A FOREIGN AGENT WITHIN OUR MIDST

LaRouche Explains: Why We Don't Need Wall Street

by Robert Ingraham

In a discussion Oct. 19, Lyndon LaRouche reiterated his view that, given the near-dead condition of the world financial system, "there is no other issue on the table, that means anything in terms of the survival of this nation and the people in it, than Glass-Steagall. If it's not enacted, you are doomed, period." But, he added, "Glass-Steagall alone does not contain the remedy, in and of itself, to save this economy." Once Glass-Steagall is enacted, we must move forward to a credit system, along the lines of the Hamiltonian system embedded in our Constitution. "What I'm proposing is a return to the policy of the Founders of the United States."

Right now, he pointed out, there is a campaign by Wall Street to intimidate people into opposing the drive for Glass-Steagall, using the outright lie that enacting Glass-Steagall will close every bank in the United States. "This is a damned lie, and only damned fools believe it. Because Glass-Steagall will not sink all the banks. It will sink about six, big fat banks which ought not to be banks, at all! And the sooner they're wiped out, the better! That's good *for you!"*

At his May 8, 2010 webcast, LaRouche was asked, "Can the Federal Reserve unload all of this [$2.3 trillion in speculative debt], without crashing Wall Street again?" He replied: "Why not crash Wall Street? We don't need it! We never needed it."[1]

The following report was written on Sept. 10, 2010.

Wall Street! The name alone conjures up images of fabulous wealth and power. J.P. Morgan, Cornelius Vanderbilt, Warren Buffet: the giants, the "smart" and "clever" men who showed how vast fortunes could be amassed. This is what we all have been taught: Wall Street is the heart and soul of the American economy. "What's good for Wall Street is good for America."

Rubbish! The truth is that the financial shenanigans on "Wall Street" have absolutely nothing to do with the real U.S. economy, what we as a nation produce, or the functioning of a properly regulated national banking system. We don't need "Wall Street," and if we don't get rid of it now, we may not survive.

Americans are suffering from decades of brainwashing. Today, most people equate money with wealth. The idea of making money from speculative financial investments is taken for granted. Even patriotic Americans who are enraged at the Bush/Obama Wall Street bailouts, still fret that LaRouche's proposals for bankruptcy reorganization and a return to Glass-Steagall regulations might "hurt my investments." If you are one of those people, I have two things to say to you:

First, we are now facing a financial and monetary

1. See http://larouchepac.com/node/14420.

The model for all subsequent financial bubbles was the 1630s Dutch "tulip-mania," in which speculation in rare tulip bulbs drove prices up so high, that a single bulb might cost more than a mansion in Amsterdam. This painting (c. 1640) by Hendrik Gerritsz Pot, shows the Goddess of Flowers riding in a cart with three men who are drinking and weighing coins. Following the cart are weavers, who have thrown away their equipment; in the background, the cart is shown disappearing in the sea.

collapse which will probably wipe out all of your investments, no matter how "clever" you think you are; the loss of those investments will be the least of your problems as the world is driven into a dark age; and the only chance you have to save your pensions, or savings, or even your life is to adopt Mr. LaRouche's proposals, immediately.

Second, that we never should have gotten into this situation in the first place. The idea that the people of a nation should finance their livelihood and retirement through the use of speculative financial investments is insane. People didn't used to think that way. Your grandfather didn't think that way. Nor did his father before him.

I. A Dutch-Venetian Bulb Takes Root

Did you ever wonder how Wall Street got its name? Or how the dealings in financial securities began? Or what role Wall Street has played throughout the history of our Republic? "Wall Street" wasn't there from the beginning, you know. Nor were the brokerage firms, the "investment" houses, the hedge funds, or any of the rest of it. During the 17th Century, when the Winthrop/Mather leadership in Massachusetts carried out an economic revolution through the use of public credit, raising living standards, developing an iron industry, building infrastructure, and erecting the world's first system of universal public education—all of this was done without Wall Street.

