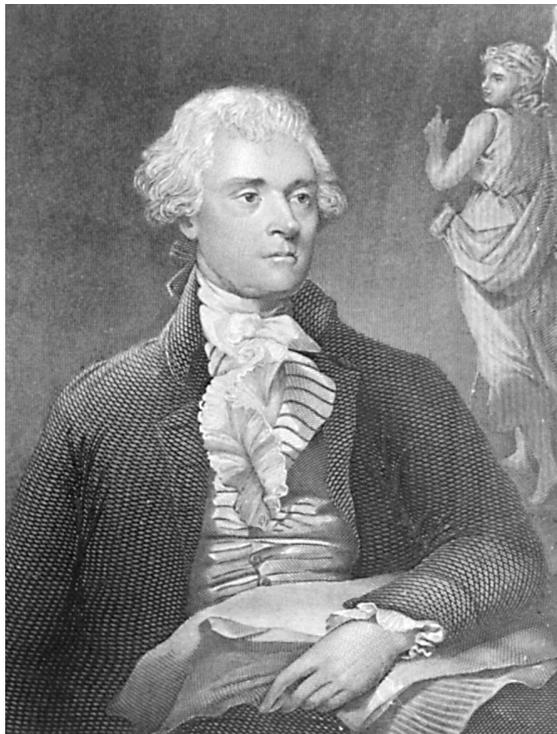




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# The Confederate Legacy of Thomas Jefferson

by Richard Freeman



Prints and Photographs Division, Library of Congress

Among America's founding fathers, there is no one who better embodies the matrix of axiomatic viewpoints which allowed for the British-intelligence orchestration of the Confederacy and secession, than Thomas Jefferson, third President of the United States (1801-09).

Included amongst these viewpoints may be found:

- anti-industrialism and denunciation of manufacturing and city-building as “corrupting”;
- belief in pastoral agrarianism, i.e., “rural idiocy”;
- rabid Jacobin populism, leading to an attempt to gut the Constitution's dirigistic General Welfare clause, in so-called defense of the bigoted “little people”;
- adherence to the British free-trade doctrines of Adam Smith, and hence slavish adoption of the budget-balancing dogmas of

Anglo-Swiss financier-agent Albert Gallatin;

- support of the institution of slavery as inseparable from the Southern way of life (despite deploring individual instances of maltreatment);
- racial eugenicist ideas about Black people.

All of these viewpoints derive, hereditarily, from Jefferson's

- hatred of Plato and "deep thoughts," and enthusiasm for the Enlightenment empiricists Francis Bacon, John Locke, and Isaac Newton.

There is, of course, another side to Jefferson, which immediately springs to mind. After all, Jefferson certainly drafted the lofty Declaration of Independence in 1776, although admittedly under the direction of a committee headed by the towering genius of Benjamin Franklin. He was classically educated, schooled at one point by George Wythe, the leading American Platonist, and as President and after, he fostered education, writing as early as 1779 for an educational system to be constructed, such that "geniuses. . . [would be] raked from the rubbish," meaning, that the children of the poor were to be educated. As President, he supported certain internal improvements in roads and waterways, and pursued the 1803 Louisiana Purchase, which effectively secured the continent for the republic's expansion. And, in 1807, he helped bring to trial for treason, his former Republican Party collaborator and Vice President, Aaron Burr.

Nevertheless, despite his undeniable service to the nation, his axiomatics overruled him, and ultimately caused him, at various points throughout his life, to cause serious harm to the development of the United States, even endangering its continued existence.

Jefferson's ideals were defined by his "gentlemanly" life as a member of the plantation class in Virginia. Here flourished the ideals of bucolic enforced underdevelopment, and of "democratic equality"—provided one knew one's place. Although Jefferson was, to an extent, elevated and constrained by the responsibilities of office while serving as President from 1801 to 1809,—for example, as when he defended the United States against the Tory "Essex Junto" secessionists of New England<sup>1</sup>,—when he returned to private life, he reverted to these parochialist views, often referring to Virginia as "my country," and to Americans from other states as "foreigners." In retirement, he stubbornly refused to grow in real knowledge,

*Facing top: Monticello, the home of Thomas Jefferson, near Charlottesville, Virginia. (Nineteenth-century painting)*

*Facing: Jefferson as a young man.*

## What Was The Confederacy?

The Confederacy was the culmination of a string of British-intelligence operations, from the middle 1790's onward, intended to fracture and overthrow the American republic. These included the Whiskey Rebellion, the Aaron Burr conspiracy, and the "Essex Junto." These British-directed movements, whether from the "left" or the "right," were all aimed against the American nationalist tradition founded by Benjamin Franklin, and continued by Alexander Hamilton, Henry Clay, John Quincy Adams, and Abraham Lincoln.

In New England, for example, a group of Tory sympathizers known as the "Essex Junto," primarily from Boston Brahmin families, took over almost the entirety of the Federalist Party, causing John Quincy Adams to write of "the design of certain leaders of the Federal Party to effect a dissolution of the Union, and the establishment of a Northern Confederacy. This design had been formed in the winter of 1803-04 . . . to the length of fixing upon a military leader for its execution." Later, this Essex Junto aided and abetted the British attempt to reconquer America in the War of 1812.

In the case of the southern Confederacy, the British used controlled networks, such as the Knights of the Golden Circle, and in the beginning, outright traitors like Aaron Burr and Albert Gallatin, in addition to the New England Tories, to orchestrate the dissolution of the Union. Their plan was to balkanize America into several warring micro-states, and establish a Spartan feudal economy, based on agrarianism and slave-labor.

In drafting its constitution in 1861, the Confederate States of America had an opportunity to provide counter-arguments to the Leibnizian principles embedded in the U.S. Constitution. It therefore (1) eliminated the General Welfare clause; (2) prohibited Federally-funded internal improvements; (3) prohibited protective tariffs, in favor of British "free trade"; and (4) propounded the institution of Black chattel slavery. All these arguments would have been agreeable to Thomas Jefferson, and they continue to this day to inspire America's populist movements.

It is not astonishing, therefore, that in 1992 the head of the Conservative Revolution's fascist Ludwig von Mises Institute, Lewellyn Rockwell, wrote an opinion column in the *Richmond Times-Dispatch* outrageously entitled, "Bring the U.S. Constitution Up To Confederate Standards." The nostalgia for the "Lost Cause" of ignorance, slavery, and serfdom, has a very British pedigree, indeed.

or change his views, living in self-imposed isolation on his Monticello plantation, surrounded by aristocrats, slave-holding friends, and a pro-Confederate clique.\*

From the late 1810's onward, his populist hostility to the Federal government was mixed with increasing personal bitterness, as he deplored the efforts of the government, aided by the Supreme Court, to chart a nationalist course through the development of infrastructure and the chartering of manufacturing corporations.

