such banks to convert them into gold and silver. In other words, all of the banknotes which the bank had in circulation, now became a demand for that much gold and silver upon them. The banks nearest the land offices ceased making loans and attempted to obtain all the specie they could to meet the demand. Because of Woodbury's violation of the Distribution Act, the same interior banks had been given Treasury warrants for transfers, and therefore could proceed to cash them in for specie at Eastern banks.

The double action by the Kitchen Cabinet created the perfect storm for the most rapid pressure and col-

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44. The Act directed the Treasury Department to distribute the surplus to new depository state banks at places convenient to where the revenue was collected, and to be spaced throughout the next year so as not to interfere with trade. The Act of Congress specifically stated that any purpose besides facilitating disbursements was illegal, and if deposit transfers were necessary for the Act's proposed equalization of funds, they were to be made to the "nearest deposit banks." In order to transfer the surplus from banks where duties and sales of lands had been collected, it was not necessary to actually transfer the funds themselves, but only to give new depository banks the ability to settle debts with the states and cities where the revenue was collected. Since bank drafts on Eastern banks where Western states had balances to settle were worth more than shipping money out to the West, and would have been preferable, no actual money needed to be shifted around from state to state, and especially not out to the West. This would have allowed the surplus to naturally transfer through the course of trade; instead Woodbury did the opposite, sending bank warrants around the country to directly withdraw large amounts of accumulated funds in Eastern banks.

45. This was in contrast to the 1816 Congressional law, which stated that land, duties, and all payments to the government were to be made in specie, or banknotes, allowing the banks to lend to those who purchased land, paid duties, and who would then pay the government.

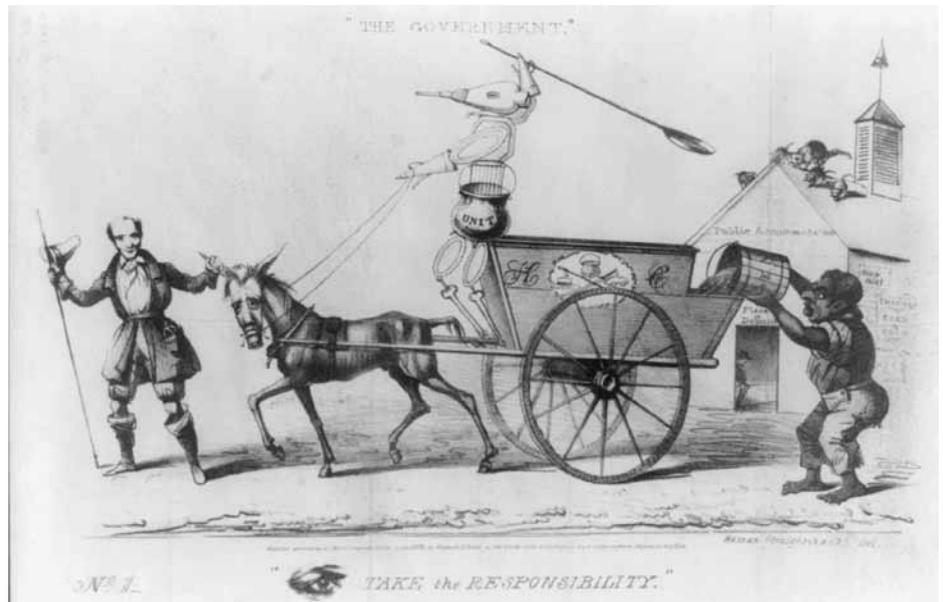
lapse of the economy conceivable. The entire commercial community was taken by surprise.

Interior banks used the Treasury drafts they were given, to draw money from the East, so they could have currency for those wanting gold for land purchases, causing large amounts of money from Eastern banks to shift to the interior, where it was in high demand, and keeping up a large circulation. The whole ballast of currency shifted from one side of the vessel to the other.

The crisis was unprecedented. Depository banks were pressed with demands for which they had not been prepared, and each of these stopped making new loans for self-protection, brought pressure on their debtors for payment, and used whatever means they could to draw gold from other banks. Debtors in the interior did not send money to the merchants in the East; banks in the East could not aid the Eastern merchants who needed the deposits to buy crops, because they had to send their specie to the West, and farmers and manufacturers could not pay their debts, because they could not sell their produce or collect from their debtors.

Curtailing loans became the pattern for banks all over the country, and merchants who were accustomed to borrowing from these institutions were without money to buy goods, or to pay those whom they owed. Prices of stocks, manufactured goods, and agricultural commodities declined drastically, commercial trade between the West and East shut down, and virtually all economic activity was brought to a sudden halt. By November 1836, interest rates rose to 24%, and the rate for bills of exchange to transmit funds from the West and Southwest increased sixfold.<sup>46</sup>

46. Biddle wrote on Nov. 11, "The first measure of relief therefore should be, the instant repeal of the treasury order requiring specie for lands—the second, the adoption of a proper system to execute the distribution law. These measures would restore confidence in twenty-four hours, and repose at least in as many days. If the treasury will not adopt them voluntarily, Congress should immediately command it."



*This satire on the Kitchen Cabinet appeared during the battle over Jackson's removal of federal deposits from the Bank. It shows the Government as a cart, driven by a figure made of kitchen implements, and drawn by an ass with Jackson's head, who is being led by the ears by Van Buren.*

The demand for gold in the U.S. led the banks in England to cancel their involvement in imports of goods from the Mississippi Valley the next Spring, and all merchants in the valley announced they would cease trade. Banks which had already been forced to deny new loans to merchants, now insisted on payments of existing loans, bringing down firms throughout the valley.<sup>47</sup>

### The True Face of the Kitchen Cabinet

In response to the unprecedented collapse of the economy, the recently elected Van Buren Administration blamed the people and the people's banks—a large portion of which it had just promoted to replace the Bank of the United States, banks which Van Buren had *praised* for the previous two years as a magnificent herald of liberty. The Administration lied that it was simply following the Distribution Act and that the crisis was because of over-trading and land purchases.<sup>48</sup>

47. Speculation in Great Britain in the Winter and Spring of 1836 made gold cheap to ship to America for its import of goods, but the specie circular created an extra demand, and the banks soon announced they would cut off imports to save their gold.

48. Over-trading would have meant that more had been imported than exported, and the exchange would have been to the detriment of the nation, but in fact the exchange with all the world was in favor of the United States, and it was cheaper to buy a bill of exchange in a foreign

The Administration lied that the Bank, had it been re-chartered, could not have prevented the speculation or the crisis which the Administration had just created and had encouraged. The Administration attacked the speculation it had caused, as though it hadn't caused it, as a reason not to submit to calls to reverse its hostility to a new National Bank.

It continued to enforce the specie circular and violate the Distribution Act according to its will. It launched a crusade against all banks, and attacked them as monsters, and the state banks had to now defend themselves against their own creators.

The game was up. It had never been about the Bank.

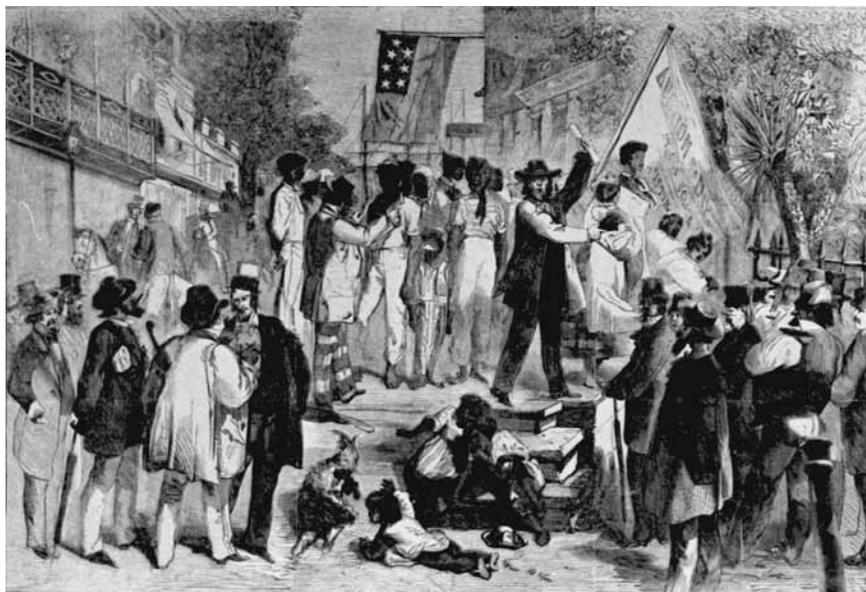
The truth was clear to those who wanted to see: that it was the despotic will of Van Buren and Jackson to sever business from the credit system, and to cease all interrelation between the physical productivity of the country and the funds raised by, and credit of, the government. The purpose was to separate laws of the government from physical productivity. The objects of attack were borrowed capital and industrial and scientific progress, elements of national unity.

In May of 1837, the banks suspended the redemption of any of their notes for gold, in order to save themselves and all of their debtors. To force the banks to redeem their notes in specie under such conditions was nothing more than to force the people to pay the debts of the banks.

Having orchestrated the insolvency of the banks and the public, the Administration declared its intention in September to extend the specie circular, and not only reject the credit of banknotes for payment to land offices, but for all payments of any kind to the government. This created an alarm against the banks throughout the country. The Jackson Administration used its whole influence to infuse into the minds of the people the distrust of all banks, continuing to excite partisan passion against the

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country than to send specie. Merchants in the East sold goods to merchants in the West who were willing, and under ordinary circumstances, able to pay, but the Administration disabled them from paying: it was not that too many goods were sold, but that payment was prevented.



Library of Congress

*Under Jackson's reign, gold and silver (hard money) were deemed the measure of wealth, rather than economic progress; the values of the slaveholder had taken over. Shown: a slave auction in the South.*

credit system; such partisans were like the followers of the human beast of Poe's "Epimanes"; they were kept stimulated by each subsequent crisis, and were ready to heap praise upon the demagogue.

In the midst of the crisis, Van Buren made a proposal which would have been inconceivable in 1829, prior to the engineered crisis of the banking system of 1833-1837. He called for a complete separation of "the fiscal operations of the government from those of individuals or corporations," and the establishment of sub-treasuries in various parts of the country.<sup>49</sup> The Subtreasury would keep collected revenues in iron boxes spaced throughout the country until appropriation, making them useless, and barring them from being lent out to individuals. Surplus, the effect of the productivity of the economy, was to be purposely made unavailable for reinvestment. The basic principles of physical productivity were replaced with party theories of a hard money currency to justify drastically reducing circula-

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49. It had been the policy of the U.S. government to use its funds to promote the nation on whatever way the representatives of the people designed, and thus the Bank, and road and canal companies, were all corporations in which the government had stock, as a suitable place for investment of government funds, profitable to the government and conducive to the general welfare. The effects of productivity were, in this way continuously reinvested, guaranteeing and coordinating increases in the physical productivity of the economy.

tion. By the demands of receiving specie alone, the vast percentage of specie wealth was consolidated in the hands of partisan government officials.

Gold and silver were now designated the true riches for the population to seek after, rather than productivity, which had been facilitated and supported by the system of payments on credit. The Jacksonians no longer deemed productivity a valid measure of value, because the nation was no longer viewed as a single economy. Individual property and “liberty” of the wealthy landowner and slaveholder were sought instead.

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## 2. The Devil in the Belfry

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Amidst the ongoing crisis caused by the specie circular, the termination of the Bank of the United States, and the violation of the Distribution Act, Nicholas Biddle wrote to John Quincy Adams:

Distrust all demagogues of all parties who profess exclusive love for what they call the people. For the last six years the country has been nearly convulsed by efforts to break the mutual dependence of all classes of citizens—to make the laborer regard his employer as his enemy, and to array the poor against the rich. These trashy declaimers have ended by bringing the country into a condition where its whole industry is subject far more than it ever was before, to the control of the large capitalists—and where every step tends inevitably to make the rich richer, and the poor poorer.<sup>50</sup>

Unemployed men and idle machines, unsold goods, foreclosed mortgages, and bankrupt businesses were the price paid for the decision to accept nothing but specie in payment for public lands. Individuals without employment or money, through no fault of their own, were abandoned in the crisis. All classes who depended on borrowed capital—workingmen, farmers, mechanics, manufacturers, merchants, and bankers—were affected.

Those who had bought farms, established businesses and factories, and constructed internal improvements with the expectation of profit, were faced with

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50. Letter from Biddle to John Quincy Adams, Philadelphia, Nov. 11, 1836, published in the *Financial Register* and *Niles' Register*.

unpayable debts to the banks. The arbitrary actions of the Administration in removing the sources of credit made the debts impossible to collect. The population was willing to pay, but time was needed to send crops to market, to dispose of property with the least sacrifice, or to draw on one's resources.

Under the proper functioning of the credit system, the debts of farmers are paid by next season's produce, and the debts of merchants are paid through subsequent sales, and on the larger scale, the debts of states for infrastructure are paid by the future development of industries which utilize it. The Van Buren Administration demanded, however, that debts be paid in the present, at whatever expense to the future, and waste of the past.

In the wake of the suspension and the continued demand of the Administration for Banks to resume specie payments, only to drain them of their specie further, Biddle would write in 1838, “The credit system of the United States and the exclusively metallic system are now fairly in the field, face to face with each other. One or other must fall. There can be no other issue.”

In his Dec. 2, 1839 message, President Van Buren appealed to the frustration and desperation of the people who knew they were not to blame for their idle businesses, and unsold goods. But they lacked the bigger picture and an understanding of banking, and how the beneficial changes of previous years had come about.

He spoke of “a false system,” “gigantic banking institutions,” and “splendid but profitless railroads and canals,” and repeatedly extolled the iron laws of free trade. Having destroyed the credit system, Van Buren continued to mock the people, declaring that they had caused the crisis by going into debt, whereas just years before under the Bank, the debt created for their internal improvements, and their personal debts in farming and manufacturing were simply part of the growing economy under the credit system.<sup>51</sup>

In reality, while Pennsylvania had incurred a debt of \$32 million to build improvements, it could easily have been paid, if the state had gone into debt to a credit bank to develop iron and coal as had been planned. Under those conditions the railroads and canals would have increased income ten times over. Individuals and states had assumed growth in making their plans, because the government had established a system of available credit and used its revenues from the public to promote the interest of the public.

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51. Kirsch, op. cit., footnote 3.

In contrast to the demonstrated principles of productivity, Van Buren said the only remedy was to “cease to run into debt,” that people should “think of the means by which debts are to be paid before they are contracted,” and that now there was nothing to do but accept the pain, and liquidate their assets if necessary. “Indebtedness cannot be lessened by borrowing more money, or by changing the form of the debt. The balance of trade is not to be turned in our favor by creating new demands abroad. [It is] by retrenchment and reform, by curtailing public and private expenditures, by paying our debts [that the country could] expect relief.”<sup>52</sup>

The public response to being disowned by the government was chaotic, with some abandoning any future hope of credit: Attempts were made to repudiate state debts, people stole from their employers, merchants burned warehouses to collect insurance, debtors denounced creditors, and creditors accused delinquents of bad faith. Banks paying specie were unwilling to lend, and others were forced to collect debts. The majority was seeking to sell or collect, but few were in a position to buy or pay. Fear, insecurity, and uncertainty haunted the people.

