

# A history of treason: "Free enterprise" versus the American System of economics

by Molly Kronberg

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**Treason in America:  
From Aaron Burr to Averell Harriman**  
by Anton Chaitkin  
New York City, 1984  
New Benjamin Franklin House  
317 pages \$5.95

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In the first chapter of this book, "Benedict Arnold Re-Examined," appears a quote from the July 11, 1982 edition of the *New York Times*, on the anniversary of Aaron Burr's murder of Alexander Hamilton. The *Times* quote shows what Anton Chaitkin charges throughout his book: That most of what is promoted as American history nowadays is lies. Said the *Times* in that anniversary "reassessment" of Aaron Burr: "The indictment of Aaron Burr for treason 175 years ago proved to be the final blow to the former Vice-President's reputation and political career, even though he was found not guilty of the charge. Now, a scholar contends that a coded letter implicating Burr and long believed to have been written by him was in fact written by an associate.

"That letter . . . supposedly showed that Burr was planning to seize Kentucky, Tennessee, and Mexico for his own undefined political purposes. And it was that letter that persuaded President Thomas Jefferson to issue a warrant for Burr's arrest.

"Citing handwriting analysis, the [modern] scholar . . . contends that the letter was written by Jonathan Dayton. . . .

"*Burr was probably guilty of something, but no one's absolutely sure of what . . .* [Burr was] close to a nervous breakdown [emphasis added]."

"No one's sure of what. . . ." A barefaced lie! The present book, *Treason in America*, was inspired by this *New York Times* falsehood, as the Publisher's Note describes it, to teach the present generation of Americans what the history of this country was, from the days before the Revolution to the days right after the Civil War.

That meant reviewing American history from the standpoint of the unique positive conception around which the world's first and fullest republic was built, and, from the

other side—the principal emphasis of this book—telling the story of the traitors, generation after generation of one network, dedicated to destroying that republic: Who they were, why they did it, in whose service they toiled, and what their impact is today.

## Digging up America's history

The United States of America is but 208 years old, and yet its real history lies buried as if under the shifting sands of ancient Egypt. *Treason in America* is the work of an archaeologist unearthing the secrets of the past.

There is a good reason for this murkiness of the American past, to which Chaitkin alludes repeatedly: The treason of Aaron Burr and Benedict Arnold, of the Boston Brahmins, of the Scottish Freemasons, is compounded in the work of the modern media and the "revisionist historians"—Chaitkin names Charles Beard, Walter Lippmann, Arthur Schlesinger.

The history books our children read today in high school (even the history books you read in your day in high school) censor the central fact of the founding and perpetuation of the American republic: The American System of political economy *versus* the "free enterprise" feudalism of the European oligarchy. America's battles against Britain in the Revolution, in the War of 1812, and in the Civil War, were precisely the battle between the American program of nation-building around industrial development and the British (and Swiss and Venetian) program of looting the raw materials and human potential, physical and mental, of the world. The battle between those economic systems is also the battle between the political systems they imply: democratic republicanism which promotes industrial development, and feudal oligarchism in which "free enterprise" flourishes.

That this is the best-kept secret in America today can be proven by looking at the condition of most contemporary American patriots. Probably the vast majority of Americans, and even some politicians, *want* to be patriotic. Unfortunately, they have no idea how to be. They don't know the founding ideas of the republic, they don't understand what differentiates the United States, really, from the monarchical, or parliamentary, or tyrannical powers of the Old World.

For example. What American conservatives conceive to be "patriotism"—namely, free enterprise—is in fact treason.