Although Jefferson was not a traitor or outright witting British agent like Aaron Burr or Albert Gallatin, he was still close enough to Gallatin, Burr, and his friend Thomas Cooper, the intellectual author of the 1832 Nullification Act which helped launch the Confederacy,† to be a very malleable, and sometimes agreeing, asset. Moreover, Jefferson's political alliances and deeds, particularly after 1809, were indispensable to the formation of the Confederacy. That Jefferson had benefitted from a good upbringing and classical educational advantages, simply made the outcome of his life that much more poignantly tragic.

Jefferson's connection to the Confederacy is not a moot point, because the "Jeffersonian" outlook is today hegemonic amongst every stripe of populist political force in the United States. It is touted by the "Jefferson-Jackson" grouping within the Democratic Party, and the "Conservative Revolution" republicans, such as Newt Gingrich and Phil Gramm, use the same ideology to sell their fascist ideas. It is indisputably the ideological underpinning of the Ross Perot, Rush Limbaugh, and various other enraged, British-steered "protest" movements. Listen to the Southern Partisan crowd, who long nostalgically for

the revival of the Confederacy—in their jargon, the defeated "Lost Cause"—, or the fascist Mont Pelerin-Von Hayek movement, which treats Jefferson as a saint, and quotes him as the foundation for their views.

If we ask why the American population is so susceptible to manipulation by these British-directed political operations, the answer is: Because, for a good part of their waking life, most Americans today think precisely in the same terms as Thomas Jefferson did, and they have mistakenly identified and enshrined these views as the ideals of American freedom and individualism. Hence, it is not surprising that, in the 1996 election, the core Gingrich-shaped Republican vote came from the South and the West, where American populist ideology is strongest (and where, if not blocked, an attempt will surely be made to resurrect a real, live Confederate movement to be imposed on the country nationally).

Let us begin, then, by examining the hereditary underpinnings of Jefferson's espousal of the purity and values of the bigoted "common man," in his philosophical attachment to the ideas of John Locke and the Venetian-spawned Enlightenment.

## 1. Platonism vs. Empiricism

Although Jefferson had the privilege of being taught by George Wythe, a leading American patriot and Platonist, it was the anti-Platonic Enlightenment which he embraced for his philosophical worldview. As biographer Dumas Malone reports, Jefferson held the British empiricists "Sir Isaac Newton and John Locke [along with] . . .

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\* A legion of the actual leaders of the Confederacy venerated Jefferson. Two of Jefferson's grandsons, whom he helped raise and educate at Monticello, Thomas Jefferson Randolph and George Wythe Randolph, became leaders of the Confederacy.

Thomas Jefferson Randolph managed the lands, properties, and affairs of Thomas Jefferson, for the last ten years of Jefferson's life. He later actively participated in the 1861 Montgomery, Alabama Secessionist Convention, as a delegate from Virginia. At the same time, ardent secessionist and slave-holder George Wythe Randolph, rose to become the third Secretary of War of the Confederate States of America, directing the slave-holders' military machine against the Union.

† Jefferson's life-long political and philosophical collaborator Thomas Cooper (1759-1839) was a British-intelligence agent and traitor, who is considered one of the intellectual fathers of the Confederacy. Born in Manchester, England, Cooper worked as a radical "leftist" during the French Revolution. He was an atheist, who shared with Jefferson the materialist belief in the denial of the soul, and a pro-slavery racist. On March 16, 1826, Cooper stated, "I do not say the blacks are a distinct species; but I have not the slightest doubt of their being an inferior variety of the human species; and not capable of the same improvements as whites."

When Jefferson was founding the University of Virginia, he selected Cooper to be a professor, to add "stature" to the University and help shape its curriculum. In 1820, angry Virginia religious leaders and scholars blocked that move. Jefferson lamented: "I know

no one who could have aided us so much in forming the future regulations for our infant institution."

In 1822, Cooper moved to South Carolina. He became the President of South Carolina College, and continued to exchange approving letters with Jefferson. In 1824, Cooper published a pamphlet, "Consolidation," which was a radical exposition of states' rights. He wrote that the powers of Congress are "specific, limited, enumerated"; they "do not emanate . . . from any abstract principle of what the public good may require; but from the deliberate concessions and absolute will of the sovereign and independent states." This pamphlet was circulated among Jefferson's "Richmond Junto."

Jefferson died in 1826, but Cooper continued in this vein. In 1828, the U.S. government passed a tariff to further develop the country's manufacturing. In the South, the faction which was pro-British and free-trade rose up against it, calling it the "Tariff of Abominations." Cooper attacked the tariff as a product of the American System of economics, which he called "a system of fraud, robbery, and usurpation." In response to this tariff, Cooper authored and organized for the 1832 South Carolina Nullification Act, the first defiant announcement of secession, which was the opening act in the launching of the Confederacy. [See Dumas Malone, *The Public Life of Thomas Cooper* (Columbia, S.C.: University of South Carolina Press, 1961), esp. pp. 244-45, 289, 294, 309; see also, Anton Chaitkin, *Treason in America: From Aaron Burr to Averell Harriman*, pps. 163-73, 173-78, 197-98 (footnote 1).]

Lord Bacon in his trinity of immortals.”<sup>2</sup> He considered Plato, the founder of the creative system of thought upon which Western Christian civilization developed, as “foggy” and unreadable. It is certainly true that some Americans, even of good will, got taken in by Locke, Bacon, and Newton; but, in the case of Jefferson, the attachment to the British empiricist school went deeper: it was the basis of his outlook.

The Platonic method holds that the creative process of discovery, of human hypothesis-formation, in which man creates higher-order conceptions of greater efficiency and power, is the source of all economic wealth and human development. This method created the Italian Renaissance and the 1439-40 Council of Florence, which, in turn, created the discovery and development of America. Through the dirigistic, Platonic-republican nation-state, the vision of future progress, expressed through ideas, determines and changes the present. As Lyndon LaRouche has written in “The Essential Role of ‘Time-Reversal’ in Mathematical Economics,”

*The lesson of the progress of science, in these Platonic terms of reference, is that the universe is, in effect, so pre-designed, that it is obliged to obey man’s will, whenever man’s will is expressed according to Reason; according to valid changes in hypothesis, from lower to higher hypotheses. The relevant action, by means of which the efficient principle of existence of the human species is defined, is the advancement of man’s operating hypothesis from a relatively lower hypothesis, to a relatively more valid, more powerfully efficient one.<sup>3</sup>*

The scientific revolution, produced by the valid higher hypotheses of individual sovereign minds, leads to the not-entropic development of the economy.