On Dec. 26, 1839, Abraham Lincoln attacked Van Buren’s proposed Subtreasury system in a speech to the Illinois State Legislature, contrasting it to the expired Bank of the United States. He ridiculed the hypocrisy of the Administration and its proposed plan, and the theft of the government funds which had already taken place and would bloom in the Subtreasury system. He reviewed the history of the recent administrations, and concluded the speech by referring to the possibility that Van Buren would be re-elected:

Many free countries have lost their liberty; and *ours may* lose hers; but if she shall, be it my

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52. In Lincoln’s 1839 attack on Van Buren’s Subtreasury, he pointed out the great irony of Van Buren’s calls for frugality, stating that the expense of the government during the Van Buren and Jackson administrations, in contrast to every administration before, was a demonstration of their complete incompetence to govern, and the failure of their claims. The ten years of Van Buren and Jackson cost more than the first 27 years of the United States; the expense of government in 1828 under John Quincy Adams was \$13 million, under Van Buren in 1838, \$40 million; Burr and Van Buren’s old cohort, Samuel Swartwout, as head of Collector of Customs in New York, stole \$1.2 million, and fled the country in 1838.

proudest plume, not that I was the *last* to desert, but that I *never* deserted her.

I know that the great volcano at Washington, aroused and directed by the evil spirit that reigns there, is belching forth the lava of political corruption, in a current broad and deep, which is sweeping with frightful velocity over the whole length and breadth of the land, bidding fair to leave unscathed no green spot or living thing, while on its bosom are riding like demons on the waves of Hell, the imps of that evil spirit, and fiendishly taunting all those who dare resist its destroying course, with the hopelessness of their effort; and knowing this, I cannot deny that all may be swept away.

Broken by it, I, too, may be; bow to it I never will. The *probability* that we may fall in the struggle ought not to deter us from the support of a cause we believe to be just; it *shall not* deter me. If ever I feel the soul within me elevate and expand to those dimensions not wholly unworthy of its Almighty Architect, it is when I contemplate the cause of my country, deserted by all the world beside, and I standing up boldly and alone and hurling defiance at her victorious oppressors. Here, without contemplating consequences, before High Heaven, and in the face of the world, I swear eternal fidelity to the just cause, as I deem it, of the land of my life, my liberty and my love. And who, that thinks with me, will not fearlessly adopt the oath that I take? Let none falter, who thinks he is right, and we may succeed. But, if after all, we shall fail, be it so.

We still shall have the proud consolation of saying to our consciences, and to the departed shade of our country’s freedom, that the cause approved of our judgment, and adored of our hearts, in disaster, in chains, in torture, in death, we NEVER faltered in defending.

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### 3. A Nation of Individuals

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The Administration was finally outflanked by the Senate and Biddle’s state-chartered U.S. Bank in 1839, and the Senate voted to repeal the specie circular; however, with the inhuman and unwavering intent of the Van Buren Administration to re-enslave the United



*Abraham Lincoln, as a new member of the Illinois Legislature in 1839, attacked Jackson's Subtreasury scheme, referring to the Administration as "the great volcano at Washington, aroused and directed by the evil spirit that reigns there...." Lincoln is depicted here, addressing the Legislature.*

States to the British, and with both Houses under control, the Congress submitted to his proposed final break with the credit system, divorcing the government from the banks, and setting up independent treasuries to hold government funds, disconnecting the government's relation to the productive economy.<sup>53</sup> Although the majority of partisan Democrats believed that Jackson and Van Buren were right, and went along with the Subtreasury and hard money doctrine, regardless of their devastation, the country wanted Van Buren out, and the anti-Jacksonians took both houses of Congress.

President William Henry Harrison promised to sign a bill in Congress for a new Bank, and such a bill was prepared and passed. Unfortunately, Harrison mysteriously died on April 4, 1841, exactly four weeks after his Inauguration. He was replaced by Vice President John Tyler, described by John Quincy Adams in 1840 in his diary as a "political sectarian, of the slave-driving, Virginian Jeffersonian school, principled against all improvement, with all the interests and passions and vices

53. Since 1836, and through the early 1840s, Biddle's U.S. Bank of Pennsylvania and other nation-builders sponsored railroad industries, and completed the great canal systems, maintaining a source of credit in defiance of the destruction wrought by the Jackson and Van Buren administrations; however, it was impossible to maintain any national credit system with an Executive actively opposed; and the U.S. Bank failed.

of slavery rooted in his moral and political constitution."

Tyler maintained the Jackson precedent of rejecting the vote of the people's representatives, and vetoed Congress's new bill to charter a Third Bank of the United States, which had been intended for President Harrison. After Tyler vetoed a tariff bill as well, Congress threatened, but failed to impeach him—and thus was robbed of all hope of reviving the former system.<sup>54</sup> The simple machine of government would be sustained, and the nation was now committed to its own dissolution.

Lincoln stood firm with his December 1839 resolve, and in 1843, on March 1, submitted a proposal to a Whig meeting in Springfield, Ill., including the resolution, "That a national bank, properly restricted, is highly necessary and proper to the establishment and maintenance of a sound currency,

and for the cheap and safe collection, keeping, and disbursing of the public revenue." Three days later he explained his resolution in an address, saying, "Upon the question of expediency, we only ask you to examine the history of the times during the existence of the two banks, and compare those times with the miserable present."<sup>55</sup>

On July 1, 1848, as an advisor to Gen. Zachary Taylor, Lincoln crafted policies for Taylor to enunciate as a Presidential candidate, including: "Should Congress see fit to pass an act to establish [a National Bank] I should not arrest it by the veto, unless I should consider it subject to some constitutional objection from

54. "Address of John Quincy Adams to His Constituents of the Twelfth Congressional District at Braintree, [Mass.,]" Sept. 17, 1842 (Boston: J.H. Eastburn).

55. Lincoln also addressed the issue of constitutionality, saying, "The first National bank was established chiefly by the same men who formed the Constitution, at a time when that instrument was but two years old, and receiving the sanction, as president, of the immortal Washington; that the second received the sanction, as president, of Mr. Madison, to whom common consent has awarded the proud title of 'Father of the Constitution'; and subsequently the sanction of the Supreme Court, the most enlightened judicial tribunal in the world." Lincoln had reviewed this in a similar way in his December 1839 speech. "A majority of the Revolutionary patriarchs, whoever acted officially upon the question, commencing with Gen. Washington and embracing Gen. Jackson, the larger number of the signers of the Declaration, and of the framers of the Constitution, who were in the Congress of 1791, have decided upon their oaths that such a bank is constitutional."

which I believe the two former banks to have been free.”

The strong nationalist Taylor won the Presidency in 1848. His Treasury Secretary, William Meredith, was a relative of the Gouverneur Morris who established the credit system with Robert Morris and Hamilton; he was a vocal advocate against the British doctrine of *laissez faire*, and wrote plans for a higher tariff in 1849. However, Taylor died mysteriously on July 9, 1850, from causes that have never been fully established.

The elimination of the credit system by the dismantling of the Bank of the United States, punctuated by the demand for hard specie, put the control over credit in the hands of London, through its agent in United States—Wall Street. Throughout the period from 1836-1860, the United States became increasingly ruled and dominated by British-allied gamblers and wealthy slaveowners. The Wall Street slave system rose from the ashes of the credit system, and the South became directly ruled by British finance, with Wall Street controlling the export of slave cotton.

Rothschild banker August Belmont, sent from London to New York City in 1837, ran the Democratic Party for several decades after Van Buren’s tenure, as a direct British hand within American finance.<sup>56</sup> Without the Bank, the property and capital of the wealthy was inaccessible to the poorer classes, who had earlier received credit from the Bank branches. Without the regulated exchange rates which the Bank had created, there was no long-term assurance in investment, and everything included usurious taxes by private banks and brokers. By the time Lincoln became President, thousands of unredeemable currencies were in circulation, and the nation was entirely bankrupt.

Lincoln never deserted the imperiled nation, and would ultimately save the Union from dissolution. His successful national banking system and greenback strategy for internal improvements and industry left a durable legacy. He was, however, unable to fully reestablish the American credit system as he intended. This prospect was ripped from the nation’s grasp by his assassination, in which his Secretary of State William Seward was also nearly murdered, by a British assassination ring based in Montreal.<sup>57</sup> President James Garfield and President William McKinley, both

56. Chaitkin, op. cit., footnote 3.

57. Anton Chaitkin, “Why the British Kill American Presidents,” *EIR*, Dec. 12, 2008, pp. 26-28.

Lincoln nationalists, suffered the same fate as Lincoln.

The Federal Reserve was created after the 1907 banking crash to provide a way to bail out the stock market, to ensure that a new Bank of the United States would never arise, and that speculation would always rule.<sup>58</sup> President Franklin Roosevelt’s Glass-Steagall Act restored stability to Lincoln’s national banking system, and FDR’s use of the Reconstruction Finance Corporation (RFC) as a direct conduit for Treasury lending, superseded the money system of the Federal Reserve, and once again propelled the nation forward in the greatest density of industry- and infrastructure-building in the nation’s history.

But the full use of Congress’s powers, as they expressed themselves in the most effective means through the Bank of the United States credit system, was never restored. With Roosevelt’s death, and the assassination of President John F. Kennedy, the powers reclaimed by Lincoln were entirely eroded; and the U.S. government, once again, became a perfect demonstration of the “simple machine” proposed by Jackson’s Kitchen Cabinet, on Dec. 4, 1832.

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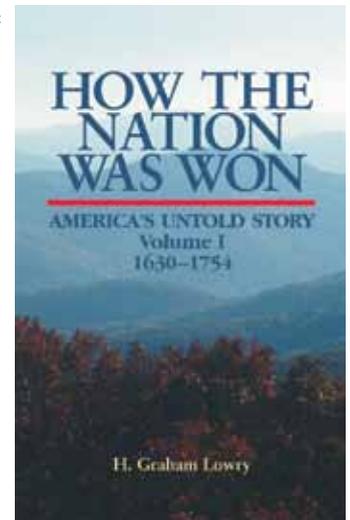
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*To reverse the continuing effects of Jackson's treason on the United States today, a return to the American System is required: Glass-Steagall; a national credit system, and NAWAPA XXI. Here, LaRouchePAC organizers in Philadelphia, August 2012.*

## The Ghost of the American Credit System

A nation freed from the British Empire was shackled by the controllers of Andrew Jackson and subsequent administrations, British agents working against the United States. The unconstitutional shutdown of the Bank of the United States signaled the destruction of full Congressional control over the nation's finances, and the integral relation of the currency with increasing the powers of production.

The Bank was never merely an instrument of commerce; it was the means by which Congress could most effectively promote the economic interests of the nation, and uphold its duty to carry out its assigned powers of government. This power of regulation was attacked, and the development of the economy destroyed. The bonds that held the nation together were dissolved.

Today, most citizens find themselves defending traitors—celebrating those who brought us back into slavery to the Empire. The doctrines of both the modern Republican and Democratic parties are those of the Jackson and Van Buren administrations, doctrines upon which the United States was neither formed nor built, but under which it was destroyed.

Government must reclaim its power to legislate the creation of a financial system that provides all citizens a right to make use of their spirit of enterprise, a system

of currency that gives every citizen a capability to increase his productivity, and the right to go into debt for such a purpose.

The Congress has abdicated this power, in order to maintain the myth of Andrew Jackson. That myth is hereby destroyed, the Government freed to create a system of credit and a medium of exchange which is reflective of the purposes of the Union, and to resume strengthening its ties.

What is required is a full use of Congress's powers to craft a new American credit system, in which the restoration of full Glass-Steagall regulation will be a prologue, making possible a nationwide system of internal improvements, such as the drought- and flood-control plan NAWAPA XXI.<sup>59</sup> As with the Presidency of John Quincy Adams, none of these policies could be taken as separate. The true use of the Constitution is never a set of policies; it is a single conception of what is necessary for a functional system of national government. It is one unified system of regulated credit for the promotion of specific industries and technologies for specific purposes of development for the people of the nation and the world.

Drawing from the recent speeches of statesman

59. Michael Kirsch et al., "NAWAPA XXI Special Report," March 2012, available at [www.larouchepac.com/nawapaxxi](http://www.larouchepac.com/nawapaxxi)

Lyndon LaRouche on the revival of the American credit system, the successful operations of the Bank of the United States from 1791-1801 and 1823-1832, Lincoln's Greenbacks, the lessons learned from Roosevelt's RFC, a new system of credit can be organized in short order, and the remaining productive powers of the nation put to use.<sup>60</sup> New laws and government regulations will foster a productive currency, one defined by the system of laws in which it operates. The value of currency does not lie in the individual unit, but in the process which it facilitates, the flows of trade and commerce, not the abstract material which is exchanged. Other laws enacted to ensure large internal improvements, such as a NAWAPA XXI Authority, will create the substance of the new system of future payments, and provide the needed impetus to put the new machine into motion.

60. Since the 1970s, Lyndon LaRouche has advocated a return to the Hamiltonian system. He has long advocated great projects, both scientific and industrial, and speaks from an era of the 20th Century when a functioning economy still thrived. He has, for many years, joined those voices of the past who fought bravely for an establishment of this system for the world, and remains an architect of such a return.

It is the right of all nations to enact laws to create systems of credit specific to their goals. If nations understand the history of the American credit system, and how and why it was destroyed, the horrors of today's trans-Atlantic community will cease.

The time has come when the very survival of all citizens depends on ending the rule of the oligarchical principle, a principle which is reflected in the corruption often disguised as the party system. The United States must return to George Washington, and return to a *people* system not a *party* system.

The effort of the British Empire to destroy the United States must be recognized as the defining characteristic of the United States during most of the time since the Jackson Administration, an effort motivated by the successful threat posed by our the American credit system.

A non-partisan team of patriots must ally themselves on principle above precedent and use the Constitution's full powers and intent to save our nation—a nation more powerful than the individuals within it, or the enemies who seek to destroy it—a nation unable to be killed by British assassins, but unable to survive without its powers.

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# Blair and Obama Ally with Al-Qaeda in World War Drive

by Jeffrey Steinberg and Nancy Spannaus

Dec. 11—Over the past week, the *New York Times*, the *Los Angeles Times*, McClatchy News Service, and the London *Daily Telegraph* have all exposed the Obama Administration's marriage with al-Qaeda in the drive to overthrow the Bashar al-Assad government in Syria. The U.S., British, and French reliance on hardened al-Qaeda fighters to bring down the Syrian government is a replay of the alliance that overthrew Muammar Qaddafi in Libya in 2011. And it was Libyan affiliates of al-Qaeda that captured and summarily executed Qaddafi, on orders from the White House, 10 Downing Street, and the Élysée Palace.