It is the very opposite of the foundations of the United States. These notions afflict conservatives like, for example, Gordon Humphrey, Republican senator of New Hampshire. In the name of free enterprise, and for the principle that "government should stay out of the market place," Gordon Humphrey devoted years of his senatorial life to destroying the Clinch River breeder-reactor project which this nation needed desperately to advance its power production and its defenses. "Conservatives" like Humphrey have connived with the "liberal" environmentalists to bury America's nuclear-power industry—meaning that, as the rest of the world proceeds to develop nuclear power to fuel 20th-century industrial economies, the United States will be energy-starved and weakened. In exactly the same way, in the 1930s, the "patriots" who were wedded and glued to free enterprise did everything they could think of to destroy Roosevelt's Tennessee Valley Authority project, without which the United States could not have prosecuted World War II to a successful conclusion (including building the first A-bomb). They failed then where they succeed now, because in the intervening 50 years we have grown more stupid as a nation.

The story was no whit different in the 18th and 19th centuries. It is the story of that free-enterprise movement that is told here.

Tony Chaitkin's book is designed above all to bring reality to the free-enterprise ignoramuses in American business and politics who would like to be patriots but are politically and morally incompetent to be so. In fact, this book might equally well have been titled *Free Enterprise in America*.

## The families

What Chaitkin does is to apply the following principles of method to his subject matter.

He takes the principle of *families*, oligarchical units over generations, and uses that to analyze the network of traitors who operated against the American System even before the Revolution began. Here they all are: Aaron Burr, Benedict Arnold, Albert Gallatin, the Boston Brahmins, the "Yankee" dope smugglers, the Scottish Rite Freemasons; the same people operating New England anarcho-abolitionists and the Southern slavocracy. In Chaitkin's hands, the story emerges of their intimate connections one to another, their intermarriages, their close collaboration over the decades. It was all to one purpose, which Chaitkin makes clear in his concluding chapter, "From the British East India Company to Emerson, Carlyle, and Marx."

The traitors' purpose was free enterprise. In 1776 the American colonies broke from the tyranny of Britain, which forbade colonial manufacturing and ruled that these colonies, like those in India and throughout Asia, could only produce raw materials for British manufacturing, and then had British goods forced upon them. The American colonies insisted on their right to produce, to develop, and nurture infant native

industry to inspire growth for the new nation.

That same year, 1776, Adam Smith, guru of free enterprisers up to the present day, published *The Wealth of Nations*. He was to political economy what Charles Darwin was to biology. For Smith, as for Darwin, Nature is "red in tooth and claw," and the principle of human existence is survival of the most brutish. The arena in which Smith saw that fight fought out was free-enterprise economics. The state must not be allowed to meddle to advance necessary industry and production, nor to educate and develop its citizenry to be capable of more sophisticated and efficient technologies. The "invisible hand" must be the arbiter of economic life or death. If the "invisible hand" looks suspiciously like that of a British Empire puppeteer, no matter; it has remained invisible to this day to most of the world, which resolutely denies that there are any conspiracies in the international economy.

Also that year, Edward Gibbon produced his mind-numbing *The Decline and Fall of the Roman Empire*. At first reading those volumes might seem an extended encomium on Gibbons' beloved Roman degenerates, but the deeper purpose was to explore how the British Empire might avoid the pitfalls into which Rome stumbled (like Christianity, said Gibbon) and thrive forever. The British oligarchy, along with their partners in Geneva, Zurich, and Venice, took Gibbon's advice seriously, and they are still around.

## Free to loot

These men, along with Jeremy Bentham, James and John Stuart Mill, Thomas Malthus, and Karl Marx's controller Friedrich Engels, were the ideologues of free enterprise. In application that meant: The freedom of Britain, Switzerland, and Venice, with their operatives in the United States, to force Indian opium on an unwilling China. The freedom of Britain, Switzerland, and Venice, with their minions in the United States, to sell human beings into slavery and work them till they dropped. The freedom of Britain, Switzerland, and Venice, with their deputies in the United States, to strip the colonial world of its wealth, to cause vast famines and depopulation, to sabotage any economic development which would lead to human development.