Jefferson rejected the core of this Platonist outlook. He rejected the Platonic concept of hypothesis, the effective “immaterial” ideas of the Christian Platonic tradition, including the idea of the soul. In the Enlightenment view, there is no such thing as hypothesis,— e.g., Newton’s famous “*hypothesis non fingo*”,— and indeed, there are no new ideas. There is no higher-order advancement from one hypothesis to another, only the cataloging of dead, logical-formal formulae, coupled to the obsessive belief that knowledge can be derived only from the senses—from what you can touch, feel, bite, or squeeze.

In an Aug. 26, 1820 letter to former President John Adams, Jefferson wrote that his system of thought rested strictly on materialism, in which true human thinking is outlawed, by being reduced to an epiphenomenon of the chemical interactions in the brain. Jefferson stated that his ideas proceeded from the materialist-empiricist premise

‘I feel, therefore I exist.’ I feel bodies which are not myself: [therefore] there are other existences . . . . When once we quit the basis of sensation, all is in the wind. To talk of

## Thomas Jefferson, Jacobin

When the French Revolution began in 1789, there was much pro-Revolution sentiment in America, by all leading layers, who held out the hope that a republic would be established. That hope was soon drowned in the British-orchestrated Jacobin bloodbath. But, Jefferson continued to support the revolution, long after its promise had been dashed. On Jan. 3, 1793, when the mobs’ murderous destruction left no doubt as to its fascist character, Jefferson wrote to his friend William Short, U.S. Ambassador to France:

The tone of your letters for some time have given me pain, on account of the extreme warmth with which they censured the proceedings of the Jacobins of France. I have considered that sect as the same with the Republican patriots, and the Feullants as the Monarchical patriots, well-known in the early part of the revolution, both having in object the establishment of a free constitution . . . . It was necessary to use the arm of the people, a machine not quite so blind as balls and bombs, but blind to a certain degree. A few of their cordial friends met at their hands the fate of enemies. But time and truth will rescue and embalm their memories, while their posterity will be enjoying that very liberty for which they would never have hesitated to offer up their lives. The liberty of the whole earth was depending on the issue of the contest, and was ever such a prize won with so little innocent blood? My own affections have been deeply wounded by some of the martyrs to this cause, but rather than it should have failed, I would have seen half the earth desolated.\*

During 1793, Jefferson ignominiously sponsored Jacobin France’s Ambassador to the United States, “Citizen Edmond Genet” to set up seditious Jacobin clubs—they were formally called “Democratic Clubs”—throughout the United States. This led leading American patriots to force the recall of Genet back to France. It is not an accident that Jacobin Jefferson supported the 1794 Whiskey Rebellion in Pennsylvania, an act of treason against the Federal government led by Jefferson’s later collaborator Albert Gallatin. The rebellion, which was built through the Jacobin “Democratic Clubs,” had to be put down by 13,000 militia men, under the military command of General George Washington, who was also, of course, President of the United States.

Jacobinism was a very active idea for Jefferson. In response to Shay’s Rebellion of 1786-87 in western Massachusetts, which was an uprising against the Federal government, Jefferson made the infamous comment: “I like a little rebellion now and then. . . . The tree of liberty must be refreshed from time to time with the blood of patriots and tyrants. It is its natural manure.” (Nov. 13, 1787, letter to William Smith)

\* *Writings*, pp. 1003-1006 (footnote 4).

*immaterial* existences is to talk of *nothings*. To say that the human soul, angels, god, are immaterial, is to say they are *nothings*, or that there is no god, no angels, no soul. . . . I believe I am supported in my creed of materialism by Locke. . . .<sup>4</sup> [Emphasis in original]

In a February 1789 letter to John Trumbull, Jefferson asked for drawings of Bacon, Newton, and Locke, so that he could construct a montage of them while he was serving as U.S. Ambassador in Paris. Jefferson said,

With respect to the busts and pictures I will put off till my return [to] America all of them except Bacon, Locke and Newton, whose pictures I will trouble you to have copied for me: and as I consider them as *the three greatest men that have ever lived, without any exception*, and as having laid the foundation of those superstructures which have been raised in the Physical and Moral sciences, I would wish to form them into a knot on the same canvas, that they may not be confounded at all with the herd of other great men.<sup>5</sup> [Emphasis added]

When, toward the end of his life, Jefferson drafted a recommended curriculum for the new University of Virginia which he had founded, it was the social contract ideas of John Locke which were to be taught first and foremost. The memorandum, dated March 4, 1825, asserts:

[T]he general principles of liberty and the rights of man, in nature and in society, the doctrines of Locke, in his “Essay concerning the true original extent and end of civil government,” and of Sidney in his “Discourses on government,” may be considered as those generally approved by our fellow citizens of this [Virginia], and the United States. . . .<sup>6</sup>

Compare this to Jefferson’s disparagement of Plato in a July 1814 letter written to former President John Adams:

I am just returned from one of my long absences, having been at my other home for five weeks past. Having more leisure there than here for reading, I amused myself with reading seriously Plato’s republic. I am wrong however in calling it amusement, for it was the heaviest task-work I ever went through. I had occasionally before taken up some of his other works, but scarcely ever had patience to go through a whole dialogue. While wading thro’ the whimsies, the puerilities, and unintelligible jargon of this work, I laid it down often to ask myself how it could have been that the world should have so long consented to give reputation to such nonsense as this? How the soi-disant Christian world indeed should have done it, is a piece of historical curiosity. But how could the Roman good sense do it? And particularly how could Cicero bestow such eulogies on Plato? Altho’ Cicero did not wield the dense logic of Demosthenes, yet he was able, learned, laborious, practiced in the business of the world, and honest. He could not be the dupe

of mere style, of which he was himself the master in the world. With the Moderns, I think, it is rather a matter of fashion and authority. Education is chiefly in the hands of persons who, from their profession, have an interest in the reputation and the dreams of Plato. They give the tone while at school, and few, in their after-years, have accession to revise their college opinions. But fashion and authority apart, bringing Plato to the test of reason, take from him his sophisms, futilities, and incomprehensibilities, and what remains? In truth, he is one of the race of genuine Sophists, who has escaped the oblivion of his brethren, first by the elegance of his diction, but chiefly by the adoption and incorporation of his whimsies into the body of artificial Christianity. His foggy mind, is forever presenting the semblances of objects which, half seen thro’ a mist, can be defined neither in form or dimension. Yet this which should have consigned him to early oblivion really procured him immortality of fame and reverence. The Christian priesthood, finding the doctrines of Christ levelled to every understanding, and too plain to need explanation, saw, in the mysticisms of Plato, materials with which they might build up an artificial system which might, from its indistinctness, admit everlasting controversy, give employment for their order, and introduce it to profit, power and pre-eminence. The doctrines which flowed from the lips of Jesus himself are within the comprehension of a child; but thousands of volumes have not yet explained the Platonisms engrafted on them: and for this obvious reason that nonsense can never be explained. Their purposes however are answered. Plato is canonized; and it is now deemed as impious to question his merits as those of an Apostle of Jesus. He is peculiarly appealed to as an advocate of the immortality of the soul and yet I will venture to say that were there no better arguments than his in proof of it, not a man in the world would believe it. It is fortunate for us that Platonic republicanism has not obtained the same favor as Platonic Christianity; or we should now have been all living men, women and children, pell mell together, like beasts of the field or forest.<sup>7</sup>

Jefferson’s Enlightenment empiricism formed the matrix of his axiomatic assumptions, around which clustered a latticework of corresponding prejudices and opinions.