The alliance with al-Qaeda is as unlawful as it is dangerous. For, as exposed in-depth in *EIR*'s Special Report, "Obama's War on America: 9/11 Two," both the global jihadi network and the Obama Administration are tools of the British Empire, in its drive to end the era of the nation-state, and return to global feudalism. Yet, in order to prevail, that Empire has to overcome the resistance of Russia, China, and remaining patriotic forces in the United States, especially in the U.S. military. And to do that, the Empire is currently deploying its assets, including Obama and al-Qaeda, on a confrontation course in the Middle East that threatens to provoke World War III.

(For the latest dossier on the Obama Administration's alliance with al-Qaeda, see *National*.)

## **Blair's 2003 Lies—Redux**

The clearest indication of the recent escalation against Assad is the wartime black propaganda campaign launched in the past week, claiming that President Assad has ordered the use of chemical weapons against his own population, or possibly against Turkey. Top U.S. officials, including Obama himself, have issued dire warnings against Assad's use of chemical weapons, and the news media has been full of false claims that sarin gas canisters have been assembled and are already loaded on Syrian Air Force planes.

This "weapons of mass destruction" scare, rolled out just before the NATO Council was scheduled to meet to approve a Patriot missile deployment on the Syrian-Turkish border, came directly out of the 2003 playbook of British Prime Minister Tony Blair, when he produced the infamous "sexed-up" dossier on the non-existent threats from Iraqi President Saddam Hussein, to push President George W. Bush into war. Blair plays a direct role for the Queen in exercising control over President Obama, who has adopted the former British Prime Minister's Hitlerian pre-emptive war policy ("responsibility to protect"/R2P), and Nazi health-care program, whole hog.

Despite reported serious skepticism in NATO, especially from the Germans, the "chemical weapons" ploy was picked up by NATO chief Anders Fogh Rasmussen, and the NATO Council on Dec. 5, gave a green light to the provocative Patriot deployment, which is scheduled, after pro forma votes in the German and



The al-Qaeda affiliate Jabhat al-Nusra is deemed the most effective jihadi force against the Syrian Army, in the U.S.-British-French drive to overthrow the Assad government. Here, an al-Nusra recruiting poster.

Dutch parliaments, to go ahead in early 2013.

Not everyone is buying the propaganda line. The widely read website of Col. Patrick Lang (USA-ret.), firedoglake.com, featured a blistering warning that the chemical weapons claims are a replay of the fake propaganda used to justify the 2003 invasion of Iraq. Former White House Middle East expert Hillary Mann Leverett also pronounced it a transparent fraud. Russian Foreign Minister Sergei Lavrov denounced the chemical weapons claims as outright lies, telling reporters in Brussels last week that Russia had fully investigated the allegations and concluded that they were no more than “rumors.” Lavrov told Western counterparts that the Assad government had given Moscow hard assurances that it had no intention of using chemical weapons against Syrian citizens.

And the idea that Syria would launch any kind of military attack against neighbor Turkey, a NATO member, which is in the process of stationing NATO Patriot missile batteries along the border with Syria, is widely considered preposterous. More serious, is the danger that the opposition would seize chemical weapons stocks and use them—blaming the damage on the Assad regime.

### Jihadi Escalation

Meanwhile, the British-Obama-Saudi axis is moving ahead to try to create the conditions for ousting Assad, through bloody irregular warfare inside Syria, and preparing an alternate “legitimate government” outside the country.

There is little doubt that the rebel faction that has been most effective against the Syrian Army is the al-

Qaeda affiliate Jabhat al-Nusra.

The Obama Administration has been at pains to try to create the appearance of distance from al-Nusra, while continuing to rely on the jihadists to carry out regime change against Assad. The official line is that the “West” must upgrade its material, including military, support, to the “moderate” wing of the Syrian opposition, thus allowing the radicals to be “isolated.” This is even more absurd than the lies about the chemical weapons danger.

Efforts over the past four months to curb the flow of weapons and funds

to the most radical of the neo-Salafist fighters have all failed miserably. According to senior U.S. intelligence officials, who have spoken with *EIR* on condition of anonymity, the neo-Salafists are so dominant in the Syrian opposition that it would be naive to assume that they will be kept out of any post-Assad regime, and certainly, there could be no way of keeping weapons sent to the “moderates” out of their hands. Indeed, the U.S.- and European-sponsored new political and military leadership of the opposition is dominated by members of the Syrian Muslim Brotherhood. And Brotherhood spokesmen have made clear that they will retain their close collaboration with al-Nusra and other jihadist groups.

The attitude of the British, Americans, and others toward the jihadis has been clearly signalled by the fact that the UN Security Council routinely *refuses* to condemn terrorist actions by the Syrian opposition, as the Russians have been quick to point out, even as the UNSC rushes to condemn the Assad regime.

### Preparing a New Government?

Paradoxically, the more evidence that surfaces that the anti-Assad forces are dominated by radical Islamists who are as anti-American as the al-Qaeda fighters who assassinated Ambassador Stevens in Benghazi, the more the Obama Administration is pushing for the overthrow of Assad as fast as possible.

On Dec. 7, the U.S., Britain, France, Turkey, Saudi Arabia, and Qatar all sponsored a meeting of Syrian rebel commanders in Turkey, and established a 30-man command structure. While leaders of al-Nusra were barred from the meeting, it is widely recognized that this effort is purely cosmetic.

President Vladimir Putin and other top Russian officials have continued to draw the links between the Obama Administration and the al-Qaeda fighters driving the regime changes, first in Libya, and now in Syria. In one recent speech, Putin suggested ironically that Obama should release all of the prisoners at Guantanamo and send them on the next flight to Turkey to join the rebel cause.

Along with the establishment of a new military command, the British, the U.S., and their “Friends of Syria” grouping are trying to create a unified political structure, allegedly fit to form a post-Assad government. Such a group was founded a few weeks ago, and its leader Ahmed Moaz al-Khatib was welcomed in Brussels at the EU foreign ministers meeting Dec. 10. Britain and France have officially recognized al-Khatib’s National Coalition of Syrian Revolutionary and Opposition Forces as a government in the wings, as have the Saudi-dominated Gulf states, but the U.S. and other European nations have not.

The British hope that the Dec. 12 meeting of the Friends of Syria, in Marrakesh, Morocco, will result in broader recognition—a crucial step for open arming of the jihadist opposition. The British press is also dominated by “leaks” of British preparations, with Arab

and U.S. allies, for a military deployment to topple Assad.

### Conflict with Russia

Any direct NATO or American military involvement against Assad would be a major step towards World War III, pitting the U.S. and NATO against Russia and China. American military leaders candidly admit that any such conflict could soon lead to thermonuclear war, and likely, extinction of the human race. They are horrified at the insane policies coming out of Washington, and represent a crucial war-avoidance force.

But, as Lyndon LaRouche has repeatedly warned since the overthrow and assassination of Qaddafi, the only durable war-prevention option is the removal of President Obama from office for his high crimes and misdemeanors. With the U.S. Congress set to end their lame duck session this coming week, President Obama will have more than a month to bring the world to the brink of general war, before the newly elected Congress is sworn in and resumes business.

The recklessness of the President’s flagrant alliance with al-Qaeda in Libya and Syria is the clearest indication that he will stop at nothing to bring the world into military conflict.

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# A Perspective for Peace in Syria and the Region

*Bassam Tahhan is spokesman of the Collective for Syria, a Professor of Arab Civilization for the preparatory classes at the Lycée Henri IV and the Superior National School of Advanced Techniques (ENSTA) in Paris. He spoke at the Schiller Institute Conference, “A New Paradigm for the Survival of Civilization,” in Flösheim, Germany on Nov. 24, on the panel “The Greater Middle-East: Trigger for World War III, or for the Beginning of a New Era.” His [speech](#) is translated from French, and can be viewed on the Schiller Institute website. Additional speeches from the conference, including those of Lyndon and Helga LaRouche, were published in EIR, Nov. 30 and Dec. 7.*



EIRNS/Janus Kramer

*Prof. Bassam Tahhan: “What is happening in the world today, is a crusade against the Middle East....”*

Beyond the nuances of a complex reality, I would say, first of all, that what is happening in the world today, is a crusade against the Middle East, a *real* crusade. I will try and show the similarity between what we are experiencing today, and the Crusades of the past. However, it is not only a crusade, but also a new combat following on the Cold War. In addition to the “unipolar” world and the new world system that was supposed to be imposed, this dimension is undeniable.

Whoever wins the battle of Syria today, will win the first battle of this world, which tends to be bipolar. In other words, the United States and the West are aware that they are losing ground, and must therefore wage not only symbolic wars, but real wars, to assert themselves against Russia, Iran, and its allies in the so-called Shi’ite Crescent. (I claim to have coined the term, and I will come back to the background on this, and how it was misused by the Pentagon.)

The battle for Syria involves the entire world: the United States, Europe, the Eastern countries, and of course the geographical center, which is Syria, the Arab world, Turkey, etc.

I will begin with the Western camp, made up of the United States, England, France, Europe in general, and Germany—fortunately half-heartedly—and Turkey, which is an outpost of NATO. I will go into French policy more in detail. Why? Because the Crusades really very much started in France, and the others were then drawn in.

You probably don’t know a certain general, whose name is General [Henri] Gouraud, who conquered Syria during the 1920s. To give you an idea of the person: After being wounded in a battle, he was asked whether he would rather stay in the hospital for a few months to save his arm, or go back to fight after his arm was amputated, and he said: Okay, amputate my arm, and I will go back to the battlefield. Just a revealing detail.

This General Gouraud, the head of the anti-Syrian expedition, led the French troops who bombarded and occupied Damascus, which had just democratically

FIGURE 1



elected a Parliament, and which planned to create a state<sup>1</sup> representing all of the Near East—Lebanon, Jordan. This was under King Faisal, the son of Sharif Hussein of Mecca, a Hashemite.

### A New Crusade

Now, why am I talking about General Gouraud and the Crusades? Because General Gouraud, when he was at the Umayyad Mosque in Damascus—where you find the tomb of Saladin, who is a symbol for Islam and the Arabs, because he liberated Jerusalem—what did he say in front of Saladin’s tomb? “We’re back again, Saladin”! We’re back again, Saladin! The reference to the Crusades couldn’t be clearer.

So when we say the war ongoing in Syria is a new

1. The Arab Kingdom of Syria, which lasted from March to July 1920, encompassed the entire eastern Mediterranean coast, including Syria, Lebanon, and Palestine.

Crusade involving Western forces, we are not far from the truth at all. This also holds for all the nationalist colonial wars, waged by France and England mainly, because we can’t say that Germany was a major colonial power compared to those two, but everything is relative. It is the spirit of the Crusades that linked the colonial war in Syria, in application of Sykes-Picot, with what had happened in the past, with the two-century-long occupation of Palestine and Turkey, of Antioch. You see that geographically and geopolitically, all this is very close.

Allow me to remind you of some things about the actual Crusades. Today, we are told that the Pope should apologize to the Muslims because of the Crusades. But frankly, if the Pope were to apologize, he should address it to the Christians of the Orient, because it was after the Crusades that most of the Christians of the Orient converted by force to

Islam. That is a fact. If you read the chroniclers of the Crusades, they say that when Jerusalem was taken, they were proud that the blood came up above the hooves of the cavalry horses. Whom had they massacred? The Christians and the Jews of Jerusalem!

So, the idea of the Crusades setting out to save the Holy Sepulchre, and to safeguard the pilgrims, by securing the pilgrimage routes, was only a pretext. The proof is that different Crusades looted and sacked the Byzantine Empire. Who did it? Western Christianity.

Let me come back to what His Excellency the [Iranian] Ambassador [Sheikh Attar] said, namely, that for Samuel Huntington, Christianity is more Western than Eastern, which is an enormous absurdity, unworthy of a thinker. Why? May I remind you that St. John of Damascus was the author of the first theological summa in the world, well before St. Thomas of Aquinas. And allow me for once to act as the spokesman of



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*Saladin (c. 1137-93), said Professor Tahhan, is a symbol for Islam and the Arabs, because he liberated Jerusalem from the Third Crusade. This equestrian statue of Saladin stands at the gate of Damascus.*

that Eastern Christianity and to promote it.

To go back to the war against Syria today, of course, all the Christians of the Middle East are threatened, but not only the Christians—all minorities. Why? Because Western policy today is playing the ultra-Sunni orthodox card against the Shi'as, who, in my view, carry a revolutionary message, as a minority which has been persecuted throughout history. I will come back to the concept of the Shi'ite Crescent.

We mentioned the minorities, which takes us back in French policy to François I, [King of France from 1515-47], who had two concerns—the Austro-Hungarian Empire and Germany. He had to counteract them, and to ally with the Turks to do so. Then he obtained [from the Ottoman Empire] the “capitulations,” which gave France the right to safeguard the minorities. So when we speak of the Arab policy of France, we are referring, to begin with, to François I, who prohibited the massacre of these minorities.

This French policy was later taken up in Gaullism. But de Gaulle added something—a rapprochement with Germany. So that meant eliminating the Franco-German rivalry, while, at the same time, protecting the rights of the minorities and considering Islam in a different way.

## What Is Left of Gaullism?

Now, tell me what is left of that Gaullism in France today? Not much. If you look at Franco-German relations, there is no love lost. There is no real European force emerging and asserting a political and strategic exception vis-à-vis the United States. Be it France or Germany, they are vassals, in a relation of servility; there is no independence. I wish someone could give me examples of where Europe actually has leeway to act.

Whenever the Europeans wanted to create an intervention force, it was never allowed by the Americans. But a self-respecting country must have the military means to carry out its policy. If the U.S. can make itself heard today, it's because they can mobilize in a matter of hours hundreds of thousands of men, fleets, artillery, etc. So we Europeans are mar-

ginalized. And in this particular casting, we do not have the leading role. Especially France, which just recognized the Coalition,<sup>2</sup> after first recognizing the Syrian National Council. Who is the majority in both of them? Islamists.

Let's not kid ourselves: Two-thirds of the SNC were from the Muslim Brotherhood! So don't tell me this Crusade was called to free democracy! No, it was done for economic and political reasons aimed at asserting power and preparing a confrontation, perhaps with the East. Because if Syria falls, it opens the way to destabilization of Iran, Russia, and China. Plus, there is a real moral problem in interventionism. What right do we have to intervene with foreign armies, or with foreign-financed extremist groups, to destabilize a country and overthrow a political regime? Whoever does it in Syria, can do it elsewhere.

