

# Amity Shlaes' Not-So-New American Fascism

by Jeffrey Steinberg

“Only the little seditionists and traitors have been rounded up by the FBI. The real Nazi Fifth Column in America remains immune. And yet there is evidence that those in both countries who place profits above patriotism—and fascism is based entirely on profits although all of its propaganda speaks of patriotism—have conspired to make America part of the Nazi Big Business system. Thurman Arnold, assistant district attorney of the United States, his assistant, Norman Littell, and several congressional investigations, have produced incontrovertible evidence that some of our biggest monopolies entered into secret agreements with the Nazi cartels and divided the world among them. Most notorious of all was Alcoa, the Mellon-Davis-Duke monopoly which is largely responsible for America not having sufficient aluminum with which to build airplanes before and after Pearl Harbor, while Germany had an unlimited supply. Of the Aluminum Corporation sabotage, and that of other leading companies, the press said very little, but several books have now been written out of the official record.”

—From *Facts and Fascism*, by George Seldes, self-published in 1943.

In the introduction to her 2007 book-length lying tirade against President Franklin Delano Roosevelt and the New Deal, Amity Shlaes presented what many fawning Wall Street and City of London reviewers claimed was a “fresh look” at the history of the turbulent 1930s, which cast new doubts on the Roosevelt years, and argued that, had the free market been given free reign, the Great Depression would have ended years before



Amity Shlaes is the “poster girl” for the revival of the fascism of the 1930s American Liberty League.

the outbreak of World War II.

Nothing, however, could be further from the truth. Amity Shlaes’ *The Forgotten Man* drew its distorted conclusions, and many of its fantasy “facts” directly from the propaganda output of Wall Street and London’s overtly pro-Fascist 1930s American Liberty League. While making scant mention of the embarrassingly Hitler- and Mussolini-loving Liberty League, Shlaes copped all of her arguments against FDR from the pages of the League’s 135 pamphlets, and their scores of leaflets and speeches, largely produced between 1934 and 1936.

For the American Liberty League Wall Street gluttons, Hitler, and especially Mussolini, were far preferable to Roosevelt’s “communistic” schemes. As John Hoefle has documented in *EIR*, the Liberty League bankers and cartel bosses put their money where their mouths were. They bankrolled both Hitler and Mussolini, right up to the outbreak of World War II and beyond. They maintained their secret cartel agreements with I.G. Farben, with the von Schröder banking interests behind the Waffen SS, and with the German steel, chemical, ball-bearing, aluminum, and coal cartels, throughout World War II. America’s giants of finance and industry—JP Morgan, Mellon, DuPont, General Motors, U.S. Steel, Standard Oil of New Jersey, Guarantee Trust, Dillon Reed, Sullivan and Cromwell, Brown Brothers Harriman, Sun Oil—all had their secret cartel arrangements with their German (and British) counterparts.

It was only after the war—and, unfortunately, after the death of Roosevelt—that the full extent of their duplicity with Hitler began to come out. And then, as Jus-

tice Department official James Stewart Martin documented in his 1950 book-length account of his own official investigations into the trans-Atlantic Nazi cartel structures, *All Honorable Men*, leading American pro-Fascists and pro-Nazis, like Gen. William Draper, Allen Dulles, and Prescott Bush, suppressed the truth, and assured that the wartime cartels were restored to full power within the early Truman years of the Cold War.

Nazi loot and Nazi war criminals were secreted out of Europe to South America, South Africa, and the Middle East, where they were to be rehabilitated as “anti-Communist” freedom fighters, through Allen Dulles and James Jesus Angleton’s “ratline” and similar covert schemes that only came to light decades later.

The assault on the FDR legacy today, typified by Shlaes’ lying propaganda tract, is at the very heart of the frantic attack being waged against the Obama Presidency. It is coming from the identical London and Wall Street apparatus that, in the 1920s and 1930s, lavished praise and cash on Mussolini and then Hitler, plotted assassination and putsch against FDR once he was elected, and fought tooth and nail to bring down the New Deal, even to the point of helping trigger a serious economic downturn in 1937-38 that undermined America’s pre-war buildup.

This economic sabotage by the Wall Street cabal came at the very moment that powerful Anglophile American families like Morgan, du Pont, Mellon, Pew, Luce, Harriman, and Bush, were still placing their bets on Hitler and Mussolini, to conquer the Soviet Union and establish a worldwide Fascist dictatorship.

Every step along the way, these Wall Street fascists took their cue from Britain, where the real architects of Fascism and Nazism resided, typified by such powerful City of London figures as Montagu Norman and Lord Beaverbrook, politicians like Winston Churchill, and such groupings as the Roundtable Group and the Cliveden Set.