## 2. ‘Leibnizian’ Technology

Jefferson was at complete odds with the concept that making technological improvements in capital goods would fundamentally transform and upgrade for the better, the system of agriculture. Jefferson never even remotely grasped the fundamental contribution to human thought of Gottfried Leibniz, which was the basis for the founding of America.

To summarize: The science of economics begins with the idea expressed in Genesis 1:26-30, that man, who is

created in the image of God by virtue of the power of creative reason, exercises dominion over the Earth through an ordered process of continuous scientific discovery. These scientific revolutions are embodied in the design of the machine-tool sector, and capital goods industry, which impress or stamp the technological correlates of this scientific revolution on the economy as a whole. Leibniz approached this from the development of the heat-powered machine, which his networks, through Denis Papin, helped create.

Jefferson's view was the opposite of this. In "Notes on the State of Virginia," in the section marked Query XIX, "The present state of manufactures, commerce, interior and exterior trade?," Jefferson wrote,

[S]uch is our attachment to agriculture, and such our preference for foreign manufactures, that be it wise or unwise, *our people will certainly return as soon as they can, to the raising raw materials, and exchanging them for finer manufactures than they are able to execute themselves.*

The economists of Europe have established it as a principle that every state should endeavor to manufacture for itself: and this principle, like many others, we transfer to America, without calculating the difference of circumstance which should often produce a difference of result. In Europe, the lands are either cultivated, or locked up against the cultivator. Manufacture must therefore be resorted to of necessity, not of choice, to support the surplus of their people. But we have an immensity of land courting the industry of the husbandman. It is best then that all our citizens should be employed in its improvement, or that one half should be called off from that to exercise manufactures and handicraft arts for the other? *Those who labor in the earth are the chosen people of God*, if ever he had a chosen people, whose breasts he has made his peculiar deposit for substantial and genuine virtue. It is the focus in which he keeps alive that sacred fire, which otherwise might escape from the face of the earth. Corruption of morals in the mass of cultivators is a phenomenon of which no age nor nation has furnished an example. It is the mark set on those, who not looking up to heaven, to their own soil and industry, as does the husbandman, for their subsistence, depend for it on the casualties and caprice of customers. Dependence begets subservience and venality, suffocates the germ of virtue, and prepares fit tools for the designs of ambition. This, the natural progress and consequence of the arts, has sometimes perhaps been retarded by accidental circumstances: but, generally speaking, *the proportion which the aggregate of the other classes of citizens bears in any state to its healthy parts, and is a good-enough barometer whereby to measure its degree of corruption. While we have land to labor then, let us never wish to see our citizens occupied at a workbench, or twirling a distaff. Carpenters, masons, smiths, are wanting in husbandry, but for the general operations of manufacture, let our workshops remain in Europe. It is better to carry provisions*

*and materials to workmen there, than bring them to the provisions and materials, and with them their manners and principles. The loss by transportation of commodities across the Atlantic will be made up in happiness and permanence of government. The mobs of great cities add just so much to the support of pure government, as sores do to the strength of the human body.*<sup>8</sup> [Emphasis added]

And in notes written in 1788:

[C]ircumstances rendering it impossible that America should become a manufacturing country during the time of any man now living, it would be a waste of attention to examine [mechanical arts and manufactures] minutely.<sup>9</sup>

Thus, although Jefferson experimented with different root stocks, and with finding what foods and plants were suited to the North American soil, he rejected *upgrading the fundamental mode of agriculture*, by applying the science of economics.

Jefferson's views led him into continuing conflict with Alexander Hamilton. Hamilton had grasped several of the key concepts of Leibniz's system, and expressed them in his 1790 "Report on a National Bank," and his 1791 "Report on the Subject of Manufactures." In that latter work, Hamilton stated that economics is derived from the "improvement in [the] productive powers [of labor], whether to be derived from an accession of Skill, or from the application of ingenious machinery." Hamilton spoke of the benefit to the total economy, of "artificial labor" or "labor-saving devices." In that same report, Hamilton wrote, "To cherish and stimulate activity of the human mind, by multiplying the objects of enterprise, is not among the least considerable of the expedients, by which the wealth of a nation may be promoted." Economics begins with creative discovery. The object of economics is to increase the density of singularities of scientific discovery, which improves "the artificial labor."<sup>10</sup>

The dispute between Jefferson and Hamilton is often mischaracterized, by being reduced to a debate over the relative merits of agricultural versus industrial development. But the issues originate at a deeper level. Jefferson's view of man, like that of the British empiricists whom he admired, is essentially that of a feudal aristocracy: men are dumb chattel, incapable of improvement. This is the underside of the Jeffersonian "people's democracy": bucolic underdevelopment, a "pure democracy" achieved by eliminating the principle of change. It is a view consistent with a society dependent upon slavery.

This criticism may seem harsh, but it is true. Under Jefferson's system, America would always be backward, always be dependent, and therefore, always be under British rule, including the method by which raw materials-producing countries are subjugated financially,

through loans, adverse terms of trade, etc.<sup>11</sup> Despite his substantial contribution to its founding, Jefferson never understood the purpose of America, nor the role it was to play in the future development of the world. He opposed, violently, with the fervor of a zealot, the Leibnizian concept of man and economics, which would prove to be the only path for America to become a Republic, the path of true industrialization.

### 3. The ‘General Welfare’

Jefferson was not opposed to all internal improvements as such, and even approved of some important infrastructure projects, which nationalist forces had been championing, during his second term of Presidency. But Jefferson opposed the concept of the use of the state for the public good, or General Welfare.

The General Welfare clause is located in the very concise and rich Preamble of the U.S. Constitution, which states that,

We the people of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.

This clause is the heart of the Constitution. It flows directly from the Declaration of Independence, and gives the state the responsibility to improve the physical condition of the citizen, through increasing his mastery over nature, and to educate and improve the mind of the citizenry; it thus recognizes the link between the nation-state and creative scientific discovery. The concept of the General Welfare enhanced the thrust for internal improvements; served to flesh out the positively defined role of the corporation to be chartered by the state and function for the public good; set the basis for the spread of public education, and, during the Twentieth century, for the Hill-Burton Act’s provision of competent health-care logistics for all Americans; etc.