Despite today's popular, but mistaken, views, the financial activities of Wall Street have absolutely nothing to do with the functioning of a proper economy. "Wall Street" is neither an American, nor even a so-called "capitalist" institution. It is something else entirely.

In the 17th Century, when European colonies were planted on the eastern seaboard of North America, the premier colonies, those that represented a philosophical seedling that grew into the United States of America, were located in Plymouth and Massachusetts Bay. Based on the concept of the Common Good, and organized around a philosophical view of man as a rational, creative creature, under the leadership of the Winthrop and Mather families, Massachusetts developed the political and economic institutions which became the basis for the American Republic. Most of the other colonies were also founded, to one degree or another, by individuals seeking political or religious liberty. But not New York! From the beginning it was an outpost of empire.

Present-day New York City was founded in 1626 as New Amsterdam, a commercial colony of the Dutch West India Company. All of the Dutch colonies, in the Americas, Africa, and Asia, were strictly commercial colonies, tightly controlled by the two imperial Dutch maritime firms, the Dutch East India Company and the Dutch West India Company. The colonies were deployed to extract loot (raw materials, spices, furs, etc.) from the colonial territories. Emigration from The Netherlands to the colonies was generally discouraged, and manual labor was done almost exclusively by slaves.

The Dutch West India Company was headquartered in Amsterdam, in The Netherlands. Beginning in the early 17th Century, Amsterdam became the commrecial and financial center and new power-base of the maritime/financial empire of Venice. Beginning with the founding of the Dutch East India Company in 1601, the creation of the Amsterdam Bourse (stock exchange) in 1608, and then the takeover of the African slave trade in the 1620s, Amsterdam became the capital of a global empire. Later, after the Dutch conquest of Britain in 1688, the operations of the empire were gradually shifted to London.

In 1644, the Governor of New Amsterdam built a stockade (wall) at what was then the northern boundary of the colony, running from the Hudson to the East River. Later the wall was torn down, but the street that ran alongside remained, hence "Wall Street." This map by Johannes Vingboons (1665-70) shows what is now Lower Manhattan, with the "wall" running along the right-hand side.

Not only was Amsterdam the seat of a maritime empire. It was in Amsterdam, and later in London, that the modern concept of monetarism was born, based on the empiricist theories of the Venetian Paolo Sarpi. Sarpi's prescriptions, which denied human creativity its role in producing tangible physical wealth, defined all economic processes in strictly statistical monetary terms. Money took on a separate existence, independent of, and even superior to, the role of government. Amsterdam became the center for these monetarist practices, the laboratory for the creation of the Amsterdam Bourse, futures contracts, options trading, and practices nearly identical to modern-day derivatives trading. For example, the famous "tulip mania": When speculation on tulip bulbs reached its peak in 1637, bulbs sold for more than ten times the annual income of a skilled craftsman. What would later emerge as "Wall Street" has its origins in these Amsterdam and post-1688 London financial practices.

Modern economists and academics argue that these Amsterdam-London developments heralded the dawn of modern "capitalism." Their arguments are echoed by those today who state that a continuation of speculative derivatives trading is also necessary. Balderdash! The speculative financial practices developed in Amsterdam and London, and later imposed by the British Empire on Wall Street, are monetarist practices of Empire, and are totally unnecessary for the functioning of a modern physical economy. As Alexander Hamilton proved in his Reports to Congress; as Abraham Lincoln reaffirmed with his greenback and related policies; and as Franklin Roosevelt revived in his New Deal: The American System of sovereign public credit is the most powerful engine for physical economic and scientific advancement ever devised by the human species.

II. Built on Slavery: How Wall Street Got Its Name

The Dutch Empire was built on slavery. By the 1630s, the Dutch had taken over all of the Spanish and Portuguese slave fortresses in western Africa, and had been awarded the *Asiento*, by the Spanish Crown, establishing a monopoly on the importation of slaves into the Western Hemisphere. The main Dutch colonies, in Africa and Asia, were run entirely on slave labor. In Batavia (Jakarta, Indonesia) 52% of the population were slaves. In Cape Town, South Africa it was 42%, and in Colombo (Sri Lanka) and Makassar (Indonesia) it was 53% and 66%, respectively. A not-uncommon practice was to exterminate the uncooperative indigenous population and then bring in slaves to work the Dutch plantations.