Thus, France trespasses on her own principles, and not only France but the West. We are in Germany, the land of Kant, which has ethics. So tell me where the ethics are in this intervention. Where are the values of the Christian West, of the secular French

2. The Syrian Coalition of Secular and Democratic Forces, the opposition to the Assad government.

Revolution, of respecting the right of peoples to self-determination?

It seems to me that France deserves all the criticism imaginable, because it is playing a negative role. We are told, “No, we don’t want to arm the rebels”—only they don’t use the word rebels, because they are revolutionaries in their view—“We are not giving lethal weapons to these rebels, but only night goggles.” Which means they let other countries arm them, while we French only put the icing on the cake. . . .

The fact remains that those people are being armed; we are helping them acquire sophisticated electronic means to make the massacres even more effective. We need the audacity to say that other countries like England are arming them. And this takes us back to the Crusades. England was in the Crusades, and is today involved in all the wars in the Middle East. Blair is more of an advisor for war than for peace, be it in the Iraq War or the Syria War today.

And so we ask where is France headed, but also Germany. Germany is an important country. I see it from the outside, I have never lived in Germany, so you can take what I say for what’s it worth, maybe from someone who knows nothing of the problems in Germany, from a geopolitician born in Syria, who has lived in France for 40 years: I say Germany should get over her complex from the Second World War and give herself the means equal to her economic power.

If I were German, I could not live without a total right to exist as I see fit. But there is a constant attempt to marginalize Germany, perhaps because of her economic power worldwide. I don’t see why she does not have a seat on the Security Council. We have to get over the complexes of the Second World War, it’s behind us. We are building a new world now. How long will we accept the U.S. diktats, politically, economically, strategically—for what? If I were German, that would have infuriated me; it is somehow illogical. I would like to hear what you have to say about that.

Today, Blair is advising the Turkish government to deploy Patriot missiles at the Syrian border. Between us, I’m not afraid of the Patriots; I would advise the Americans to hire some German engineers, who could improve their performance. Experience has shown that the American Patriots did not perform very well, and they didn’t stop many of the missiles launched. I find this American arrogance revolting.

Why should Patriots be deployed at the Turkish border? I’ll tell you why, when we see what’s happening in Syria today. Because the Turkish army had the Parliament vote up the right to intervene on Syrian territory. But the city of Harem [on the Turkish border], the Western media do not mention at all; it’s almost amusing. Most of the information that we have on this Middle East crisis is all made up and falsified. This is a military campaign which came after a long campaign in the media to prepare public opinion for an intervention into Syria. Why Syria?

### **The ‘Shi’a Crescent’**

That brings us to the Shi’a Crescent, a term which I claim to have coined.

I have been teaching geopolitics in France for about 30 years. Hafez al-Assad came to power in Syria, in 1970. For those who don’t know it, Hafez al-Assad is Alawite, so he belongs to a minority Shi’a community which was persecuted for centuries. To give you an idea of the hatred of all this Western and ultra-orthodox Sunni propaganda, one of the slogans of the rebels today is: “The Christians in Beirut, the Alawites in coffins.” (It rhymes in Arabic.)

To give you one example, when an Alawite would go through Latakia, a bag of garbage could be thrown at him. So you understand that when war broke out between Iran and Iraq—but here, I must disagree with His Excellency the Iranian Ambassador: The Syrian Ba’ath [party] was not helped by the West, but the Iraqi Ba’ath was helped in order to weaken the Syrian Ba’ath, which was supported at the time by the Soviet Union. And the only Arab country that supported Iran against Saddam Hussein was the Syrian Ba’ath, with Hafez al-Assad.

Assad came to power in 1970, and ten years later, came Khomeini’s revolution [in Iran]. In the meantime, Assad helped the Shi’a in South Lebanon, who are not Alawites, but are Shi’as close to him. It was at that point—I won’t hide it from you—that I said in my courses, that a Shi’a Crescent was being formed. I didn’t invent it; I was reading the history of the Shi’a Fatimid Egypt. In the 11th and 12th centuries, the Egyptian Fatimids created a Shi’a Renaissance that went all the way to the Far East; Iran was not yet Shi’ite at that time.

The idea of the Shi’a Crescent presented by the chroniclers of the time, was to have Shi’ite Egypt, and Syria with a Shi’a majority, encircle the Sunni caliphate

of Baghdad. This Shi'a Crescent succeeded rather well, since Iran became Shi'ite.

Today, the Shi'a Crescent is a positive concept, a revolution against a certain kind of Western thinking, and against the ultra-orthodox Islam which rejects free interpretation, or against the jihad. The Sunnis stopped making personal efforts to explain religion in the 10th Century, while the Shi'as did not. From that standpoint, Shi'ism is an open philosophical system, and as such, revolutionary.

After that, I was invited to the Joint Defense College. The first lecture I gave was on the Shi'a Crescent. This College is a strategic military college which trains some 500 generals per year from all over the world. I spoke of that on French television. And some months later, King Abdullah of Jordan, who is Sunnite but of course a Husseini, who was a Shi'a in the beginning, but became a Sunni under the influence of the Ottoman Empire—this King Abdullah was afraid of the Shi'a crescent, because of French policy after the dissolution of the Ottoman Empire.

We have spoken here of water, but the natural border of Syria goes up to the mountainside of Taurus, the water-rich area of Turkey, which used to belong to Syria. As concessions to Turkey, France pushed back the borders three times, and Syria lost many cities because of that. Even worse, France betrayed her own Arab policy—the defense of minorities, because the capital of the Christians of the Orient, well before Rome, was Antioch; that is where Christians are named Christians in the Acts of the Apostles.

What the French monarchy never dared to do, the Republic did in 1938, by giving Antioch and Alexandria to the Turks after a referendum, in order to split Turkey from Germany. By so doing, it decapitated the Christians of the Orient, and wiped out the historical capital of Syria, Antioch, which had been founded by one of Alexander's generals, Antiochius, while Alexandria was founded by Alexander.

And that's not all. The north of Iraq, I have to say, including Mosul, was part of the blue part of the Sykes-Picot plan—i.e., it was part of France. But just consider the workings of colonialism: It gave Mosul to the English in order to have 23.5% of the oil revenues from the oil company.

Can you really expect the peoples of this region to believe in Western values? Where are the ethics to be found in a policy which takes a country and breaks it

up, giving some pieces to Iraq, or to the English, some to Turkey, while a buffer state is created in Jordan to allow the existence of Israel? And today, the real purpose of the battle for Syria is to break up Iran, and destroy the Shi'a crescent.

### **The Germans of the Middle East**

Iraq has been razed to the ground. But what happened before that? They set up the Madrid Conference. What came out of that? It was just like a consolation prize for the Arabs, but nothing came out of it. It was just done in order to push [PLO leader Yassir] Arafat into signing the Oslo Accords. I am against Oslo, because each article of the agreement would need another conference, just as important. Did the Palestinians gain anything? Nothing.

And if you shatter Syria today, what will that do? You will shatter the only regular army which has not signed a peace treaty with Israel at a discount rate. Because Syria is being asked to sign a discount contract, and to lease the Golan [to Israel] for 99 years! The Golan is Syrian, and yet all of the West is defending that policy. This great Syrian army of half a million men must be...

Look, the Syrians are called the Germans of the Middle East. I am proud of that—maybe I'm even a bastard of Frederick the Great! In popular literature, to humiliate the Alawites of Syria, they are treated like Germans, as a way of saying they're not really Arabs, but leftovers of the Crusaders!

This propaganda is spread by the Allies. Who is going into Africa to set up Wahhabite mosques, with an imam in tow. They take some African, send him to Mecca, teach him the Wahhabite dogma. Then he goes home; he gets a beautiful mosque in marble, and is told: Now, you excommunicate all the moderate Muslims in the area.

Sunni Islam is not fanatic; there are magnificent things in Sunni Islam. I can give you an example: In Baghdad, there was a holy man called Abu Mansur al Hallaj, and there was a cabal against him because he said he communicated with God. The people demanded that he be crucified. While he was being crucified at the gates of Baghdad, one of his disciples passed and asked him: "What is mysticism?" He replied: "The lowest step of the ladder of mysticism is what you see: Crucifixion."

So you see how Sunni Islam has produced people of



*The U.S. (G.W. Bush Administration) signed a pact with the family of Saud, charged Tahhan, where, in exchange for Saudi oil, the Saud family would be protected by the Americans for 60 years. Shown: President Bush with Saudi King Abdullah, April 25, 2005, at the Crawford ranch.*

extraordinary spirituality. But today, that heritage is not being supported [by the West], but rather, a Wahhabite sect [is being supported]. The roots of Wahhabism in Islam are not deep; it was born in the 19th Century. What happened, is that all of us here in this room, everywhere in Europe, were subjected to the American diktat. They signed [a pact] with the family of Saud, made up of 25,000 princes who exploit the riches of Arabia, which don't belong to them. England gave it to them first, then the Americans followed, and in 2005, [George W.] Bush renewed the contract, where in exchange for Saudi oil, the Saud family would be protected for 60 more years. That shocks me. I was brought up in the century of reason, with Kant's morals, Hegel's dialectics, so I can't accept that on an international level.

And this is where we see that your movement is really extraordinary; it is the dissonant note in the landscape.

## **Syria Today**

Let me come back to Syria today in order to refute the media which hide the truth. I am in contact with Syria on a daily basis. I come from the city of Aleppo. Out of the 3,000 factories Aleppo used to have, there are only a few dozen left. They have been bombed by the rebels. Mr. Ambassador mentioned 5,000 jihadists. In fact, it's more, it's much more. They are importing them by air cargo, Yemenites, Somalis, Libyans; an Is-

lamist International is coming to fight in Syria, massacring the minorities and the moderates. If you're walking down the street and somebody cries out, you have to answer "Allahu Akbar!" Allah is great. For the whole time you're out walking, you have to scream that.

You are told that the loyalist Army is bombing pharmacies. I do not defend the Syrian government, which is a kleptocracy. But that can in no way justify what is happening today, nor the support given by the West to these rebels. Before the events, the right-hand man of [Osama] bin Laden called on al-Qaeda people to go to Syria. A few weeks ago, [al-Qaeda leader Ayman] Zawahiri repeated his call.

Explain to me such paradoxes: When we in the West helped America wage war against Afghanistan, how can we send weapons to the jihadists in Syria?

In the beginning, I was told: Mr. Tahhan, you're a liar. But look at the latest information: The Islamist emirate of Aleppo, with its two battalions, does not recognize the Coalition. Don't tell me there are no Islamists in Aleppo; they're setting up Inquisition tribunals! You are told that, in the liberated parts, the law will be different. But it's the Sharia [Islamic law]! Tell me if the West is not only hypocritical, but criminal. The arms that England will send will be used to massacre people.

Why the Crusades? There were Christians fighting on the Muslim side against the Crusaders at the time; and there were Arab Muslims who made a deal with the Crusaders and betrayed their brothers. Today, Saudi Arabia and Qatar are like those Bedouins you read about in the chronicles of the Crusades who joined the Western camp for one reason or another.

What is shocking is that the Western media think we are naive; like sheep, we are supposed to clap, say yes, avoid any personal judgment. This is enormous. We are participating in crime: arming the rebels in Syria today means participating in organized crime. And what for? To cut the wings of Iran. It was not possible to attack Iran frontally, or the Hezbollah for that matter.

As Mme. [Helga Zepp-]LaRouche said this morning, the ground has to be cleared first, and the test began in Gaza. They couldn't attack the Hezbollah because it's not a state, and it would have responded. They could not attack Iran, because it's so big, with hundreds of thousands of missiles and a huge surface, everyone would have to join in to bring Iran to its knees. Only the weak part was left in the cross-hairs: Syria.

Then the Arab Spring fell from Heaven. So, no need

anymore to provoke something in order to attack Syria: The worm is in the apple. They only had to help the Arab Spring, hijack it, and destroy the country. I say there will not be an intervention, because if they arm the rebels, the Syrian Army will fall apart, little by little, and the country is over 50% destroyed anyway.

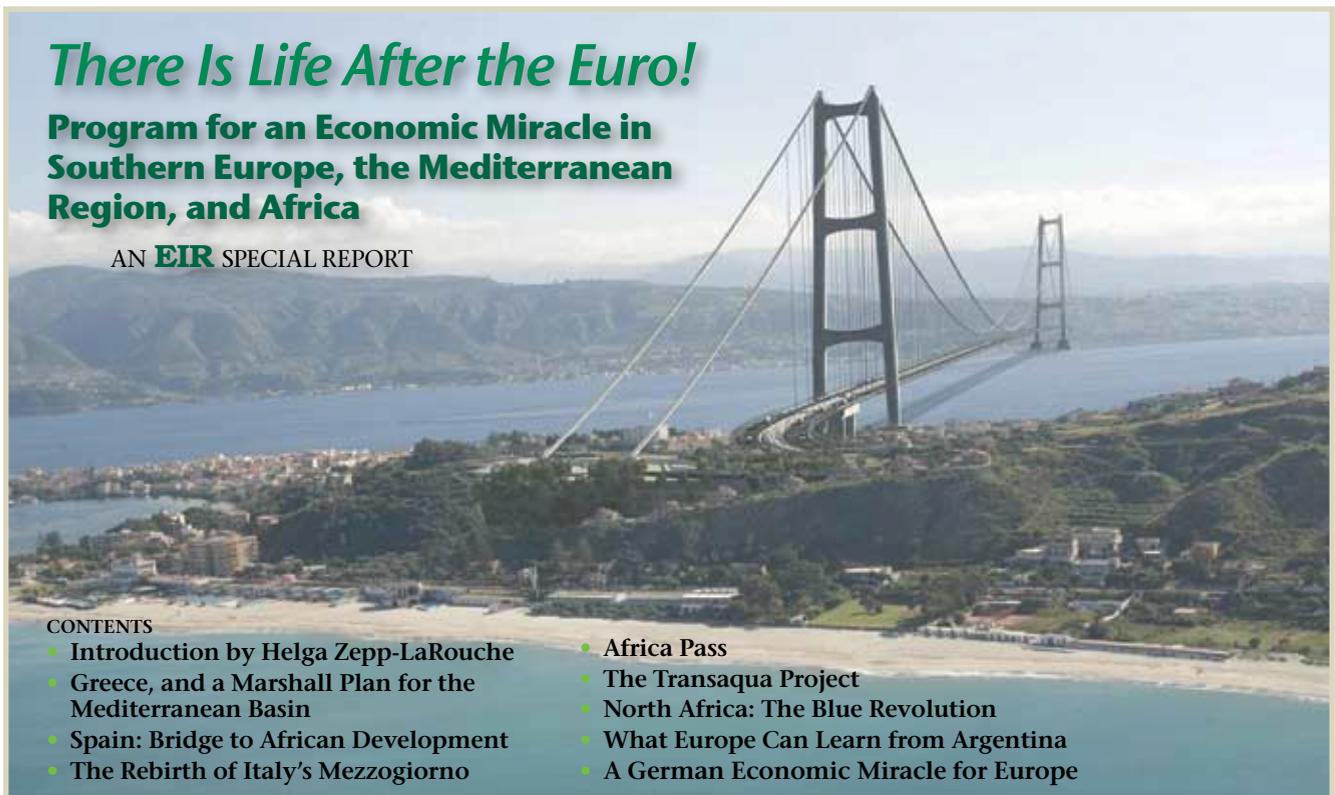
Let me give you one example of the rebels in Aleppo: You know the town of Oradour-sur-Glane, the sad history of that small French village, where everyone was burned in the church [in World War II]. There was an Oradour one and a half months ago in al-Jdeideh, the Christian quarter [in Aleppo], dating back to the 16th/17th centuries. There was an old house, a bit like in the Marais [area of Paris], with beautiful homes; and President Bashar al-Assad used to dine in this luxury hotel, an old Christian house, the Zamaria Hotel. The Islamists attacked al-Jdeideh, and all the Alawite or so-called pro-government families were rounded up in that hotel. They took two tanks of gasoline and let the hotel burn for three days. But you hear nothing about that. The Syrian Observatory in London, which is helped by the British Secret Services, tells you how many deaths occur per day. But they don't say where.