Jefferson’s opposition was shown clearly when, for example, as Secretary of State, he wrote a memorandum to President George Washington on Feb. 15, 1791, on the subject of the Bank of the United States. In his opposition to the Bank, Jefferson took a view, which has since been called, by its backers, the “constructionist” or “states’ rights” view of the Constitution. His arguments shrank the General Welfare clause to mean only the collecting of revenues for payment of debt, while opposing the ability of the United States to control the formation of corporations, and hence, its economic activity. Jefferson wrote,

I consider the foundation of the constitution as laid on this ground, that, “all powers not delegated to the United States by the constitution, nor prohibited by it to the States, are reserved to the States, or to the people.” (Twelfth Amendment.) To take a single step beyond the boundaries thus specially drawn around the powers of Congress, is to take possession of a boundless field of power, no longer susceptible of any definition.

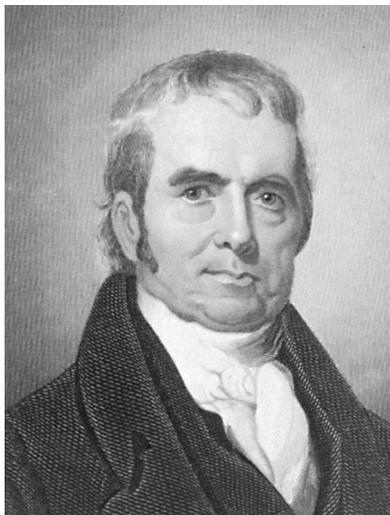
The incorporation of a bank, and other powers assumed by this bill, have not, in my opinion, been delegated to the United States by the constitution:

I. They are not among the powers especially enumerated; Nor are they within either of the general phrases, which are the two following:

1. “To lay taxes to provide for the general welfare of the United States”; that is to say, to lay taxes *for the purpose* of providing for the general welfare; for the laying of taxes is the *power*, and the general welfare the *purpose* for which the power is to be exercised. They are not to lay taxes *ad libitum*, for any purpose they please, but only to pay the debts, or provide for the welfare of the Union. In like manner, they are not to do any thing they please to provide for the general welfare, but only to lay taxes for that purpose. To consider the latter phrase, not as describing the purpose of the first, but as giving a distinct and independent power to do any act they please, which might be for the good of the Union, would render all the preceding and subsequent enumerations of power completely useless: it would reduce the whole instrument to a single phrase, that of instituting a Congress with power to do whatever would be for the good of the United States; . . .<sup>12</sup> [Emphasis in original]

Jefferson’s “states’ rights” posture is actually concomitant in large measure to his opposition to the General Welfare clause, that is, his opposition to the General Welfare clause and dirigism wasn’t based upon his support for states’ rights, but *vice versa*.

This becomes clear in Jefferson’s writing of the 1798 Kentucky Resolutions, in which he advocated that states had a proper remedy for infractions of the Constitutional compact, in the form of nullification. Many features of the Kentucky Resolutions became models for the later Confederate constitution, which dumped the General Welfare clause.<sup>13</sup> Jefferson continued to express this same viewpoint to the end of his life. In a December 1825 document (“Draft Declaration and Protest of the Commonwealth of Virginia, etc.”), written in response to the Federal government’s building of infrastructure in the Federal territories, Jefferson wrote that, “[The Federal government] claim, for example, and have commenced the exercise of a right to construct roads, open canals, and effect other internal improvements within the territories and jurisdictions exclusively belonging to the several States . . . .”<sup>14</sup> Jefferson threatened nullification of the Constitution, and dissolution, unless the Fed-

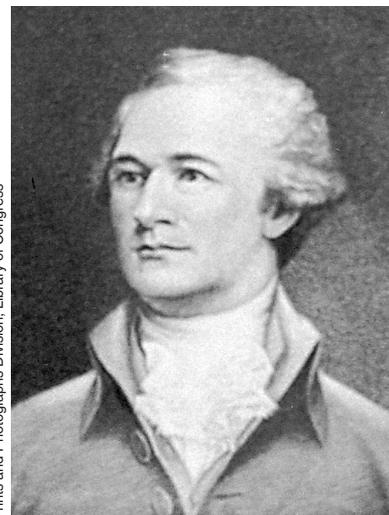


Chief Justice John Marshall

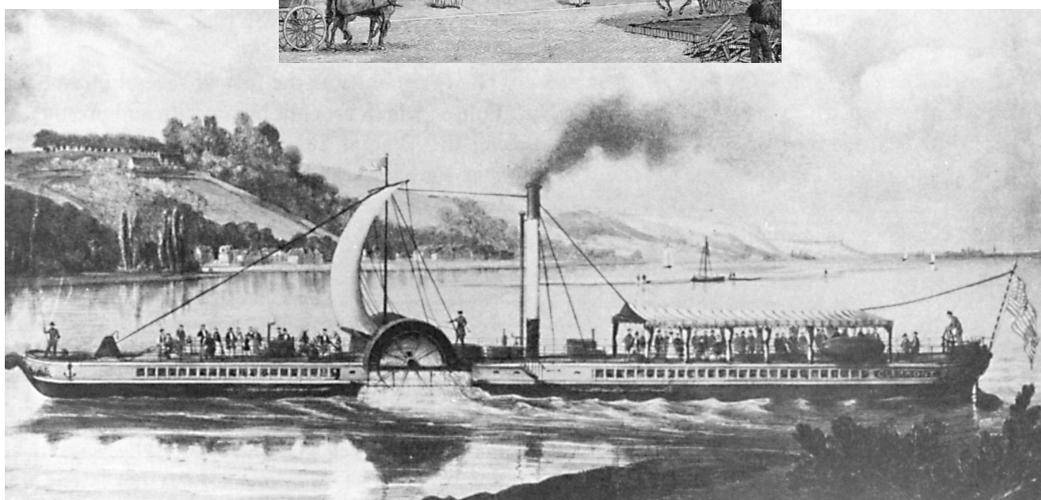
Led by Chief Justice Marshall, the Supreme Court pursued Hamilton's program of national economic development through decisions on the National Bank and utilization of technology. Below: Second National Bank, Robert Fulton's steamboat.



The Granger Collection



Alexander Hamilton



eral government backed away from its policy.

In the period of 1819 through 1824, the nationalist forces, representing the Leibnizian tradition in America, acted through the Supreme Court to render a series of rulings that strengthened and made explicit the powers implicit in the General Welfare clause. At the time, Chief Justice John Marshall indicated his heavy reliance on Alexander Hamilton's 1791 memorandum to President George Washington, on the question of the Bank of the United States, in which Hamilton rebutted Jefferson on these issues.