The Dutch West India Company brought the first African slaves into New Amsterdam in 1626, during the colony's first year of existence. Under Dutch Rule, the total population of Manhattan was about 25% African slaves. Slavery quickly became—and remained—a cornerstone of the New Amsterdam, and later New York, economy well into the 19th Century. New York

Harbor became the primary destination in North America for the Dutch slaves ships operating out of their giant slave center on the Caribbean island of Curaçao.

As for "Wall Street," in 1644, the Governor of New Amsterdam, Peter Stuyvesant, fearing a possible English attack from the north, decided to build a stockade (wall) at what was then northern boundary of the colony, running from the Hudson River to the East River. The stockade was built, with a street running parallel to it. Later the wall was torn down, but the street remained. Both the stockade and the street were built by slaves, imported from Africa by the Dutch West India Company. The name stuck, and today we have Wall Street. It would be more fitting to call it Slave Street, or perhaps Empire Street.

The British seized New Amsterdam in 1664, renaming it New York, and establishing it as the hub of the international slave-trade. The Manhattan slave auction house became the largest in the colonies, north of Virginia. Shown: the New York slave market, ca. 1730.

The British seized New Amsterdam in 1664, renaming it New York after the Duke of York, the brother of the English King Charles II, and the future King James II. James was also a senior director of the British Royal African Company, the leading British mercantile firm active in the African slave trade. Under British rule, slavery was massively expanded in New York, and the nature of the slave business changed. The Dutch primarily imported slaves to carry out manual labor in the colony.

The British made New York the hub of the slave-trading business. A law of 1665 confirmed Dutch slave titles, recognized slavery as a legal institution, and gave port and warehouse privileges to ships carrying slaves. The Duke of York's representatives in New York—governors, councilors, and customs officials—were instructed to promote the importation of slaves by every possible means. New York Harbor became the primary colonial destination point for slaves shipped from the barbaric "seasoning houses" of Jamaica and the other British Caribbean possessions, and the Manhattan slave auction house became the largest in the colonies north of Virginia.

During the 18th Century, the British Empire became the greatest slave-running enterprise in the history of the human race, seizing total control of the African slave trade, and exporting more than 110,000 slaves in 1768 alone.

This Manhattan slave auction house, established in 1709, and known as the Old Slave Market (later the Meal Market), was located at the end of Wall Street, at the East River. New York City newspapers carried advertisements offering men, women, and children for sale at the auction house. After 1720, the market also became the center for transactions in other "commodities," such as corn and grain, and it continued as the primary commodity and financial market of the colony until it was torn down in 1762.

There were other slave auction sites as well, including the Fly-Market, Proctor's Venue House, Fraunces Tavern, and the Merchant's Coffee House, the latter being the location in the 1790s of treasonous financial speculation against the currency of the new American government.

By mid-century, Wall Street was famous for two things: the large number of slave-trading establishments, and the site of the mansion of the slave-runner and pirate, Capt. William Kidd. Kidd's mansion, built for him by the Livingston family, was located at 56 Wall Street.

Slave auctions continued until the 1790s, and many of the individuals involved in the slave business at these locations would move into financial speculation, during and after the Revolutionary War. The slave traffic was such that, between 1732 and 1754, slaves accounted for more than 40% of all the immigrants into New York Harbor, not counting illegally smuggled slaves. By 1703, 42% of all New York households held slaves. Only one city in all of the colonies, Charleston, South Carolina, had a higher rate of slave ownership. This slave traffic affected the entire region. By 1756, slaves made up about 25% of the populations of Kings, Queens, Richmond, New York, and Westchester counties.