As for the pharmacies, the rebels are the ones looting them, and they destroy all the infrastructure to punish the city of Aleppo for not joining the rebellion, and the factories are taken apart and sold to Turkey. Why is Turkey linked to the Crusades? If you take this little strip on the Turkish border, this is where the small crusading kingdoms were.

So, we come full circle. We have the West, with the blessing of the U.S., and the border outpost of Turkey, who are out to engage war against the Shi'a Crescent. If the Shi'a Crescent were allowed to unite with the Sunni Crescent, its destiny would be a full Moon, and perhaps that is what worries the West.

If you wage this war, what will happen is simple. You will have new wars, and this time, the rebels you are promoting might make it beyond Poitiers.<sup>3</sup> Otherwise, there are other revolutionaries who will go beyond Poitiers, and the Arab Spring will no longer be Arab, but European.

3. In the Battle of Poitiers (also known as the Battle of Tours), in 732, the Franks, commanded by Charles Martel, halted the expansion of the Umayyad Caliphate; in 1356, English forces won a second Battle of Poitiers during the Hundred Years War.



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‘HARTZ-4 JOBS’ IN THE U.S.A. TOO. . .

## Glass-Steagall Or Die?

Lyndon H. LaRouche, Jr.

November 29, 2012

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[See *Frankfurter Allgemeine Zeitung* November 29, 2012: “Anne Will: Lieber ein schlechter job—oder keiner?” by Patrick Bernau. Re: the results of the launching of “Hartz IV” jobs in Germany; or, the like, in particular, in both Germany and the U.S.A. today.]

### **A Certain Kind of Thesis:**

Germany’s prominent journalist Anne Will, has presented a summary account of the situation among what now appear to have come to be regarded as the implicitly permanent poor of Germany. She has presented the image of a situation which has a relative likeness to the increasingly prevalent, self-imposed misery of the previous generation of the members of what had already been established as a chronically imposed class of permanent poor in Germany: a generation of the permanently impoverished victims of a “green disease” comprised of both vanishing skilled employment and the reign of “cheap jobs” which had been set into motion a generation earlier.

Anne Will’s own account for the specific case in Germany, is fairly stated for as much as she claimed. Unfortunately, while her account presents some aspects of the current state of economic sickness there, it presents nothing which I could recognize as an actual prospect of a remedy, whether either there, in Germany, or even for the ominously threatened current fate of the similar kinds of victims of U.S. President Barack

Obama’s savage destruction of the remains of actually skilled and productive labor within the U.S.A. The same pattern in a downward direction, since, had been a pattern launched by the assassination of U.S. President John F. Kennedy, a pattern which has coincided with the extended decline of the U.S. economy, which had been set into motion with the launching of an approximate decade of seemingly endless war in Indo-China.

What journalist Anne Will described as the present state of the children and the youth strata of the original “Hartz IV” ranks there, now, must be said of the growing mass of not only the induced uselessness among the Hartz-IV adolescents and children of Germany, but also of the children on the streets and other new wastelands of the United States presently. The relevant, deprived youth classes of both nations, had, typically, lost access to any clear idea of meaningful employment in general, at the same point that the present ranks of adolescents now tend, by and large, as journalist Will’s report indicates, to move toward an understandable, outright rejection of the merely nominal opportunities proffered, often even where they had been available.

In both Germany, and now, in our United States under President Barack Obama, a threatened doom, even the prospective extinction of the respective, formerly sovereign nations, now converges on a pattern of deeply embittered outcomes of the original Hartz-IV generation, and the self-inflicted whims of the still younger generation of the ostensibly hopeless. So, there exists, now, something tending to bring back the darkest



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Germany's Hartz IV law has driven down living standards for the unemployed and the working poor, forcing the unemployed to accept any legal job, regardless of their qualifications. Above is a demonstration in Munich, May 23, 2007; the sign reads: "Hartz IV: Today we die, tomorrow YOU die!" On the right is a homeless person in Aachen.



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part of Europe's Thirteenth Century, a darkness which hovers, like an imagined, deeply dark, thermonuclear cloud, over both those and other nations.

Thus, the difference between then and now, lies between what had been the imposed chronic poverty among Germany's original "Hartz IV" victims, which is to be compared to the accelerating rate of spread of a self-inflicted cultural-economic suicide among their present and the comparable U.S. young adults' generation's present, seemingly "hopelessly green" and youthful offspring. Those latter actualities here are reasonably comparable to what is implied in Anne Will's presently indicated recount of trends in, for example, Germany.

The deeper meaning of the problem of the class of children and youth presented for Germany, the United States, and elsewhere, now, can not be properly understood until we have put the evidence of the conditions of those children and youth together with comparisons made to the notoriously evil Liverpool health-care policies under Britain's Tony Blair; and to those increasingly drug-trafficking-soaked, depraved conditions imposed under the Queen's ostensible crony, U.S. President Barack Obama. The contemporary policies for the care of the ageing, for example, correspond to the initial phases of the virtually identical program of genocide practiced

under the early years of the Adolf Hitler regime. All of these and related facts must be situated in the context of British imperial Queen Elizabeth's avowed policies for reducing the world's population, from an approximate seven billions living human beings, to her intended, "green" intentions to reduce that population to a near one billions.

What, therefore, might be even some mere semblance to the actual cure for this implicitly global, man-made catastrophe? Will there never be a

remedy for this trend toward a Hellish state of ruin now menacing all of the nations of this planet? What would be the result if we failed to remove the spawn of evil embodied in the policy of mass genocide, demanded against the nations of world by the same British-Saudi reigns of terror in September 11, 2001, or by our own British puppet-President Obama's own program of accelerated death-rates now already leading a global descent into hopelessness?

Now, Her Majesty, the Queen of England's United Kingdom and her Empire, has demanded an explicit, and rapid, "green" reduction of the world's current population, from an estimated seven billions human souls, world wide, into a descent from a present level of seven billions persons, to her proposed, approximately one billion.

There, precisely, and there alone, lies the sign of the common cause of the particular disasters of both the "Hartz IV" tragedy in Germany presently, and also similar effects throughout Europe generally, or in the United States, too. Meanwhile, each and all among these targets remain under the Queen's and Tony Blair's own genocidal policies, as in the U.S.A. under President Barack today. There, in those converging trends, lies the true "green" root of the "Hartz IV" tragedy of Germany itself today. That effect will persist, and worsen, until its common causes were uprooted.

Now, since I have just stated that much about some very noticeable aspects of the identified crisis-problem, the only decent response to the crisis-matters which I have identified this far in this present account, must be considered as a matter of the choice of an actually systemic, and immediately prospective change: a change away from the evil policy which has created the present, artificially induced, assortment of currently spreading, trans-Atlantic monetary, economic and social catastrophes.

This kind of crisis among nations has been a chronic disorder among the known cultures of the trans-Atlantic world, since approximately the same time that U.S. President John F. Kennedy was assassinated to make way for that ruinous decade of U.S. war in Indo-China.

### **Treason in America**

To actually bring the needed remedies for the U.S.A., and others, into play, requires a clearer insight into the



EIRNS/James Rea

The "green" disease—British malthusianism—is the root of the Hartz IV tragedy in Germany and similar policies in the United States. Shown is an anti-nuclear demonstration in Berlin, May 28, 2011.

nature of that specific quality of systemic corruption of the United States since the successfully intended assassination of President John F. Kennedy. That Kennedy assassination was the crucial factor which led a United States which had then been experiencing a renewed Franklin-Roosevelt mode of a great economic recovery under Kennedy, but which was set into what has been a U.S.A. permanently plunged, beginning then, into what has now become, ever since, a cultural, and, therefore, yawning economic abyss.

The essence of this present crisis in the U.S.A., like that among the related nations of Europe, and among effects elsewhere, has been a type of corruption which had been driven, once again, by British imperial penetrations, penetrations which had been "pulled off" by aid of massively spreading the Queen's own drug-trafficking and related corruptions of certain leading, and also chronically treasonous circles inside the United States.

The most notable offenders in these matters, have been those whose guilt is to be read in the effects of a treasonous reign under the British agents who have been operating, like a chronically recurring character of a national disease, within the United States, that always under British imperial direction since the election of the chronic swindler and lackey known as U.S. President Andrew Jackson.

This recurring corruption by that moral disease, has been typified by the role which London had assigned to the American traitor and British spy, Aaron Burr, who was the controlling factor in the disastrous fraud conducted under the nominal leaderships of the British sub-agent Aaron Burr, of traitor-in-fact Andrew Jackson, and of the party-system which the Jackson administration installed under British direction of the campaign of treason which Aaron Burr led on Britain's behalf.

*That British imperial scheme, has been a system installed through the instruments of not only President Jackson, but, more significantly, the Manhattan and Boston-based treason of British-controlled banking under such British agents such as British spy, and American traitor, Aaron Burr. All this, was done together with New York banker Martin van Buren, and the leading financial powers of the British empire itself.*

*So, it has been the cases of recurring assassinations of a number of U.S. Presidents, not only the most critically outstanding cases, such as those of Abraham Lincoln, James Garfield, William McKinley, Warren Harding, and, then, John F. Kennedy, and also his brother, the Robert Kennedy who had been qualified as a virtual Democratic nominee then ripe for nomination and probable election as a next U.S. President. Each of these leading cases which I have just enumerated here, has been clearly exemplary of the forced changes, directly contrary to the U.S. patriotic interests, which the British financier and related interests had been clearly pre-committed to eliminating from the options for a continued personal existence.*

*Nothing is clearer on this account, than the cases of leading targets of our outstandingly great U.S. national leaders such as former Treasury Secretary Alexander Hamilton, John Quincy Adams, and, add to those cases, such victims of assassination as Abraham Lincoln, Garfield, McKinley, the two Kennedys, and, probably, also, other members of their same Kennedy family, who might have been considered as a future threat to prompt an uncovering of the truth of the cases of the murdered John F. Kennedy and his brother Robert.*

*Now, the failure to restore the control of the Presidency of the United States to its original constitutional intention, despite wretches such as Aaron Burr, Andrew Jackson, Martin van Buren, and their version of an original Democratic Party system, has brought the very continued existence of our U.S. Republic into an*



*Cardinal Nicholas of Cusa created the impetus for trans-Atlantic exploration.*

*immediate verge of its own self-destruction. That has been an effort of destruction conducted, for example, willfully under the combination of two Bushes, father and son, and one Obama. The trigger for such an ugly consequence as that, has been the currently standing repeal of the Glass-Steagall law, for which no decent alternative exists, if the United States itself were to be enabled to survive the present threat of an outbreak of thermonuclear warfare under the shared direction of the British monarchy and its Obama puppet.*

*What I have just summarized, now requires some crucially important, broader and deeper historical explorations here. For this purpose, Nicholas of Cusa is among the very best references in all modern history to date. I shall now proceed again, from there.*

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## **I. Nicholas of Cusa & the Birth of the United States**

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Now, let us look back to the then temporary victory of what is sometimes recalled as the great Fourteenth-century Renaissance. View that history in its roots, as that might be viewed as emerging from within the age of two great scientists of that time, Filippo Brunelleschi, and the far greater and deeper role of the Cardinal Nicholas of Cusa who crafted the miracle which had impelled Cusa and his immediate associates to launch the following, particular, three great modern achievements of mankind:

*(1) The uniqueness of those innovations in modern physical science for which Brunelleschi was already crucial for his own part; but, far greater achievements lay, foremost, in the far deeper, actual foundations of both all of the initiatives of uniquely competent modern science which have been contributed by Nicholas of Cusa, and, also, (2), the impulse, also by Cusa, of the specific impetus for what was to become known as the*



[www.nycgovparks.org](http://www.nycgovparks.org)

*Christopher Columbus surveys the New York City skyline (detail of the statue at Columbus Circle).*

*creation of a new quality of civilization launched across the Atlantic waters, a revolutionary development which Cusa had inspired, in particular, as that specific inspiration which had been ordered as also (3), the explicitly specific impetus for the achievement of Christopher Columbus' design for the specific quality of intention motivating that specific approach to selection of the intended fruits of his actually timely crossing of that ocean to a new civilization on the opposing shore.*

Now consider the intention of Columbus, as he had come to understand that mission of Nicholas of Cusa which would lead Columbus himself through the years preceding his own actual crossing of the Atlantic, as a matter of his explicitly stated intention. It was an intention which had been supplied, specifically, by Columbus' detailed adoption of what he had both studied, and had carried out, carried out as representing the instructions of Cusa. Without the aid of that specific insight shared, so, as by Columbus, and despite all of his putatively "rival" mariners, the United States, in particular, could never have been born, as it succeeded in the region of Massachusetts Bay: first, by the Mayflower settlement, and, then by the development of the Massachusetts Bay Colony under the Winthrops and Mathers.

I reflect here my own knowledge of the history of the birth and continued development of civilization in the western hemisphere. Without the detailed essentials of the history of our republic's civilization as launched within North America, most notably, none of the

achievements of an actually modern European civilization could have actually been realized as intended, on either shore of the Atlantic uniquely, by the saintly Cusa himself. This could not have been achieved without the original guidance supplied from the work of Nicholas of Cusa in both this intention, and its achievement. It was Cusa's impassioned intention, which, in and of itself, defined the issues of the continuing conflict of good and evil which has shaped the goodness expressed in the evolving the root-history of the modern world, as now.

Whether you, as the reader here, or others, have recognized this fact, or not: it is often the case, in all actually known history in general, that mankind's greatest achievements have often been the fruit of a discovery which an actual discoverer had almost never actually understood with any actually completed understanding of the underlying sense of direction inherent in the choice of potential direction of man's fate. Cusa, if anyone, could have done it.