### Now, as Then...

Amity Shlaes could be rightly called the poster girl for the revival of those American Liberty League Fascists, who, today, are desperately out to sink the Obama



Franklin D. Roosevelt Library

*Schlaes claims to be presenting a “fresh look” at the Franklin D. Roosevelt Presidency, but her book is nothing but repackaged fascist garbage. Here, FDR gives a fireside chat, April 28, 1935.*

Presidency, in the midst of an even graver national and global crisis, than that which FDR inherited in March 1933, when he took the oath of office.

It is no coincidence that Shlaes’ book was written while she was on a resident fellowship at the American Enterprise Institute (AEI), an outfit that was launched as part of the late-1930s assault on FDR, and which, still today, is peddling the same “Austrian School” economic doctrines and the same preventive war schemes, that were the hallmark of the Hitler Nazi dictatorship.

Launched in 1938 as the American Enterprise Association by a group of Wall Street-run corporations including General Electric, Chemical Bank, and Bristol Myers, the AEA was run, until his death in 1951, by Lewis Brown, the CEO of Johns-Manville Corporation, and a financier of Gerald L.K. Smith’s Committee of One Million. The Committee of One Million, founded in 1936, was one of a number of populist, racist, and anti-Semitic offshoots and fronts of the American Liberty League, which peddled a fanatically anti-Semitic Big Lie, targeting FDR for leading a “Jewish-communist plot” against America. The Pew family of Sun Oil, major financiers of the Liberty League, were also big donors to Smith’s Committee of One Million. Johns-Manville was one of the crown jewels of the JP Morgan

corporate empire.

Shlaes' publisher was Rupert Murdoch, the Australian-born British press baron and protégé of the pro-Hitler Cliveden Set's Lord Beaverbrook, whose media empire now includes the *Wall Street Journal*, the *New York Post*, HarperCollins Books, and Fox TV—all of which feature a constant stream of Shlaes' anti-FDR propaganda.

Shlaes, herself, is a City of London and Wall Street invention. According to her curriculum vitae, she has been a reporter for the City of London flagship *Financial Times*, a member of the editorial board of the *Wall Street Journal*, a columnist for Bloomberg News, a contributing writer for *National Review*, the *American Spectator*, and *The New Republic*, and is now with the Council on Foreign Relations. She was at one time a J.P. Morgan Fellow at the American Academy in Berlin. By her own accounts, Shlaes' mentor was the late *Wall Street Journal* editorial page editor Robert Bartley, the man who brought the neoconservative networks, as well as the radical free-market Mont Pelerin Society, into the paper's editorial board room.

### The Real 'Forgotten Man'

Shlaes' essential argument, borrowed whole-cloth from the American Liberty League, is summarized in the opening chapter of her book. "The first reality," she asserted, "was that the 1920s was a great decade of true economic gains, a period whose strong positive aspects have been obscured by the troubles that followed. Those who placed their faith in laissez-faire in that decade were not all godless. Indeed, religious piety moved some, including President Calvin Coolidge, to hold back, to pause before intervening in private lives.

"The fact that the stock market rose high at the end of the decade does not mean that all the growth of the preceding ten years was an illusion. American capitalism did not break in 1929. The crash did not cause the Depression. The market players at the time were not villains...."

Shlaes then asked, "What then caused the Depression?" Her answer: "The loss of international trade

**Committee of One Million to Defeat Barack Obama**  
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Barack Obama has raised over three hundred million dollars (\$300,000,000.00) from over one million (1,000,000) contributors. We know some of Obama's contributions are questionable, but most of them are perfectly legal. Obama generates vast amounts of money to support a takeover of the United States by persons who want more taxes, more regulation and more government power centralized in Washington.

Obama has a sophisticated fund raising network of wealthy individuals who raise huge sums of money to support his campaign. [CLICK HERE.](#)

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We have only the American people as a source of support. Will you help?

**Please do something. Act today.**

*The 1938 Committee of One Million was a front for the Liberty League, which accused FDR of leading a "Jewish-communist plot" against America. The Committee of One Million To Defeat Barack Obama walks in the footsteps of its Wall Street-run predecessor. This web page is from the 2008 Presidential campaign, but the "donate" button remains active.*

played an enormous role—just as both Hoover and Roosevelt said at different points. If the United States had not raised tariffs at the beginning of the decade and Europe had not collapsed in the 1930s, the United States would have had a trading partner to help sustain it... But the deepest problem was the intervention, the lack of faith in the marketplace."