Not surprisingly, New York State was the last northern state to abolish slavery. Vermont, Massachusetts, Pennsylvania, and New Hampshire had all abolished slavery before the end of the Revolutionary War. New Jersey and Rhode Island came a little later. New York did not free its slaves until 1827. In 1777, at the first New York State Constitutional Convention, Gouverneur Morris called for the total abolition of slavery. Later, John Jay and Alexander Hamilton founded the New York Manumission Society to fight for abolition. In 1799, they succeeded in getting the state legislature to pass a law for gradual abolition, but after Hamilton's murder in 1804 by Wall Street asset Aaron Burr, delaying tactics kept slavery intact in the state for another 23 years.

The British seized New Amsterdam in 1664, renaming it New York, and establishing it as the hub of the international slave-trade. The Manhattan slave auction house became the largest in the colonies, north of Virginia. Shown: the New York slave market, ca. 1730.

III. Wall Street Treason: The Revolution and Its Aftermath

After George Washington's army was driven out of New York in 1776, British troops occupied the city for the remainder of the war, not leaving until Nov. 25, 1783. The ease with which the British maintained their occupation of New York was aided by the large number of loyalists (Tories) living in the city. In fact, when the British evacuated in 1783, they took 29,000 loyalist refugees with them, more than 40% of the population of the greater New York metropolitan area.

As American patriots fought for freedom from the British Empire, the British launched a massive financial attack against the currency and credit of the Revolutionary government. Between 1777 and 1791, British leaders unleashed a speculative frenzy in the London markets, to drive down the value of the Revolutionary currency, the Continental, and to destroy the credit of the American government among the nations of Continental Europe.

In New York, in addition to printing huge amounts of counterfeit Continentals to depreciate their value, the British occupation authorities oversaw the creation of a market in financial securities to carry out this London-directed financial sabotage, this time on American soil. Meeting in several locations along Wall Street, Tory financiers conducted sustained speculative attacks against the currency and war debt that had been issued by the Continental Congress, with the intention of bankrupting the Revolutionary government. This speculation continued after the war, exacerbating the economic crises of the new nation, from 1783 to 1789.

The gathering places for the speculators included Corre's Hotel and the Merchants Coffee House, the old-slave trading center, located at the corner of Wall and Water Streets. In 1792, a group of 24 speculators met at Corre's Hotel (what is today 68 Wall Street) and signed a contract, the Buttonwood Agreement, to establish a centralized financial exchange; they adopted a new headquarters for their activity, the Tontine Coffee House, also located at the corner of Wall and Water Streets, and newly constructed to function as a centralized financial market.

Later, in 1817, the Tontine speculators adopted a new constitution and renamed their organization the New York Stock and Exchange Board.

Many of these early speculators, such as John Sutton, Leonard Bleecker, and Andrew Barclay, bear names which still today disgrace the landscape of lower Manhattan. In 1791 and 1792, a group of these traitors, led by William Duer, the opium trafficker John Pintard, Alexander Macomb (one of richest men in New York City), and Walter Livingston, carried out two simultaneous speculative attacks against the institutions of the new nation. The first of these involved the creation of a speculative bubble intended to destroy the Bank of New York, which had been created in 1784 by Alexander Hamilton, and the second was a speculative attack against the shares of the new national Bank of the United States.

These attacks, which led to a full blown market crash and panic in 1792, included, for the first time on American soil, imperial financial practices imported from Amsterdam and London, including "puts," "calls," short selling, and leveraged buying. Both Macomb and Livingston would later become intimate associates of the traitor Aaron Burr.

William Duer, the leader of this pack, was the son of a West Indies slave plantation owner, who had served with the British Army in India. Nominally a supporter of the American Revolution, he spent the war making a fortune buying and selling war supplies, and speculating on land and war debt. In 1789, he managed to get himself appointed Assistant Secretary of the Treasury, under Secretary Hamilton, but he clashed with Hamilton and resigned in 1791 to focus entirely on his private financial activity.

As Duer's 1792 financial attacks against the nation's credit intensified, Hamilton publicly responded, denouncing Duer's activities as "not consistent with the Public Good," and stating, "Tis time there should be a line of separation between Honest men and Knaves, between respectable stockholders and mere unprincipled Gamblers." Duer, Livingston, and Macomb eventually went bust, with Duer spending the rest of his life in debtor's prison.