Jefferson and his Virginia political clique [SEE Box, p. 36] went into full mobilization against the 1819-1824 Supreme Court rulings. Their battle cry was against "consolidationism" (too much Federal power), accompanied, *pari passu*, by the claim that the United States was nothing more than a confederate compact of sovereign states. This faction contended that the Federal govern-

ment could not implement national economic policies that would be binding on the different states: To do so would be "tyranny."

Three of the crucial Supreme Court rulings were:

**McCulloch v. Maryland.** In 1816, the Congress passed legislation, signed by President Madison, that incorporated the Second National Bank of the United States. Like the First National Bank, when properly run, its purpose was to direct cheap, sovereignly-controlled credit to the development of American industry and agriculture, freeing America from control by London finance. In 1819, ruling in *McCulloch v. Maryland*, the Supreme Court upheld the right of Congress to incorporate the Second Bank. The basis for the decision, was the concept that certain natural and implied powers flowed from the Constitution's definition of America's national purpose to promote the General Welfare.

**Dartmouth College.** Dartmouth College had been chartered in New Hampshire in 1769 by the English Crown. A dispute arose at the college, and the New Hampshire legislature attempted to appoint a new board of trustees, contravening the terms of the college's original charter. In 1819, the Supreme Court ruled that the charter was binding, and that the state legislature's action was an improper invalidation of that contract. In his ruling, Chief Justice John Marshall wrote that, "A corporation . . . being a mere creature of law, it possesses only those properties which the charter of its creation confers upon it either expressly or as incidental to its very existence."

In making this ruling, as well as that of *McCulloch v. Maryland* and others, the Court not only affirmed its right to review decisions of the state courts as to their Constitutionality, but it specifically solidified and extended the institution and force possessed by corporations and con-

tracts—with the proviso, however, that corporate powers are not open-ended, but are derived only insofar as the government, which grants the charter, has conferred them. Beginning as early as the Sixteenth century, the role of the state to charter corporations for business and industrial purposes, and to charter patents for scientific inventions, had been a crucial ingredient in the development of Europe's economies. In these rulings, the Court's aim was to extend the corporate form into industry and finance, in a manner that allowed the government to impose criteria intended to boost industrial development.

**Gibbons v. Ogden.** In 1823, the Supreme Court delivered a ruling of far-ranging import. A five-year monopoly on the patent and use of Robert Fulton's steamboat had been secured from the New York State legislature in 1807, by Robert R. Livingston of the powerful New York Livingston family. The monopoly was extendable for

## Jefferson's Richmond Junto

**K**ey members of Jefferson's Virginia clique, which later came to be known as the "Richmond Junto," included:

**Thomas Ritchie (1778-1854).** Editor-owner of the *Richmond Enquirer*, a newspaper purchased in 1804 for the purpose of establishing a Republican-Democrat press in Richmond. Thomas Jefferson sponsored the project, by supplying Ritchie with Federal printing contracts, i.e., a steady flow of funds. By the late 1820's, Ritchie's paper was hailed as the "Democratic Bible." Later, Ritchie became a close supporter of New York banker and then President, Martin Van Buren, and in 1840, published another Richmond paper for Van Buren, called the *Crisis*. From 1845 to 1851, at the insistence of James K. Polk, Ritchie published a paper in Washington, D.C., called the *Union*; Ritchie supported Polk's annexation of Texas as a necessity for the South. During the Civil War, the *Richmond Enquirer* became a leading organ of the Confederacy.

**Spencer Roane (1762-1822).** A cousin of Thomas Ritchie, Roane had roomed in college with Benjamin Franklin's opponent, Richard Henry Lee, and was an admirer of ultra-democrat Patrick Henry, serving as his adviser when Henry was Governor of Virginia; Roane also married Henry's daughter, Anne. He was elected to the Virginia House of Delegates during the

1780's. Roane was an original confederate. In 1787, he preferred amending the Articles of Confederation, to adopting the proposed Constitution. In 1789, he became a judge of the Virginia General Court, a position he held for the remainder of his life.

Roane led an attack on the Supreme Court's rulings of 1819-24, writing articles in Thomas Ritchie's *Enquirer* under the pseudonyms of "Hampden" and "Amphictyon." Even the pro-British *Dictionary of American Biography* had to go to the lengths of denying the charges against Roane, which are that he was "a disunionist and a father of secession," so well known was Roane for favoring precisely that view during his lifetime.

**John Brockenbrough.** President of the Virginia State Bank, and cousin to both Thomas Ritchie and Spencer Roane.

**Thomas Mann Randolph (1768-1828).** He was Jefferson's son-in-law, having married Jefferson's daughter, Martha. He was a member of the U.S. House of Representatives in 1793-1794 and 1803-1807, and of the Virginia legislature in 1819, 1820, and 1823-1825; from 1819 to 1822, he was Governor of Virginia. His youngest son, George Wythe Randolph, served the Confederacy as Secretary of War during 1862, and his eldest son was also a founder of the Confederacy.

thirty years, and prohibited others from using this promising new technology. Livingston succeeded in having New York State enforce legislation, which seized any steamboat used by any shipping line of any other state, under the forfeiture clause. In *Gibbons v. Ogden*, Gibbons challenged this monopoly as a restriction of trade.

In rendering the opinion of the Court, Chief Justice Marshall first delineated the power of the United States to regulate interstate commerce, and thus voided a ruling by New York State which contravened that power. Secondly, he ruled against such a monopoly, which would deny the nation the benefit of basic science. Marshall's ruling found the monopoly repugnant "[t]o that which authorizes Congress to promote the progress of science and useful arts."<sup>15</sup>

With this nationalist ruling, the Supreme Court made it clear that corporate charters could not be established, such as the Livingston one, even if backed by individual states, if they gave powers to corporations which contravened the common good of the United States. This epitomized the argument that state law was not sovereign unto itself, but subordinate to the higher purpose of a nation.