I explain.

Simply stated: ours is a human nature whose development could never have been competently defined, this far, as an actually completed development of our experience of the merely momentary limit of our experience of our future, nor with a fully adequate insight into the present implications for mankind's future over the course of several coming generations. The thematic principle of all known forms of life, is "change." Lack of principled change forward, whether by mankind, or by lower forms of life, ultimately leads toward extinctions, such as, ultimately, that which threatens the future of our present Sun.

Yet, the higher-ranking evidence now, is that only mankind could (potentially) survive as an exception to such a cruel finality. Our distinction from all other presently known species, is a matter of the subject of the development of the unique qualities of the powers awarded as the fruit of a specifically unbounded human creative will, and, more emphatically, the power of that will to change the future of all existing species, a potency which no other presently known species possesses, and in which it seems, this far, that even the best among us can succeed only to a relatively limited degree of variability.

I explain.

## ***What Makes Sense in Real Science***

Thus, for example, let us now focus attention on the virtually keystone implications of the discoveries respecting fundamental scientific principle which had been made by Nicholas of Cusa. Most among us, can not: the legacy of serfdom has been too deeply embedded in the burdens of submission to oligarchical traditions.

We must now reckon with the needed future of history's direction which must become an urgently sweeping change in direction of not only the U.S.A. itself, but from the ruinous turn in planetary affairs set into motion by the voluntary action represented by the assassination of President John F. Kennedy. This experience shows us the actual identity of his role as a true leader who was murdered for his offense to the cause of evil. This turn had come, even frequently, as in the treasonous-like crushing of such devotions as those which had already inspired the discoverer Columbus. Competent attempts at rising above even what might seem to be an intended approximate "finality" for progress, whether by saint or demon, had never come easily. This is made clearer, especially, when we have come to recognize ourselves as faced with those consequently more profound implications which remain to be adduced, ultimately, from that discovery of the future as in itself.

So, for example: what came to be acknowledged, by some actually leading intellects, as Cusa's most essential discoveries in physical science, had shown the pathway to supply what had then been only the initial basis for what would have become, later, the unique discovery of the fundamental principle of physical space-time. That means the inclusion of Johannes Kepler's unique discovery of the universal principle of nature which was expressed as his notion of a "*vicarious hypothesis*."

That fact requires special attention here and now, for the following reasons.

### ***Two Related Principles***

Kepler's use of the choice of language associated with "*vicarious hypothesis*," points toward a principle which remains, to the present date, a physically efficient principle, a principle which relevant opinion from among the opponents of his work, most frequently regarded as being either outrightly unknowable, or, as having been merely regarded as the effect of a sorely misunderstood "thought-object," as it might have been

so frequently mis-located within the ranks of relevant university classrooms still today. The same is to be said, fairly, of the vicious quality of ignorance which usually prevails in the recent several centuries' disgusting misuse of the term "metaphor."

The root of the errors of common contemporary practice toward which I have just pointed, is expressed in a common popular, or related malpractice; it is a malpractice which resides in the mistakenly presumed, but, nonetheless, essentially silly belief in a "self-evidence" of what are regarded, foolishly, as so-called "universal principles" of mere human sense-perception.

Thus, the crudest, but most popular expression of the folly of current popular opinion, takes the same form as the silliness of that errant physicist who argues for the alleged "wisdom" of the "practical man's" knowledge of what are crudely defined as "universal physical principles." The doubtful merit of presumptions such as those, limits the duped victim, inherently, to a state of blinded faith in what are actually merely fictitious "principles" of naive belief in "sense-certainty."

Consequently, the implied presumption of the all-too typical reductionist of the secondary, or university classroom, such as those who are either "Newtonians," or even worse, is the essentially foolish notion that sense-perception is "a principle in itself" which might be implored even to define, as if deductively, what the efficient reign of a universal law of the universe might be: or, as the attributed, inevitably ultimate propensity of all apples to bounce, as we might imagine, off Sir Isaac Newton's head.

I do not exaggerate in the least in ridiculing the "dupe-ishness" of such failures as those of the actual Isaac Newton. To similar effect, the proverbial, so-called "practical man," enjoys the pleasure he takes from his choice of self-adulations, delusions which all work to the effect that the laws of the universe are supposed—by him—to be prescribed, in advance, by the crude, essential reductionist's sordid belief in an expressed practice of mere sense-perception.

The point I make on that account, is not merely necessary, but profound.

### ***The Nature of the Human Mind?***

As I have implicitly argued, repeatedly for this case, since the time I launched my successes as a practicing forecaster, during the latter half of the 1950s, the fact is,

that there is no existing universe, either in whole or part, which can be properly adopted as being a deductively completed state of existence. That warning, by the way, is the implied conclusion of Johannes Kepler's emphasis on the universe's never-completed state of actual existence, as by his specific notion expressed as the actually universal physical principle of "*vicarious hypothesis*," as is also the case for the related notion of an efficiently unfolding future embedded in the true intention of the concept of "*metaphor*," as when that term of Classical drama appears as an experience performed, never deductively, but as if mysteriously, but therefore successfully, on stage, as if it, too, were to have partaken of a quality akin to that of the ontological actuality of another sort of "*vicarious hypothesis*," or, as Bernhard Riemann did in the concluding, ontologically ironic sense of his own habilitation dissertation. All notions of sense-perception, reference nothing more than existences caught, as if frozen in the mid-stream of the existence's transitions to a new ontological state of actuality.<sup>1</sup>

To carry the same argument forward, the common characteristic of both living processes generally, as also of mankind most emphatically, "time" is also measured in terms of an increase of what is considered as "fatally inevitable" progress of the state of living processes, when that is properly "measured" by the standard of successively higher "levels" of characteristic advances in the intensity of states of relative "energy-flux density" in the universe, and that, also, most emphatically:

*the required advances in energy-flux density of all successful continuations of progress of the characteristic increase of characteristic progress, as opposite to the frequent alternative of social degeneration within human societies. Any human culture within the ranks of mankind, which proceeds to successively lower "energy-flux densities" per capita, as the so-called "environmentalists" propose this in their particularly foolish fashion, defines a notion of society which is best identified as that of a candidate for its own willful extinction. "Environmentalists" are, therefore, not to be considered as truly sane, morally or otherwise.*

1. See my earlier treatment of these two, closely related subjects of ontological principle on the subjects of "*Vicarious Hypothesis*" and "*Metaphor*," in a publication titled "Metaphor," September 19, 2012, [EIR](#), Oct. 5, 2012, or [LaRouchePAC](#), and, also, "The Friday Project," Sunday Sept. 30, 2012, [EIR](#), Oct. 12, 2012, or [LaRouchePAC](#).

Such are the keystones to be referenced in the unfolding of this present report.

### ***What Is Otherwise Not Silly About Sense-Perception?***

It was once spoken, that by the curious, but marvelously insightful, ancient Greek thinker Heraclitus, *to the effect, that [the same] water does not flow under the same bridge twice*. Whatever else might be true, that view so attributed to Heraclitus would be most difficult for actually competent scientists to flatly reject today.

On this account, since the late 1970s, I had come to admire the 1960, German, ironically humorous motion-picture drama, **Spukschloss im Spessart**'s recurring recitative, "*Die Hauptsache ist der Effekt . . .*" ["The main thing is the effect."] The quite serious implication of that motion picture's thematic recitative, is among the "secret" motives for my recurring, inward outburst of (now accustomed) silently bitter mirth, in reaction to the incidences of the presence of a sense of relief expressed within a truly underlying, existential, very deep bitterness, still lurking in a piece of Classical irony drawn from "post-World War II" experiences.

The most essential, but rarely actually understood evidence of the difference of man from beast, lies in the uniqueness of our human species, that we, alone, among all presently known living creatures, have the intrinsic potential to recognize our own latent experiences of a future which is knowable to mankind. Most frequently, today's human beings pretend to be optimists, when they are actually victims of the pessimism expressed by the sophistry: "The more things change, the more they are the same." Such poor human creatures prefer to predict what they believe must be repeated. Hence, the bitter-sweet double-irony expressed in "the post-World War II" mirth of **Spukschloss im Spessart**.

That drama is a matter of a bitter pessimism which is reeking with laughter. We laugh at our own foolishness, and laugh the loudest when we choose to accept the notion that we remain what we always, unfortunately, were. For the poorly hidden pessimist contained within the clown, we are all mere peasants preyed upon by whoever, or whatever reigns. Sadomasochistic pleasure is taken from one's own bitter-sweet faith in an incurable destiny of recurring defeat.

The truth is, that that bitter-sweet masochism is the doubly-ironical destiny of Hamlet's "peasant-slave," or the victim in Nero's arena. Defeat, even, in the end,

doom, becomes the frightened slave's religious devotion. We are taught by "our alleged betters" to accept an ultimate defeat; we do this, because the world has been long under the reign of a satanic Olympian Zeus, or the same in another guise. We are told, in one fashion or another, that this is "what we must come to expect," as being, in the end of it all, more or less slaves who seek a moment when they might believe, if in merely a passing moment of pitiable self-delusion that they were, or might have been kings.

I, like true science, have a different view of this universe than that of the traditional peasant-slave mentality. I know the certainty of the existence of life, as it must be recognized in the evolutionary progress of living species-types, and, in a much higher meaning for our human species. So, Shakespeare's pitiable Hamlet cries out, "O what a rogue and peasant slave am I!", and, then, "To be, or not to be," and, then, in the conclusion, "enterprises of great pith and moment, with this regard, their currents turn awry, and lose the name of action."

But, in truth, all that to which Hamlet confessed in that fashion, has been the lie which is the evil that witches tell to credulously terrified children. In truth, the history of living species, were the recurring upheavals, of upward development of the quality of living species. The lesson from the history of mankind, as above all other known living species, is that man's natural destiny, tyrants and fools aside, is the notion of an intrinsic immortality of the human species, the power of mankind to change itself, from relatively lower, to those higher powers to exist in the universe as we have come to know this through scientific progress. The Creator did not make mankind, in our assigned likeness, to be doomed slaves in the pit of some Roman arena.

However, all that just said being true—nonetheless—there is a persisting habit of submission to slavery by whole peoples, a trait which is essentially contrary to the biology of the human species. That is a trait of submission to evil embedded in an infection with a descent from slaves. The natural characteristic of the human species, is, thus, in accord with physical-scientific progress through those anti-entropic sequences typified by the instance of physical-scientific progress. It is the humiliations of an heritage of slaves, which impel us to destroy ourselves for the wicked pleasure of creatures of the ultimate evil of a Satan, a Zeus, or Her Majesty, the Queen.

## *The Alternatives*

There are some among us, who reject the temper of slaves, and who may revolt against it. The resisters to the worship of slavery, including Philo of Alexandria, among us, while relatively less frequent in our society at the present moment, show a different temperament, a different choice of destiny. We join Philo in rejecting Euclid's evil doctrine of a dead creation.<sup>2</sup> Our nobler trait is found among what have been those whose intention is that death shall not be the end of the future meaning of their having lived.

Such persons are typified by those who conceived of the appropriate purpose of every human life as being to bring into being a better world than we had found it. This, if this is properly understood, is the dedication of the honorable parent and child alike. Every living type of species exists under that universal law of life. For most species, the motive lies in the mere unfolding of life as such. For mankind, there is a higher destiny, a destiny sometimes called "progress": that no generation of a human species must fail to create a higher standard of quality and power of the human species than those who had come before them. The true meaning of humanity, contrary to the evil notion of the current British monarch, is a universal principle of anti-entropy.

All persons who are morally qualified to assume a leading influence within our societies, are those committed to an explicitly anti-entropic law of human life, rather than a post-war submission to the bitter-sweet irony of ridiculing a **Spukschloss im Spessart**.

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## II. Human Biology Now

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The fundamental principle which distinguishes the human species from all other living species presently known to us, is the uniqueness of mankind's essential dependency upon our own species' power to control both the expression and use of what lies within the category of what we call, categorically, as "fire."

Since the discoveries of such exceptional cases of the leaders of science as the notable cases (which are notable for our immediate subject here), of Bernhard Riemann's habilitation dissertation itself most notably for his part, and that of Max Planck and Albert Einstein,

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2. Cf. the revised, second edition of Verdi's **Otello**, which was re-designed around Boito's particularly notable, special soliloquy for the character Iago's assigned: "I believe in a cruel god..."



NASA/JPL-Caltech

*Mankind's apparently unique power to explore and shape the universe: Shown are jubilant engineers at NASA's Jet Propulsion Laboratory when the rover Curiosity touched down on Mars, Aug. 5, 2012.*

we are, therefore, presently occupied with admiration for the existence of powers beyond those of merely nuclear fission. We tend, being the species which we are in truth, toward promoting the presently leading advances in the achievements made accessible to our species, such as those from the discoveries of Nicholas of Cusa and his follower Johannes Kepler, through those beyond nuclear fission, into the higher domains of thermonuclear fusion and matter-antimatter subjects, and what we have yet to uncover as also being our own.

There has been a recent change in science's practical outlook on certain crucial matters of the region of Solar space situated between the orbits of Mars and Venus. Therefore, now, although the recent landing of the space-craft "Curiosity" on Mars is only a significant example of the direction in which future development of mankind's role on Mars must proceed, "Curiosity" has implied, in the meanwhile, a higher emphasis on a continuing direction of further developments which include essential measures of the indispensable defense of what must become continued human life on our planet Earth. I mean the matters of security of Earth with respect to the effects of asteroids and comets located within, or passing through that continued development of the space which lies between the orbits of Mars and Venus in our the Solar system.