Despite lying attempts by many Wall Street Tories to claim Alexander Hamilton as "one of their own," the truth is that it was the 1804 murder of Hamilton by Burr, which cleared the way for the emergence of a London-directed Wall Street, as a subversive power within the United States throughout the 19th Century. The sovereign national banking system created by Hamilton was designed to ensure a regulated system whereby public credit would be deployed for the public good.

Paradigmatic of Hamilton's intent was his use of the National Bank to finance the project of the Society for Establishing Useful Manufactures, to create the nation's first major industrial center in Passaic, New Jersey. This was a pioneer project, to serve as the model for how credit could be used to finance the industrial and scientific development of the nation. Hamilton envisioned a system of national and state chartered banks which would take in deposits of sovereign Federal debt and securities, and use those deposits as security for issuing a flow of credit into the productive economy.

The real patron saint of Wall Street has always been Aaron Burr, who counted among his closest friends and supporters many of the same speculators at the Merchants and Tontine Coffee Houses who were active in the treasonous attacks against the American currency. Burr would also create the Bank of Manhattan in 1799, in an attempt to destroy the national banking policies of Hamilton. Burr's New York operations were paralleled by the creation of private banks by Alexander Brown in Baltimore (1800), and the opium trafficker Stephen Girard in Philadelphia (1811). These banks, and others that followed, were modeled on the British Empire system of private "merchant banks." Brown's bank, generally considered the first investment bank in U.S. history, opened a Wall Street branch in 1820, which later evolved into the infamous Brown Brothers Harriman. Later, when British agent President Martin Van Buren signed the Free Banking Act of 1838 into law, the sovereign banking institutions of the United States were almost totally destroyed.

IV. Wall Street-Boston-Chicago

Following the 1815 Treaty of Paris which ended the Napoleonic Wars, the City of London established a global dominance in monetary and financial affairs unlike anything previously known in human history. The imposition of the British Gold Standard in 1821, the post-1815 ascendency of the House of Rothschild, and the creation of the British Opium Trade as the world's biggest business, taken together, established a top-down British imperial financial dominance, which lasted throughout the century—the sole exception being the U.S. Presidency of Abraham Lincoln, and the following period of industrialization, until 1873.

Huge amounts of British money flowed into the United States, and that money was used to create two new nests of traitors as partners for Wall Street: the drug runners of Boston, and the speculators of Chicago. This British financial invasion exploded in the 1820s with the operations of Barings Bank, and then ratcheted up again in the 1830s, when the Rothschilds opened offices in New York, Philadelphia, and Baltimore.

In 1835, N.M. Rothschild & Sons was named the official European agent for the U.S. government by

President Andrew Jackson. By the 1840s, there was a total domination of U.S. financial markets by London institutions (similar to the Dutch financial takeover of London after 1688). By the time of the American Civil War, all of the networks of treason on Wall Street, in Boston, and in Chicago were controlled by strings leading back to London.

Beginning in the 1790s, the British began shifting from trade in slaves to dope. The largest concentration of the drug-running outfits was in Boston; they were known as the "Boston Concern"—the ancestors of what is known today as the "Vault." Shown: opium clipper ships.

Boston

Beginning in the 1790s, the British Empire, which, in the 18th Century, had controlled the largest slave-trading operation in human history, began shifting its business from slaves into narcotics. From 1800, until the end of the American Civil War, opium became the largest single commodity traded worldwide, and this trade was entirely controlled from London, and conducted through the British East India Company.

Beginning in the 1790s, a group of Americans entered the trade as junior partners to the British, operating under the protection of, and sometimes in partnership with, the British Levant Company and the British East India Company. These Americans included Stephen Girard, George Blight, John Latimer, and James Benjamin Wilcocks in Philadelphia; John Jacob Astor and Thomas Smith in New York; and a network grouped around Alexander Brown in Baltimore. But the largest concentration of these drug runners was in New England; these included James and Thomas Perkins, John Cushing, John Peabody, William Gray, Philip Ammadon, and the extended families of Cabot, Sturgis, Russell, Higginson, and Forbes. These Boston drug traffickers were known as the "Boston Concern," and they are the lineal ancestors of what is known today as the "Boston Vault."