Following the Supreme Court's 1819 ruling in *McCulloch v. Maryland*, Jefferson's Virginia clique flew into a rage of furious denunciations:

- In June 1819, Judge Spencer Roane, writing in Thomas Ritchie's *Richmond Enquirer*, lashed out, saying, that anyone but a "deplorable idiot," could see that, "there is little earthly difference between an *unlimited* grant of power and a grant limited in its terms, but accompanied with *unlimited* means of carrying it into execution."<sup>16</sup> [Emphasis in original] In a Sept. 6, 1819 letter to Roane, Jefferson stated that he had read and subscribed to "every tittle" of the *Enquirer's* articles, which he praised for containing "the true principles of the revolution of 1800"<sup>17</sup>—meaning Jefferson's 1800 Presidential election victory, won on the basis of the 1798 Kentucky Resolution favoring states' rights.
- In September 1820, Jefferson wrote a letter to William Charles Jarvis of Pittsfield, Massachusetts, containing some of the same ideas, and assailing the role and authority of the Federal judiciary to review and overrule state legislatures and state courts, along with other concepts of a Federal constitution.<sup>18</sup> With Jefferson's consent, this letter was publicly displayed in bookstores, and functioned as a mass-circulation pamphlet. An alarmed Supreme Court Associate Justice Joseph Story told Chief Justice Marshall that the purpose of the letter was to "prostrate the judicial authority and

annihilate all public reverence of its dignity." Marshall replied, in regard to Jefferson, that "[h]e is among the most ambitious, and I suspect among the most unforgiving of men. His great power is over the mass of the people, and this power is chiefly acquired by professions of democracy. Every check on the wild impulse of the moment is a check on his own power, and he is unfriendly to the source from which it flows."<sup>19</sup>

- On Dec. 25, 1820, Jefferson wrote to Ritchie: "The judiciary of the United States is the subtle corps of sappers and miners constantly working under ground to undermine the foundations of our *confederated fabric*. They are construing our constitution from a *co-ordination of a general and special government to a general and supreme one alone*."<sup>20</sup> [Emphasis added]

The attack by Jefferson and his associates intensified, sometimes employing language that could lead to incitement:

- In 1820, John Taylor of Caroline, Virginia wrote a book, entitled *Construction Construed, and Constitutions Vindicated*, which presented a viewpoint akin to recommending "confederation." On June 27, 1821, Jefferson sent a letter to Judge Spencer Roane, praising Taylor's book, as "the true political faith, to which every catholic republican should steadfastly hold."<sup>21</sup> By mutual agreement, an extract of the letter was printed in the *Virginia Enquirer*, and widely circulated.
- In May 1821, an especially vitriolic attack appeared in the *Virginia Enquirer*, under the name of Algernon Sydney. Jefferson arranged personally for this attack to be printed in the *American Law Journal*.

Sensing what Jefferson *et al.* were up to, on July 13, 1821, Justice Marshall wrote, accurately, that Virginia "verges rapidly to the destruction of the government and the re-establishment of a league of sovereign states."<sup>22</sup>

At the same time, Jefferson was corresponding with a sitting Supreme Court Associate Justice, Jefferson-appointee William Johnson of South Carolina, urging him to undermine the Court. Jefferson mailed copies of some of these letters to retired President James Madison. Madison responded with his own views in a letter to Jefferson on June 27, 1823. There, Madison maintained his adherence to the principles he had developed in Federalist Paper No. 39, which held that constitutional questions had to be decided by the Federal judiciary. This had been the view of the Federal Convention in 1787, and it was supported by the general public. Madison rejected the "ingenious reasoning" of John Taylor's book, and also the views of Judge Roane. He strongly approved of the series of opinions handed down by the Supreme Court.<sup>23</sup> Thus,

Jefferson's rantings on this question, did not represent the view of the Republican-Democratic Party as a whole.

#### 4. Racism and Slavocracy

Jefferson had a racist view of Black people, completely at odds with the Declaration of Independence's assertion that "all men are created equal." His views on slavery, which were at best "moderate" during the 1770's, became more and more pro-slavery from the 1780's onward to the end of his life.

Jefferson's views are spelled out in his 1784-85 book, *Notes on the State of Virginia*. In "Query XIV," Jefferson asks, if Black slaves are freed, "why not retain and incorporate the blacks into the state, and thus save the expense of supplying, by importation of white settlers, the vacancies they will leave?" He answers:

Deep rooted prejudices entertained by the whites; ten thousands recollections by the blacks, of the injuries they have sustained; new provocations; the real distinctions which nature has made and many other circumstances, will divide us into parties, and produce convulsions *which will probably never end but in the extermination of the one or the other race.*

To these objections, which are political, may be added others, which are physical and moral. The first difference which strikes us is that of color. Whether black of the negro resides in the reticular membrane between the skin and the scarf-skin, or in the blood, the color of the bile, or from that of some other secretion, the difference is fixed in nature, and is as real as if its seat and cause were better known to us. And is this difference of no importance? Is it not the foundation of a greater or less share of beauty in the two races? Are not the fine mixtures of red and white, the expressions of every passion by greater or less suffusions of color in one, preferable to that eternal monotony, which reigns in the countenances, that immovable veil of black which covers all the emotions of the other race? Add to these, flowing hair, a more elegant symmetry of form, their own judgment in favor of whites, declared by their preference of them, as uniformly as in the preference of the Oranootan [orangutan] for the black women over those of his own species. The circumstance of superior beauty, is thought worthy attention in the propagation of our horses, dogs and other domestic animals; why not in that of man? . . .

They have less hair on the face and body. They secrete less by the kidneys, and more by the glands of the skin,

**NOTES on the state of VIRGINIA;**  
written in the year 1781, somewhat corrected and enlarged in the winter of 1782, for the use of a Foreigner of distinction, in answer to certain queries proposed by him respecting

1. Its boundaries
2. Rivers
3. Sea ports
4. Mountains
5. Cascades and caverns
6. Productions mineral, vegetable
7. Climate
8. Population
9. Military force
10. Marine force
11. Aborigines
12. Counties and towns
13. Constitution
14. Laws
15. Colleges, buildings, and roads
16. Proceedings as to tories
17. Religion
18. Manners
19. Manufactures
20. Subjects of commerce
21. Weights, Measures and Money
22. Public revenue and expences
23. Histories, memorials, and state

MDCCCLXXX

Jefferson's "Notes on the State of Virginia" (left) retailed the slander that Blacks are intellectually inferior. Jefferson remained committed to the Virginia slavocracy throughout his life.



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which gives them a very strong and disagreeable odor. . . . They seem to require less sleep. A black, after hard labor through the day, will be induced by the slightest amusements to sit up till midnight, or later, though knowing he must be out with the first dawn of the morning. . . . They are more ardent after their female: but love seems with them to be an more eager desire, than a tender delicate mixture of sentiment and sensation. Their griefs are transient. Those numberless afflictions, which render it doubtful whether heaven has given life to us in mercy or in wrath, are less felt, and sooner forgotten with them. In general, their existence appears to participate more of sensation than reflection. To this must be ascribed their disposition to sleep when abstracted from their diversions, and unemployed in labor. An animal whose body is at rest, and who does not reflect, must be disposed to sleep of course. Comparing them by their faculties of memory, reason, and imagination, it appears to me, that in memory they are

equal to the white; in reason much inferior, as I think one could scarcely be found capable of tracing and comprehending the investigations of Euclid; and that in imagination they are dull, tasteless and anomalous.<sup>24</sup> [Emphasis added]

It should be noted that Jefferson's argument that Blacks share in sensation, but not reflection, and are capable of memory, but not reason, is still being promulgated by the nest of insidious Jensen-Shockley racists at genteel Harvard University, most recently, by *The Bell Curve's* Charles Murray. There is nothing in the above quote, which Ku Klux Klanner David Duke could not heartily approve of.