Clearly, if we reflect on such matters as this appropriately, the qualities of power on which mankind shall depend, are defined, for our use, by that to which we

must find ourselves enabled to become, as with respect to the higher orders of those powers which mankind had not yet found himself enabled to master. Those considerations take us beyond the generally-considered view of the Solar system, from here on Earth. No known presently native resident on Mars, for example, actually speaks our Earthling's language up to the present time; as for the future beyond that in itself, until we have reached such points as having settled under-

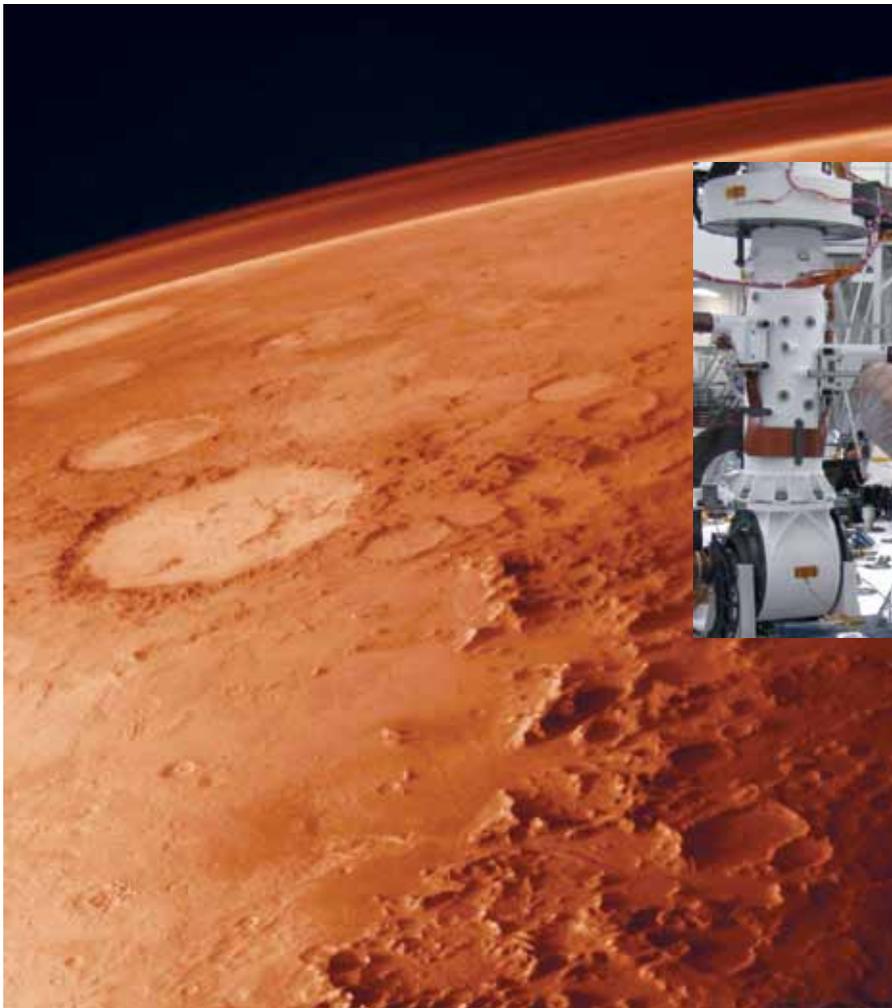
ground bases on our Moon, and also developed an adequately sophisticated use of thermonuclear fusion as the instrument for an approximate week's journey between bases on a Martian moon, and a return destination from Mars to our own moon, the prospects for direct human operations on Mars will remain constrained within tracks of cosmic radiation to Mars, and returned from Mars through pathways of ricochet, to Earth, ultimately, thus, mapping the way through the asteroids and kindred fragments back toward Earth. "The defense of Earth" will be a featured goal.

No longer will the Solar planets themselves be relatively independent objects: mankind's base on Earth will thus bring this region into an Earth-based system of the region of space so mapped by interactions.

Nonetheless, systems operating among Earth, Mars, and some locations within the asteroid-belt bounded by the Venus-Mars region, will therefore be an increasingly important function on behalf of defense of Earth against both asteroids and, hopefully, comets, too. Since we Earthlings do not speak "Martian," radiation among points linked by a measure of "the speed of light" typifies the means by which we are obliged to meet the challenge of "management" which already, implicitly, confronts us with the challenge of dealing with those boundaries of nearby space, for the duration of an early future generation, and beyond.

This prospective challenge is not entirely new to mankind. The method was crafted by Cardinal Nicho-

*Exploration of Mars in the coming years will feature the goal of the Defense of Earth. Left: the Gale crater on Mars; inset: weather sensors for the Curiosity rover.*



NASA/JPL-Caltech

Viking Orbiter Raw Image Archive

Isaac Newton, has taken a turn toward substituting those inherently fraudulent claims of a scientifically fraudulent Newtonism which is claimed to work to the effect of defining the universe as a subject of merely sense-perception, rather than a competent science's view of man as being dedicated to acquiring qualities of

las of Cusa for his **De Docta Ignorantia**, and as that work of Cusa was supplemented in a crucial way by Johannes Kepler's discovery of the irony of an endlessly expanding sort of containment of the universe, and of the notion of the human mind, as this conception is expressed most conveniently for us, presently, by the Kepler's universal physical principle of "vicarious hypothesis."

The leaders of scientific development are to be distinguished from virtually empty chatter in such as those effects associated with the most revolutionary world-outlook in the presently known system of the history of mankind within our Solar system, such as that of Nicholas of Cusa and his followers. However, with the advent of hoaxsters such as the duped worshipers of what have been identified as Newtonian concoctions, a corrupted science, such as that associated with the foolish name of the foolish, and less than useless magician,

power which then become part of our human experience of principles originating in the existence of a universe. This must replace the silly clutter of the reductionists' academic cult of devotion to the worship of both Euclid, and that of bare sense-perception *per se*, and the outright frauds foisted on a too credulous scientific body of practice which was rendered fraudulently hegemonic by the influence of the sometimes-also-Marxian criminal-changing and general mountebank Bertrand Russell who was also worshipped by his devotee Aleksandr I. Oparin.

The leading category of well-known culprits in this matter, has been defined by the wrecking-role of the Newtonian-like, Aristotelean-Euclidean cult of so-called "sense-certainty." That has been opposed to a practice of an honest science, one which is based on the notion of mankind working according to the lessons adduced from the notion of a Creator, rather than the a-

*priorist* methods of radical reductionists, such as those in the likeness of Aristotle, Euclid, Friedrich Nietzsche, et al.

At first reading of such facts presented in evidence, it might appear to be the case, that the remedy for the offenses of those reductionist culprits and their cult of “sense-certainty,” might be considered as “elementary” in nature; but, that is possible only insofar as the subject-matter is associated with the simplistic, merely mathematical-deductive notions of some merely imagined discoveries of universal physical principles. The proof of the inherent fraud in the reductionist conceptions associated with the doctrine of such malicious fools as Euclid and Aristotle, was that aptly presented, if not with finality, by Philo of Alexandria. Whereas, the Aristotelean and Euclidean cults of pseudo-science have been premised on the bare presumption of arbitrary faith in an axiomatic quality of “oligarchical principle.”

Thus, that much said so far: the work of such exemplary scientists as Bernhard Riemann and those among his successors, such as Max Planck and Albert Einstein, is, of course, already to be contrasted with the inherently fraudulent concoctions of such hoaxsters as the late Bertrand Russell and his followers clustered in the British-led scientific “witch-hunts” of the 1920s and beyond.

### ***This Brings Us to ‘Creativity’***

The particular significance of the use of the term “creativity” for our purposes in this present location, is to be restricted to references to the specific quality of “human creativity,” or, to restate the term as a matter of systemic distinctions, of the unimpaired definition of human creativity, which is to say, that which excludes expressions of the “reductionist” viewpoint of the intrinsically incompetent species of statistical economic forecasting.

As I have repeatedly referenced that matter of distinctions in earlier published locations, the characteristic expression of what is truly human creativity is to be defined only as the ability to discover a universal principle which discredits the application of the term “creative” to the likenesses of statistical forecasting. This is also the essential distinction of human creativity from the novelties associated with the supposed “clevernesses” attributable to mere beasts and mere statisticians, such as Euclid, alike. Philo’s denunciation of the inherent incompetence of Euclid’s ontological pre-

sumptions, and Carl Gauss’s avoidance of committing himself in the matters of the failures of both Lobatschevski and Jonas Bolyai respecting notions of “non-Euclidean” geometries (despite Wolfgang Bolyai’s wishes for Gauss’s support of Jonas in this matter), are to be considered as exemplary on this account. The best-known corrections of both Euclidean and customary so-called “non-Euclidean” geometries, share the same common, and also stubborn, systemic errors of presumptions actually, or virtually “a priori.”

### ***Seeking Remedies***

It has been more or less typical of the sources of lost competence in science, that the most notable systemically ontological destruction wreaked on physical science, is to be located in the influence of such cases as the Cartesians and the Newtonians in degrading physics into what is, in essentials of practice, a merely deductive branch of quasi-Euclidean-Aristotelean mathematics (e.g., “statistics”). For such as those, the notion of a principle of life, or of the cognitive processes of human life, is essentially a mere process under the category of what have been the relatively trivial arts of deductive mathematics.

The contemporary hallmark of such impaired intellectual life, has been that even the notion of universal physical principles has been degraded into the farcical notions associated with a system of academic belief to the effect that what are identified in practice as the principles of the universe itself, were degraded into a set of the mere presumptions of human sense-perception. Max Planck’s influence was deeply rooted within German science’s institutions; whereas, the comparable genius, Albert Einstein was virtually sidelined by Bertrand Russell to a virtual commentator whose voice was greatly admired from a discreet distance, while clowns of the Bertrand Russell gang, such as dubious, and highly expendable Norbert Wiener and John von Neumann, typified the product circulated in a marketplace better suited to mere academic chatter of what turned out in the end to have been only popularized British-designed charlatans of their time.

The issue to be considered on that account, is the fact, on the one side, that life is an actual principle, but that mere statistical records of that which had happened to have lived, are by no means a measure of the principle of life itself. For those charlatans, nothing new about life has changed for them since the dead thing known as Euclid.

# Prominent European Jurists Expose EU

by Claudio Celani

Dec. 7—Prominent warnings of the dire consequences of the Eurozone policies have recently been voiced in Germany by Prof. Karl Albrecht Schachtschneider, and in Italy by the well-known jurist Giuseppe Guarino.

The latter exposed the infamous Fiscal Pact of the European Union as being not only illegal, but null and void. His article, which he contributed to the Nov. 24-25 Schiller Institute conference in Flörsheim, Germany, was published by the Milan daily *Milano Finanza* on Nov. 28. According to the daily, it has “immediately generated many reactions in the academic world and in the Senate, where the Stability Act [an austerity measure—ed.] is being approved.”

Guarino demonstrates that the European Commission, and not Germany, is the driving force behind all the budget-balancing absurdities, and that the infamous “zero deficit” regime imposed by the Fiscal Pact is not valid. Guarino points to the text of the pact itself, which provides, in Art. 2 and 2.1, that: “This Treaty shall apply insofar as it is compatible with the Treaties on which the European Union is founded and with European Union law.” Since the European law expressed in Art. 126 of the Lisbon Treaty, which says that the original 3% rule of the Maastricht Treaty is valid,<sup>1</sup> the zero-deficit rule of the Fiscal Pact has never been valid.

Guarino also demonstrates that even the 3% rule has never been enforced; instead, the EU Commission has imposed more drastic “convergence” regimes on member-states such as Italy, which are not only brutal, but in violation of the rule of law.

To those who think that a legal challenge to the Fiscal Pact, which forces Italy to cut EU45 billion from the state budget, would be unsuccessful, Guarino says: “I have received opinions from independent ex-

perts of law confirming the correctness of my conclusions.” He refers also to the challenge to the European Stability Mechanism (ESM) brought by Irish parliamentarian Thomas Pringle to the European Court of Justice, which was rejected on Nov. 27. That ruling, Guarino states, does not affect his case: “From what I have read in media reports about the Irish challenge, I deduce that the Court spoke on grounds which have nothing to do with the issue of lawfulness I raised.” Guarino’s judgment “does not yet open up scenarios of reviewing European agreements for Italy, but it certainly unleashes a debate,” wrote *Milano Finanza*.

In the wake of this coverage, Dr. Guarino was also interviewed in the *Financial Times Deutschland*.

## A Call for Resistance

In Germany, international law Professor Schachtschneider called for “peaceful resistance” to the euro regime, in an interview with Michael Mross, the author of a book titled *The Currency Crash Is Coming*. Schachtschneider, who has co-initiated several complaints at the Constitutional Court against the euro system, stated unequivocally that the single currency has failed economically and cannot be rescued. But that failure is being used by politicians to impose an EU superstate, which will not be democratic. On the contrary, for Schachtschneider, Europe is being turned into a “huge bureaucratic dictatorship resembling the former Soviet Union,” with a lot of propaganda, but no free speech.

Therefore, he urged, the citizens have to intervene. “The replacement of the present political powers is indispensable, if we want to return to freedom, democracy, and the rule of law. The Constitution prescribes the right to resist to anyone who attempts to eliminate the democratic order, which means concretely: voting for other parties, taking court action, protests in the streets, peaceful resistance.”

“We have a dictatorship of money, ‘unbridled capitalism,’” Schachtschneider said. “I never thought it would be possible for the law to be broken to such an extent as it has been since the outbreak of the debt crisis; it is time for resistance.”

At the Schiller Institute conference on Nov. 25, a plaintiff with Schachtschneider, Prof. Wilhelm Hankel, also warned that the euro has zero chance to survive, but that social chaos will continue to grow, along with the danger of dictatorship.

1. The original Stability and Growth Pact of the Treaty stated that all countries in the Eurozone should aim to keep their annual budget deficits below 3% of GDP.

TIME FOR HIM TO GO

## LaRouchePAC Exposes Obama's Role as the 'New Osama'

by Nancy Spannaus and Jeffrey Steinberg

Dec. 11—Three months after the terrorist murder of U.S. Ambassador to Libya Chris Stevens and three other American personnel in Benghazi, the President of the United States has still provided no explanation for how such an event could have been permitted to occur. The failure to respond to requests for upgraded security, the failure to intervene militarily during the seven-hour battle surrounding the compound, and the record of lies about the nature of the attack, have all been heavily documented, but no one—except the four victims—has paid the price.

On Dec. 7, Sen. John Kerry (D-Mass.), chair of the Senate Foreign Relations Committee, announced that Secretary of State Hillary Clinton had agreed to testify before his Committee, and the House Foreign Affairs Committee, before the end of the current Congressional session. It is also reported that the long-awaited report of the Accountability Review Board should be released this week. Should the truth be told, the evidence would show that Barack Obama, UN Ambassador Susan Rice, and probably numerous others, should be removed from office immediately, for having carried out policies, and shown criminal negligence, that resulted in these acts of war against the United States.

Even worse, the de facto alliance which the Obama Administration has had with the British and Saudis, and their terrorist favorites, is continuing, leading the United States, and the world, directly toward a confrontation with Russia and China that portends World War III (see *International* lead). Obama's behavior makes him a

clear and present danger to the security of the United States, and thus liable for immediate impeachment.

To this end, LaRouchePAC has issued a new fact sheet in the form of a mass leaflet, to alert the public to the heretofore hidden links between the Obama Administration and al-Qaeda (see below).

### Caught in the Act?

The Obama Administration has not been able to hide all its connections with al-Qaeda, particularly in its campaign to topple the government of Syria. Increasingly, it has become obvious that President Assad is correct (as Qaddafi was, as well) in his charge that the West is working with the terrorist al-Qaeda in its regime-change drive.