Anglophile to their core, the New England drug-runners made two attempts to destroy the United States. The first was an 1804 conspiracy to elect Aaron Burr to the Governorship of New York, and then have New York and New England secede from the Union. This was foiled by Hamilton, who helped secure Burr's defeat in the New York election, leading to the murder of Hamilton by Burr later that same year. The second was the convening of the Hartford Convention in 1814—while the United States and the British Empire were at war—to organize for New England secession and entrance into an economic and military alliance with the British.

These drug-running traitors became agents for the upper echelons of the British Empire. From the beginning, their operations were financed by Barings Bank of London. By no later than 1820, the premier British dope bank Jardine-Matheson & Company underwrote most of the American opium operations.

The families of these Boston Brahmins, many of them "latecomers" to New England and enemies of the republican heritage of John Winthrop and Cotton Mather, developed huge fortunes and power, which they have continued to deploy to this day as the partners of their fellow traitors on Wall Street.

Chicago

It was in Chicago that the worst features of the Dutch/Venetian financial model were brought into the United States, and, again, those financial practices were used by the British Empire to wage war against the American System of Economics, as well as to wreak massive damage against the United States during the 1861-65 Civil War.

Jeremy Kemp

The worst features of the Dutch/Venetian financial model were incorporated in the Chicago Board of Trade (shown here in 1993), which opened in 1848. Within a few years, less than 3% of all futures contracts on the CBOT actually resulted in a commodity being delivered. The other 97% was pure speculation.

Options trading was invented at the Amsterdam Bourse in the early 17th Century, and was one of the main contributing factors that produced the tulip-mania crash.

It is worth stating again: This is monetarism. These are not economic practices! They are practices of empire. The insiders, the powerbrokers may get rich, but this activity produces no tangible wealth whatsoever for the nation as a whole, and leads ultimately to precisely the kind of financial breakdown we find ourselves in today.

During the American Civil War, there were large-scale food shortages throughout the nation, and great difficulty in securing adequate food supplies for the Union troops. By 1861, the CBOT had a stranglehold on grain and other food contracts from the American Midwest, and between 1861 and 1864, the speculators drove basic food prices up more than 100%. This treason jeopardized supplies to the army in the field, and created an enormous financial burden on the Federal government. In addition, it resulted in food riots, social discontent, and anger against the Lincoln Administration in the months leading into the 1864 election.

During this period, most Midwestern grain and meat prices were closely tied to the price of gold, which in turn was manipulated by the "Gold Room" on Wall Street. In the background was the City of London, with the largest gold reserves in the world. Through their control of the global gold trade, these London masters were able to wreak havoc with the gold and commodity markets in the United States, at any time of their choosing.

After the Civil War, Wall Street interests created several of their own commodity exchanges, including the Produce Exchange and the Cotton Exchange, modeled on the CBOT. The Cotton Exchange brought in large amounts of post-war Southern money, as well as Southern speculators, many from New Orleans. A number of these Southerners then went on to found Wall Street investment banks, such as Lehman Brothers.

These actions of the CBOT, the New York commodity exchanges, and similar institutions continued unchecked until 1936, when Franklin Roosevelt signed

In 1848, the Chicago Board of Trade (CBOT) opened as the first centralized "futures market" in the United States. The argument in favor of futures is that they allow a merchant to sign a contract with a farmer to take delivery of a commodity (e.g., wheat or corn) at a fixed price at a future date. However, once the CBOT opened its doors, the number of these "real" contracts was quickly dwarfed by a secondary, speculative market, where contracts were bought and sold, over and over again, as speculative instruments, long before the delivery date. Within just a few years after its opening, less than 3% of all futures contracts on the CBOT actually resulted in a commodity being delivered. The other 97% was pure speculation. This trading became known as "wind wheat," because the contracts being bought and sold represented "nothing but air."