How did Britain's free enterprise work vis-à-vis the United States? As Chaitkin documents, it was all explained to the House of Commons in 1816 by Henry Brougham: "After the cramped state in which the enemy's [he means the United States] measures and our own retaliation . . . had kept our trade for some years . . . a rage for exporting goods of every kind burst forth. . . . Everything that could be shipped was sent off; all the capital that could be laid hold of was embarked. . . . *It was well worth while to incur a loss upon the first exportation in order by the glut to stifle in the cradle those rising manufactures in the United States which the war [of 1812] had forced into existence contrary to the usual course of things [emphasis added].*"



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Author Anton Chaitkin (right).

## The Civil War

The American Civil War was the perfect expression of traitors' method and purpose. Take Boston Brahmin Caleb Cushing. He trained William Lloyd Garrison in the most virulent form of abolitionism—that form which demanded that the Union be dissolved over the issue of slavery. He helped to run John Brown, the abolitionist-terrorist who, like Garrison, was determined to split the Union. And he himself emerged as a spokesman *for* slavery! He sent his intimate Albert Pike to take over the key frontier state of Arkansas. His close friend and protégé John Quitman led the slavocracy's secessionist movement in Mississippi, became governor of the state in 1850, and also held a seat on the Supreme Council of the Southern Jurisdiction of the Scottish Freemasons, which overlapped almost one-to-one the Southern secessionist movement.

The traitors ran both sides to trigger secession, and they did so to ensure that the "more perfect union" created by the Constitution of the United States of America would break apart. The political economy conceived and created by Benjamin Franklin and Alexander Hamilton, championed and extended by John Quincy Adams, Henry Clay, and other great patriots, was to be destroyed. Hamilton's American System, with its internal improvements, state protection of and credit to industry and manufacturing, had, as Henry Brougham complained, caused an explosion of American industrial production "contrary to the usual course of things. . . ." All that had to go. The best way to get rid of it was to destroy Hamilton's Bank of the United States, which was done under the Andrew Jackson presidency, and then to destroy the United States. If the United States were turned into a bunch of Balkanized, feuding states, the American

System of economics would have no concrete expression among the world's governments—its great and growing influence in Europe and Ibero-America would be broken.

Instead, one of the last great application of the American System occurred under the wartime administration of Abraham Lincoln. Chaitkin describes the process: From 1861 to 1865, "Lincoln invoked the full powers of the presidency; he called into existence massive productive powers—creating the steel industry from scratch and starting the world's greatest railroad system; and he gradually forged an unbeatable military machine. By the war's end, the United States armed forces were the largest and toughest in the world; and the continuing productive momentum of Lincoln's restored Hamiltonian policies were to give the United States the world's largest industrial economy within less than two decades."

That momentum is what has impelled the U.S. economy forward, to the extent it has gone forward, in all the years since Lincoln's day—because that was the last time a consciously Hamiltonian policy was applied in this country. We are living off the capital of a century ago, while free-enterprise exponents undermine our potential ever again to institute a state-directed, long-term, cheap-credit policy that builds up heavy industry, builds up our national defense, advances our agriculture, and exploits new technologies. Every conservative running around babbling about free enterprise is, willy-nilly, attacking the possibility for future existence of the United States as a great industrial power, much less the greatest industrial power on earth. If today's conservative nostrums had won out right after the American Revolution, or during the War of 1812, or during the Civil War, you and I would not have been born Americans—there would have been no such animal.

## LaRouche associates' history series

Chaitkin's book is introduced by *EIR* founder Lyndon H. LaRouche, Jr., currently a candidate for the Democratic presidential nomination. In fact, the book was urged by LaRouche as a timely intervention into 1984 politics. It is past time that Americans make themselves familiar with the American history series that LaRouche's associates have put together over the years. *Treason in America* is the most recent in a series by LaRouche and his colleagues that started in 1977 with the publication of *The Political Economy of the American Revolution*, continued in *The Civil War and the American System: America's Battle with Britain, 1860-76* in 1978, and also included *The Ugly Truth About Milton Friedman*, 1981. As is clear from the titles alone, the polemic in each case centers around the conflict between the American System and free enterprise.

If America continues in ignorance of this subject—its own history—it is certain the country will not survive. *Treason in America* is a tremendous piece of ammunition in the fight for survival.