Shlaes' deep hatred for FDR then bubbled to the surface. "He created regulatory, aid and relief agencies based on the premise that recovery could be achieved only through a large military-style effort... Where the private sector could help to bring the economy back—in the arena of utilities, for example—Roosevelt and his New Dealers often suppressed it. The creation of the Tennessee Valley Authority snuffed out a growing—and potentially successful—effort to light up the South."

Shlaes concluded: "The big question about the American Depression is not whether war with Germany and Japan ended it. It is why the Depression lasted until that war. From 1929 to 1940, from Hoover to Roosevelt, government intervention helped to make the Depression Great."

Shlaes then let it all hang out, invoking one of the most powerful images of the FDR New Deal, "The Forgotten Man." For Shlaes, the true "forgotten man" was the Wall Street baron, the cartel boss, and the specula-

tor, who were “victimized” by FDR’s dictatorial power grab. Unfettered speculation and unbridled free trade, Shlaes argued, would have ended the Depression and brought back prosperity to America faster and more decisively than all the New Deal measures. FDR’s totalitarian aggression against those he labeled “the economic royalists” damaged the United States and victimized the heroes of American free enterprise. In her own words:

“Among the people whom the New Deal forgot and hurt were great and small names. The great casualties included the Alan Greenspan figure of the era, Andrew Mellon, treasury secretary for the Harding, Coolidge, and Hoover administrations—a figure so towering it was said that ‘three presidents served under him.’ Another was Samuel Insull, a utilities magnate and innovator to whom the New Deal assigned the blame for the crash. Yet another was James Warburg, a Roosevelt adviser who became so angry with the president that he penned book after book to express his rage.”

Shlaes turned FDR’s “Forgotten Man” upside down, touting Mellon, a leader of the American Liberty League, and Insull, whose banking empire crashed on the very eve of the 1932 Democratic Convention in Chicago, as the true victims of the New Deal and the Great Depression.

Mellon, in fact, typified those Wall Street Anglophiles who played a prominent role, from the 1920s on, in boosting both Mussolini and Hitler. In 1925, then-Treasury Secretary Mellon characterized Mussolini as “a strong man with sound ideas and the force to make these ideas effective.” The next year, he oversaw the restructuring of Italy’s World War I debt, which enabled the JP Morgan banking interests to pour an estimated \$900 million into the Italian Fascist regime.

George Seldes devoted considerable attention, in his 1943 scathing exposé of the Wall Street Hitler and Mussolini boosters, *Facts and Fascism*, to uncovering Andrew Mellon’s role, through his Aluminum Company of America (Alcoa), in building up the Nazi war machine, through a cartel partnership with I.G. Farben.

## Liberty League Redux

Amity Shlaes’ fractured fairy-tale assault on the FDR Presidency, while bearing no resemblance to reality, does bear a striking resemblance to the prodigious smear propaganda of the American Liberty League.

A July 13, 1936 League pamphlet, “An Open Letter to the President,” written by Dr. Gus W. Dyer, Professor

of Economics, Vanderbilt University, assailed Roosevelt for his attacks on the “economic royalists,” delivered during his acceptance speech before the 1936 Democratic Convention in Philadelphia: “No intelligent socialist nor communist, perhaps, ever made a more sweeping condemnation of American Constitutional freedom than you made in your address,” wrote Dyer. “Your address will be hailed in all lands by radicals as the strongest evidence that American industrial freedom has been a miserable failure. As an American citizen, I think I am within my rights in asking you to make public the specific facts on which you make your most serious charges against the leaders of American business.”

After an hysterical defense of such corporate opponents of the New Deal as General Electric, Dyer charged, “Monopoly means conspiring to limit the supply of commodities in order to raise the prices of these commodities to consumers. Any such artificial monopolistic control of prices has been condemned by Anglo-Saxon civilization for centuries. Your experience in plowing up millions of acres of cotton, prohibiting grain production, and in having more than five million pigs, weighing up to sixty pounds each, killed and converted into soap grease and fertilizer in order that you might make food and clothing scarce and force the millions of consumers to pay high prices for the necessities of life, qualifies you as a great champion of the monopoly principle.”

After accusing FDR of being the monopolist and price-fixer, Dyer concluded, “Radical and ignorant reformers are broadcasting to the people that the wealth of this country is in the hands of a few rich men. That 90 percent of the wealth is owned by a small group of rich royalists and so on.

“The figures here given mean to those who have the brains to interpret them, the most marvelous distribution of wealth to the masses of the people, it is believed, that has ever been known in any country, under any form of Government, at any time in human history.

“The figures here given, Mr. President, indicate that the conditions you described in your Philadelphia Address do not exist and never have existed, and couldn’t exist under the constitution in this country. The conditions you portrayed exist only in the minds of socialists, communists and other radicals who are grossly ignorant of the facts of our industrial life.”