Parallel to the creation of a secondary speculative market in futures contracts was the emergence of options trading. Although officially prohibited by the CBOT, options trading flourished, with many of the options trading rooms ("bucket shops") staffed by CBOT members. This was pure financial gambling, where speculators could wager on prices of contracts, without actually owning anything, neither the futures contract nor the commodity. In Chicago, this trading in fictitious options became known as "privileged trading."

into law the Commodity Exchange Act. That Act, designed in particular to secure adequate food supplies for the American people, imposed strict Federal regulation on all futures trading, and outlawed all options trading, a ban which was not officially revoked until 1981.

V. Abraham Lincoln

By the start of the Civil War, American financial institutions, including stock markets, exchanges, and banks, were under almost the complete control of the British Empire. British banks held more than $250 million in American financial securities outright, including state and Federal debt, bank stocks, and related stocks on the New York Stock Exchange, not to mention that the nominally American speculators and drug-runners who ran these institutions had been in the hip pocket of the British Empire for several generations.

Alexander Gardner

On 1861, as Union troops battled the Confederacy, the New York banks suspended gold payments to the U.S. government. In a meeting with President Lincoln, the bankers demanded control over the nation's finances. Lincoln threw them out, and established his famous Greenback policy, independent of the British gold standard. Lincoln is shown here at the site of the Battle of Antietam, 1862.

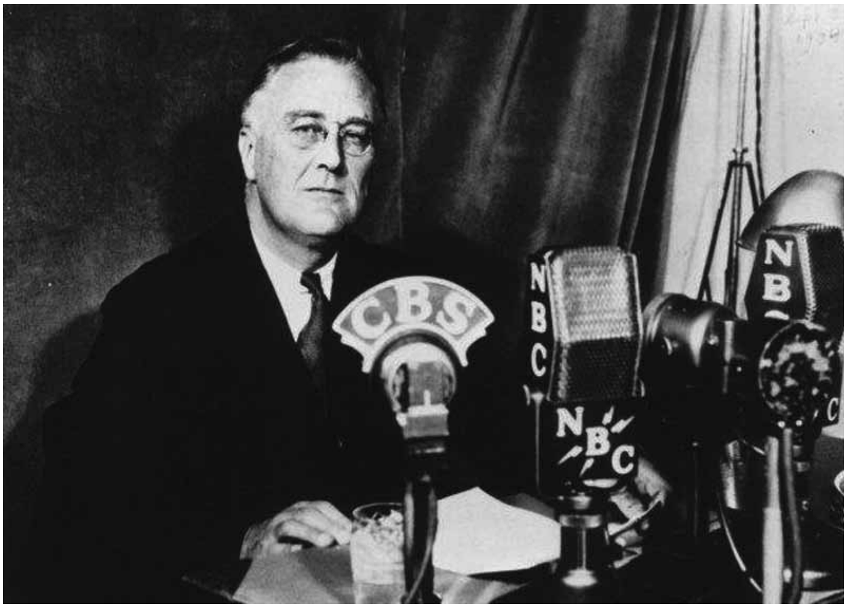
By 1861, well more than half of the money invested in Wall Street came either from Britain or from the cotton planters of the Southern states. When Lincoln issued the call for volunteers to fight the Southern Rebellion, the Mayor of New York, Fernando Wood, submitted a proposal to the New York City Council calling for the city to secede from the Union and declare itself a free city, so that it might continue its profitable cotton trade with the Confederacy.

On Dec. 28, 1861, as Union troops battled the Confederacy, the New York Associated Banks suspended specie (gold) payment to the U.S. government. They reneged on gold payments already owed to the Federal government, and even suspended gold payment to their depositors. In a meeting with President Lincoln in Washington, the bankers stated they would only resume gold payments for government bonds if Lincoln agreed to a bankers' (i.e., London) dictatorship over the nation's finances. Unlike Barack Obama's sniveling subservience to Wall Street, Lincoln responded by throwing the bankers out, and proceeded to establish a national system of federally regulated, chartered banks independent of Wall Street control, erecting the highest protective tariffs in U.S. history to promote industry, and enacting a law to utter hundreds of millions of dollars of Federal currency (Greenbacks) independent of the British gold standard.