One of the major al-Qaeda-linked groups which has been widely identified is the Jabhat al-Nusra, a group which, according to the *New York Times* profile published Dec. 9, was formed by Iraqi and Syrian members of al-Qaeda in Iraq, who waged war against American occupation forces in Iraq, and have since crossed the border into Syria to join in the drive to oust the Assad government from power. Al-Nusra has frequently claimed credit for the most horrific suicide bombings and massacres of Syrian soldiers. They receive substantial financial support from the traditional conduits for British-spawned Islamic terrorism in Qatar and Saudi Arabia.

Today, the Obama Administration decided to cut its losses, and declare Jabhat al-Nusra a terrorist group, putting it on the terrorist list, confiscating its assets in

the U.S., and allegedly cutting all ties. While *EIR* knows that certain circles in the military-intelligence community pushed hard for this action, the war-mongers in the Administration want to use action against al-Nusra as a fig leaf, and declare that it is *not* working with terrorists, when it decides to recognize the rebel government recently set up by the British-Saudi alliance.

This basically amounts to a public relations job—especially since the jihadis move among various grouplets with ease. Al-Qaeda itself functions as a network of small cells, which can hardly be defined by a chart of organization. U.S. support for the insurgency, as long as the British, through their puppet Obama, are in charge, is *intended* to continue—albeit through other channels.

The task thus falls to those patriots who are prepared to tell the truth about the British-Saudi-Obama alliance, and remove Obama from office.

Here is the mass leaflet LaRouchePAC is now circulating to that end.

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## Obama in Bed with al-Qaeda

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Dec. 9—Nine years ago, the U.S. launched a war in Iraq on the intelligence that Iraqi President Saddam Hussein was harboring weapons of mass destruction. Today, after nearly a decade of disastrous warfare, not only has it been revealed that the intelligence about Iraqi WMD was a lie, the original sources of that lie, Tony Blair and British intelligence, have themselves been revealed to be at the center of the planet's terrorist, drug-and-weapons-running cartel, including terrorist financing from arms-for-oil contracts with Saudi Arabia, and presiding over the incredibly lucrative opium trade whose center has been British- and U.S.-occupied Afghanistan.

Now, as the Blair doctrine of regime change and



LPAC-TV

*LaRouchePAC has issued a mass leaflet on the hidden links between the Obama Administration and the al-Qaeda terrorists. Here, New Jersey gubernatorial candidate Diane Sare briefs citizens in New York City, on Sept. 19, 2012, just days after the Benghazi attack.*

preemptive war plays out, and with al-Qaeda more dangerous than ever, ironically, everything that has been done in the name of the “War on Terror” and Homeland Security has put the planet in a far more vulnerable strategic situation than it was before the War on Terror began.

Today the same lying British faction is pushing the same fraudulent intelligence, only now it is chemical weapons in Syria. This time, however, the Administration is not just falling in line with fraudulent intelligence as the Bush II Administration did; the Obama Administration is playing a leading role in supporting international terrorism.

While traveling across the country and around the globe, claiming credit for the killing of Osama bin Laden, President Barack Obama has forged a deep alliance with al-Qaeda and allied neo-Salafist organizations to overthrow the governments of Libya and Syria. The alliance between Washington and the global jihadi organizations runs even deeper than the support that Washington delivered to the Afghan mujahideen in the 1980s,

when they were battling the Soviet Army in Afghanistan. Those Afghan mujahideen spawned both al-Qaeda and the Taliban. But now, President Obama is taking even more direct action to assure that these terrorist networks come into power in Tripoli and Damascus.

### The Libya Case

In the case of Libya, the evidence is overwhelming. Under the guise of humanitarian interventionism, President Obama ordered American military forces to create a no-fly zone, and provide close air cover for al-Qaeda groupings in their drive to overthrow Muammar Qaddafi. Once in power in eastern Libya, groups like Ansar al-Sharia, Libyan Shield, the Libyan Islamic Fighting Group, and others, repaid the President for his aid and comfort by attacking the United States mission and a CIA safe house in Benghazi, killing U.S. Amb. Chris Stevens and three other Americans, on the 11th anniversary of the Sept. 11, 2001 al-Qaeda attacks on the World Trade Center and the Pentagon.

The very organizations now proven to have led the Sept. 11, 2012 attacks—Ansar al-Sharia and the Libyan Shield—were chief American combat allies in the drive to overthrow Qaddafi. And after Libyan Shield members executed Qaddafi, they were given authority to run security affairs in eastern Libya.

The last signed diplomatic cable from Ambassador Stevens to the State Department in Washington described a tense Sept. 9, 2012 meeting in Benghazi between U.S. security officials and a leader of Libyan Shield, Wissam bin Hamid, in which the Libyan threatened to lift all security protection for American diplomats, unless the candidate of the Libyan Muslim Brotherhood was the winner in the upcoming election for prime minister. Bin Hamid fought against American forces in both Iraq and Afghanistan, before returning to the Benghazi-Derna area of eastern Libya to “ally” with Washington to overthrow and execute Qaddafi.

According to an August 2012 report from the Library of Congress, “Al-Qaeda in Libya: A Profile,” bin Hamid is widely identified as the actual head of al-Qaeda in Libya. Yet, his Libya Shield militia was entrusted with security for the U.S. mission in Benghazi (!), and the Sept. 9, 2012 meeting likely provided the group with the travel plans of Ambassador Stevens, who arrived in Benghazi on Sept. 10 for a scheduled ten-day visit. The attack on the CIA safe house only began after Libyan Shield fighters escorted a Marine rescue team to the location, hours after the initial attack

on the U.S. mission, where Stevens was killed.

The leader of the Ansar al-Sharia group in Derna, which actually carried out the assault on the U.S. mission and CIA safe house in Benghazi on 9/11/12, is Abu Sufyan bin Qumu, a member of the now defunct Libyan Islamic Fighting Group, an early al-Qaeda affiliate, who was Osama bin Laden’s personal driver in Afghanistan and Pakistan before the original 9/11 attacks. He was later captured in Pakistan, and spent six years at the U.S. detention center at Guantanamo Bay, Cuba. Bin Qumu was transferred to a prison in Libya and later released. He became a key U.S. ally in the drive to overthrow Qaddafi, and his Ansar al-Sharia group in Derna was even highlighted in the *New York Times* in April 2011, as former American foes who were now allied against the Libyan dictator.

According to the above-cited Library of Congress study, the overall chief of security for Tripoli, heading the 20,000-strong official Tripoli Military Council, is Abdel Hakim Belhaj, the former emir of the Libyan Islamic Fighting Group, who fought in Afghanistan against the Americans, and was a member of the Taliban, before being renditioned back to Libya. He has been accused by Spanish authorities of participating in the March 11, 2004 Madrid train bombings, which killed 191 people and wounded 1,800.

The same alliance with al-Qaeda that brought down the Qaddafi government in Libya is in full force in Syria, where recent news accounts by the McClatchy News Service and Britain’s *Daily Telegraph* confirm that the main rebel force challenging the Syrian Army is Jabhat al-Nusra, another al-Qaeda affiliate that has conducted almost all of the suicide bombings, and most of the major military engagements against the Assad government. In almost every instance, Free Syrian Army units only enter the conflict after al-Nusra fighters have carried out the heavy fighting. . . .

LaRouche Political Action Committee (LPAC) is rushing into production a detailed video-documentary on President Obama’s filthy dealings with the very British and Saudi-backed jihadists who have the blood of American Amb. Chris Stevens and countless others on their hands. Congressional demands for the creation of a Select Committee to get to the bottom of the Benghazi 9/11/12 attacks must begin with a thorough airing of the ongoing alliance-of-convenience between the Obama White House and al-Qaeda. Nothing short of a thorough probe will prevent a replay of the first two 9/11 attacks, on an even more horrifying scale.

# Congressmen Revolt vs. Lawless Obama Actions

*Dec. 10—Several Members of Congress, from both Democratic and Republican parties, raised their voices last week to demand an end to the imperial actions of the Obama Administration on a number of fronts. The three Congressmen cited below addressed the issues of the targeted assassinations of American citizens; the lies and coverup of the terrorist attack in Benghazi which killed the U.S. Ambassador to Libya; and the endless war in Afghanistan. Here is a summary of these developments.*

## **Kucinich Demands Probe on Drone Killings**

Rep. Dennis Kucinich (D-Ohio) called on the House of Representatives Dec. 4, to support H.R. 819, a Resolution of Inquiry that would compel the Obama Administration to release to Congress the documents that form the legal basis for the targeted assassination of American citizens abroad. Those documents would include memos from the White House's Office of Legal Counsel.

A Resolution of Inquiry must be considered within 14 legislative days. Unless Congress adjourns before the deadline, Kucinich will be able to call up the bill, which he introduced on Nov. 28, with privileged status.

In a speech on the House floor, Kucinich said the vote "will determine whether or not Congress has the power to require the Administration to release their still-secret legal justification to use drones."

"In matters of the Constitution, in matters of war, 'trust us' is neither sufficient legally, constitutionally, nor is it morally acceptable," Kucinich said. "I urge members of the House to reclaim Congress's constitutional imperative by supporting H. Res. 819, the Resolution of Inquiry demanding the White House produce its legal justification for drone strikes."

## **Wolf Calls for Select Committee on Benghazi**

On Dec. 4, Rep. Frank Wolf (R-Va.) introduced a resolution to create a House Select Committee to investigate the Sept. 11 terrorist attack on the U.S. consulate

in Benghazi, and the Obama Administration's response to it. On Sept. 25, Wolf had signed a letter to President Obama requesting more information about the attack and the Administration's response; in November, Wolf sent a letter to House Speaker John Boehner urging establishment of the committee.

Wolf said the committee would combine all existing investigations into a single and exhaustive review of the event and the revelations that followed, much like the select committees that were established during Watergate and the Iran-Contra scandals of the 1970s.

## **Jones on LPAC-TV: Get Troops Out of Afghanistan Now!**

Rep. Walter Jones (R-N.C.) gave an interview to LaRouchePAC editor Alicia Cerretani in Washington, D.C., on Dec. 4, on his latest initiative to get the U.S. out of Afghanistan. Jones is a co-sponsor of H.R. 5015, introduced by Rep. James McGovern (D-Mass.), which calls for a safe, orderly exit of U.S. troops from the Afghanistan War. The bill, introduced in April 2010, has 104 co-sponsors.

In the interview, Jones noted that there have been six members of the military from his District killed in Afghanistan. He shared the views of an advisor, a former Commandant of the Marine Corps, who responded to a question about the U.S. deployment, by referring to the pattern of insider killings, in which Afghan soldiers turn on the Americans: "...I'm more convinced than ever that we need to get out of Afghanistan. When our friends turn out to be our enemies, it's time to pull the plug."

Jones added: "I just hope that people watching this show will join me by going on this website ([www.bringthemhome2013.com](http://www.bringthemhome2013.com)), because we need to have a debate in the very beginning of 2013, to get the Congress to say that we need to bring the troops home now, not to wait to 2014. . . . How many more young men and women of our country have to die, for a corrupt leader like Karzai?"

Jones also observed: "We're never going to change Afghanistan. It's a 7th-Century country, and there is no interest in that country changing and becoming America. And we need to understand, with our foreign policy, we cannot police the world.

The interview is posted at: <http://larouchepac.com/node/24703>.

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## Editorial

### *Has the British Empire Won?*

As of today, Dec. 12, 2012, the British Empire would appear to have won its contest for world domination. Only the resistance of the Russian government, the Chinese government, top echelons of the U.S. military, and a small group of patriots in countries throughout the world, have, like the LaRouche international movement, determined to stake their very lives in order to prevent the Empire's program of depopulation and perpetual war from taking permanent hold.

The most singular recent event, as the Russians were quick to point out, was the decision, announced late on Dec. 11 by U.S. President Barack Obama, to recognize the Syrian opposition to that nation's President Bashar al-Assad, thus openly committing the United States to the Empire's determination to militarily overthrow that government. Yes, it was clear Obama was moving in that direction before, but this is a definitive step toward war—a war that will not stop with Syria, or Iran, but lead rapidly toward the thermonuclear confrontation which LaRouche has been warning of for more than a year.

What this action, like Obama's murderous economic policy and his Green anti-science policy, signifies, is that the United States Presidency is currently under the control of the British Empire and its policies. The U.S. is, in effect, an occupied nation, its President a quisling, and its Congress a virtual doormat at his feet.

The problem lies not just in the United States, of course. The global British Empire functions through its control of the world financial system, to which virtually every nation, including Russia, bows—at least in some degree. That same Empire also works its will through political manipulation, informed by its century of physical colonization,

fostering religious and other conflicts that destroy economies and lives, en masse. Even more vicious is the cultural vise that the Empire imposes, which robs each new generation, ever more thoroughly, of the beautiful Classical cultural heritage which created mankind's advances, and whose destruction now threatens to once again consign the human race to scrounging in the dirt for bare survival.

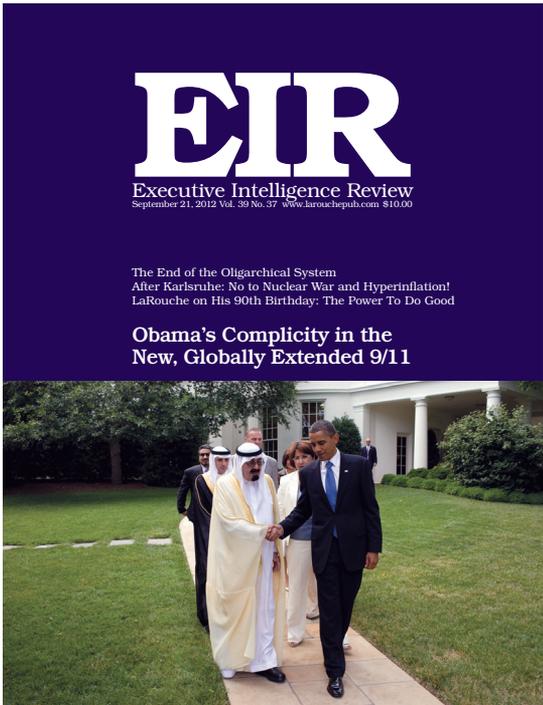
Can the British Empire be overthrown? Of course it can. In fact, there is no way an imperial "victory" can preserve it in the long term, as the very policies which it puts in place will work toward its own destruction. The disappearance of past empires, most notably that of the Romans, has often been cited as a warning sign for today—but the necessary steps to reverse that decline seem so "impractical" to the majority of people, that they simply fall in line, hoping against hope that their own personal fate will not be too horrible, while the world around them turns into hell.

It's time to look to the "impractical" ones, the revolutionary thinkers who have built on mankind's real scientific accomplishments, to create a pathway to future advances that will assure permanent survival and progress for all mankind. It is precisely such thinkers who have brought humanity out of existential crisis before, acting with small groups of collaborators, and ultimately inspiring a sufficient number of more popular leaders to take the actions required. Often reviled or dismissed in their own time, these are the individuals who made the difference between mankind's survival, or demise.

The British Empire's death grip *can* be broken, if we mobilize our courage and our minds.

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