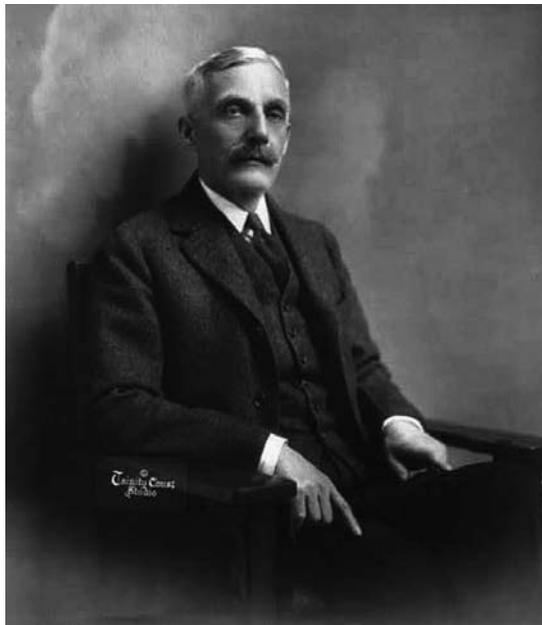
Another Liberty League pamphlet, issued on July 9, 1936 by J.H. VanDeventer, similarly accused FDR and

the New Dealers of being the nation's leading "economic royalists." Obviously stung by the President's unanimous renomination by voice proclamation, as well as his fighting words, VanDeventer came close to issuing a death threat to the President.

"Indeed, under the average man's conception of an 'economic royalist' as one who has seized unwarranted and despotic power, the guns of the public, so eloquently urged to battle, might be turned against the inner coterie of the New Deal itself. For economic royalty need not wear the crown if it holds the scepter, and American history records no parallel to the assumption of power over the lives and livings of our people by the 'economic royalists' now in Washington. Before inviting the people to shoot, it would be well, Mr. President, to clearly define the target."

An undated Liberty League leaflet, "28 Facts About the New Deal," could well have served as the chapter headings of Shlaes' book, or the equally fraudulent *FDR's Folly—How Roosevelt and His New Deal Prolonged the Great Depression*, by Mont Pelerin Society hired pen Jim Powell. The League's leaflet, without providing a single bit of evidence, charged that the FDR Administration "deliberately has increased the cost of living," "sought to give the President the powers of a dictator," "repudiated the Nation's contracts to pay off bonds in gold," "sought to create class prejudice," "used WPA as a political football," "has broken all peace-time records in collecting taxes, but at the same time has spent more, thus creating new deficits," "illegally taxed groups of citizens to raise 'benefit funds' for other groups," "paraded its contempt of the Constitution," "made vicious charges against the Supreme Court," and "reduced production of food while millions are in want."

Yet another League pamphlet, heavily cribbed, without citation, by Shlaes, titled "Government by Law Still Forced to Fight Against New Deal," charged: "For



*Shlaes whines that Andrew Mellon, a leader of the Liberty League and Treasury Secretary in the Harding, Coolidge, and Hoover administrations, was a victim of FDR's nasty New Deal. Mellon backed both Mussolini and Hitler.*

more than three years, the Roosevelt Administration has been in almost continuous conflict with our basic laws. Social and economic 'reforms' attempted by Mr. Roosevelt and his associates have been outlawed repeatedly by the Supreme Court of the United States. Eight decisions have declared New Deal programs or administration acts to be unconstitutional, yet the Administration persists in similar policies and methods.... By abolishing the reviewing power of the United States Supreme Court it is hoped by many New Dealers to destroy our present form of Government. The American system of Government cannot exist except by continued balance of power between the Legislative, Executive and Judicial branches."

Much to their chagrin, the Wall Street Fascists of the 1930s never won a single head-on confrontation with FDR. After the President's landslide victory in the 1936 elections, they conceded that their campaign of name-calling had failed to move the American people. Their assassination and coup d'état schemes had already been defeated in 1933-34.

The Wall Street barons waged economic warfare against FDR and the New Deal—up until the point that the Nazis took over France in 1940, and Churchill and the British suddenly switched sides, abandoned their open and clandestine support for Hitler's march eastward, and joined the anti-Fascist cause "for King and Empire."

Even as the Morgan, Mellon, Pew, du Pont, and Rockefeller interests prepared for war, they never abandoned their hatred for all that Roosevelt stood for, and for the General Welfare programs established through the New Deal. What better proof is needed, than the fact that today, 64 years after Franklin D. Roosevelt's death, the same Wall Street Anglophile Fascists are repackaging the same vile lies, and promoting the careers of a new generation of American Liberty League wanna-be propagandists?