Within days of these actions, Wall Street traitors began massive speculation in gold, for the purpose of destroying the new Federal currency and bankrupting the Federal government. In January of 1862, the New York Gold Room was established at the New York Stock Exchange to conduct this assault. When newspapers began leveling charges of treason against these operations, they were moved out of the Stock Exchange, but continued unabated at Gilpins News Room, located at the corner of William Street and Exchange Place. It was still referred to as the Gold Room.

Throughout the North, pro-Union newspapers denounced these New York speculators as "General Lee's left wing in Wall Street," and Lincoln himself said, "What do you think of those fellows on Wall Street who are gambling in gold at such a time as this? For my part I wish that every one of them had his devilish head shot off."

In 1864, the Lincoln Administration shut down the New York Gold Room by making transactions in gold futures illegal. But the traffic went underground, and reappeared after the assassination of President Lincoln, when a new Gold Exchange was opened by J.P. Morgan,



President Franklin Roosevelt, in 1933, broke with the British gold standard, passed the Glass-Steagall Act and other programs that were intended to defend U.S. economic sovereignty, and to eliminate the London/Wall Street speculative financial practices in the U.S.

Horace Clark, and Levi Morton. From 1865 until 1910, the biggest futures market in the United States was the New York market in gold futures, as the British, utilizing their domination of the international gold markets, relentlessly continued their efforts to undermine the post-1865 industrial and scientific revolution created by the nationalist economic policies of the Lincoln Administration.

VI. Franklin Delano Roosevelt

If one looks at the sweep of President Franklin Roosevelt's actions between 1933 and 1945, particularly those actions at the very beginning and the very end of his Presidency, his intention, his purpose, for those actions is very clear: at the beginning, to reassert America's sovereignty over its own economic affairs and crush the Tory faction within the United States; and at the end, to use the post-war power and influence of the United States to eliminate the worldwide political, economic, and financial institutions of empire, and to secure global hegemony for the principles of the American Revolution.[2]

On the first point: Roosevelt's action in 1933 to break with the British gold standard, along with the subsequent passage of the Glass-Steagall Act, the establishment of the Securities and Exchange Commission, the FDIC, and the Commodities and Exchange Administration were all aimed at defending U.S. economic sovereignty and eliminating the speculative financial practices of empire inside of the United States.

On the second point: Roosevelt's war-time clashes with Winston Churchill, his anti-colonial post-war perspective, his original vision for the United Nations, and his intended role for the Bretton Woods Monetary System as a vehicle to dismantle the global financial rule of London all demonstrate the clarity which Roosevelt had about the historical mission of the American Republic.

Roosevelt—frequently and publicly—identified the Wall Street enemies of his Administration as "Tories" and "Economic Royalists." Those are scientifically precise terms, not wild epithets. Roosevelt knew in 1933 that the work of the American Revolution was not finished. Since his death, and particularly since 1971, "Wall Street" has done everything in its power to overturn Roosevelt's policies.

We end with a statement from Franklin Roosevelt, delivered to the Democratic National Convention, at Chicago, on July 2, 1932:

"Out of every crisis, every tribulation, every disaster, mankind rises with some share of greater knowledge, of higher decency, of purer purpose. Today we shall have come through a period of loose thinking, descending morals, an era of selfishness, among individual men and women and among Nations. Blame not Governments alone for this. Blame ourselves in equal share. Let us be frank in acknowledgment of the truth that many amongst us have made obeisance to Mammon, that the profits of speculation, the easy road without toil, have lured us from the old barricades. To return to higher standards we must abandon the false prophets and seek new leaders of our own choosing."

2. See the LPAC video "1932," at http://www.larouchepac.com/1932.