With the outlawing of importation of slaves to America, Virginia turned to becoming a slave-breeding state, marketing slaves as chattel. As Virginia's ruling aristocratic elite chose more and more to maintain Virginia as a non-industrial state, with few modern cities, the mentality of a slavocracy dominated the ruling circles, and the institution of slavery, both as the underpinning of agriculture and as a commodity to be marketed, grew stronger.

Jefferson stated many times that he personally deplored slavery and the inhuman treatment of slaves, but could see no escape from this evil institution. Jefferson writes as if he were trapped inside Virginia's slave system, with no effective means to end it. Concerning his own slaves (Jefferson owned 225, spread over his 10,000 acres of land), he wrote,

My opinion has ever been that, until more can be done for them, we should endeavor with those whom fortune has thrown on our hands, to feed and clothe them well, protect them from all ill usage, [etc.]. . . . *The laws do not permit us to turn them loose, if that were for their good:* and to commute them for other property is to commit them to those whose usage of them we cannot control.<sup>25</sup> [Emphasis added]

Now, the second part of this passage is just not true, as Jefferson knew. For example:

- One of Jefferson's friends and neighbors, Edward Coles, argued with Jefferson on the moral responsibility to free the slaves. In 1819, Coles did precisely that, leaving Virginia for Illinois, where he would team up with the son of Alexander Hamilton in developing the infrastructure of the territory. Two of his slaves were old women, whom he left behind after he had provided for their needs. Ten of the others he emancipated *en route* to Illinois, granting each of the three families involved 160 acres of land in the southern part of the state. To provide for his remaining slaves, a woman and her five small children, he purchased the woman's husband from a Virginia neighbor. They were allowed

to settle in St. Louis, Missouri, where they were legally freed in 1825.

- The great Polish patriotic leader, Thaddeus Kosciuszko, who played a prominent part in the American Revolution, and was one of only two foreign founders of the Society of Cincinnatus to openly wear his Cincinnatus eagle—the other being the Marquis de Lafayette—knew Jefferson and was his friend. Jefferson administered Kosciuszko's American estate. Kosciuszko wrote Jefferson that he was drafting a codicil to his will, bequeathing whatever was necessary to pay for the emancipation of Jefferson's slaves.
- George Wythe, the Platonist who was one of the principal leaders of the republican forces in America, and who had been Jefferson's teacher, proposed to have Jefferson teach Wythe's son, who was an adopted former slave—no doubt intending to provoke Jefferson's assumptions concerning the intellectual inferiority of Blacks.
- During the critical Missouri Compromise debate, the Marquis de Lafayette wrote to Jefferson on the need of freedom for the slaves. He was unsuccessful in drawing Jefferson out on this point.

Thus, there were both private examples, such as that



Jefferson's republican friends supported freeing the slaves. Counterclockwise from top: Marquis de Lafayette, Thaddeus Kosciuszko, George Wythe.

Prints and Photographs Division, Library of Congress

of Edward Coles, and money provided, by Kosciuszko, for Jefferson to free his slaves. But, despite all the positive examples and urgings, Jefferson refused; not because he couldn't, but because his mindset could never free itself of the acceptance/toleration of slavery.<sup>26</sup> Not only would Jefferson have had to challenge Virginia's economic-social order, but he would have had to transform the entire geometry of his thinking. This he would not do.

Jefferson's belief in the intellectual inferiority of Blacks—that they lacked *reason*—made it impossible for him to conceive of a racially integrated society. Hence, even when he conceded the inevitability of the freeing of the slaves, he coupled it with the necessity of racial separation. As he wrote in February 1821, in an autobiography he never finished,

Nothing is more certainly written in the book of fate than that these people [Blacks] are to be free. Nor is it less certain that the two races, equally free, cannot live in the same government. Nature, habit, opinion has drawn indelible lines of distinction between them.<sup>27</sup>

Jefferson wanted all freed slaves to be sent out of the country.

Although Jefferson always tried to make it appear that he had no way out, he did have one. It would have meant changing his axiomatics, however. The harsh and bitter reality is, that the model for Jefferson's "common man" democracy was Virginia, and Virginia was firmly rooted in the institution of slavery.

Jefferson believed that any attempt to change that reality would lead to the separation of the country between North and South. As Jefferson biographer Dumas Malone writes, citing an April 13, 1820 letter, Jefferson "predicted that recurrent sectional conflicts would create 'such mutual and moral hatred as to render separation [between the North and South—RF] preferable to eternal discord.' The line of separation as he foresaw it would follow the rivers—the Potomac, the Ohio, and the Missouri. He left with the North two states where slavery was still legal, Delaware and Maryland, but thought it possible that the entire Northwest would cling to the South because of its dependence on the Mississippi and its tributaries."<sup>28</sup> At the time of the debate which led to the Missouri Compromise of 1820, when the issue of the extension of slavery to the Western territories applying for statehood threatened to rend the Union, Jefferson could write,

I considered it at once as the knell of the Union. It is hushed, indeed, for the moment. But this is a reprieve only, not a final sentence. A geographical line, coinciding with a marked principle, moral and political, once conceived and held up to the angry passions of men, will nev-

er be obliterated; and every new irritation will mark it deeper and deeper.

But as it is, we have the wolf by the ears, and we can neither hold him, nor safely let him go. Justice is in one scale, and self-preservation in the other.<sup>29</sup>

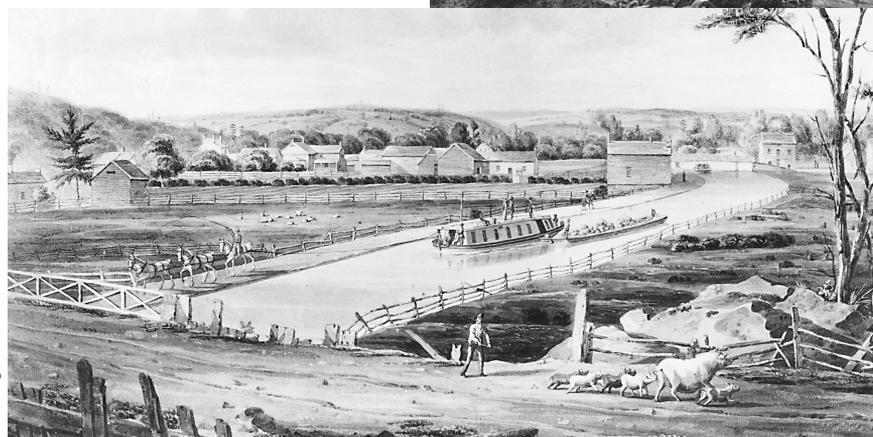
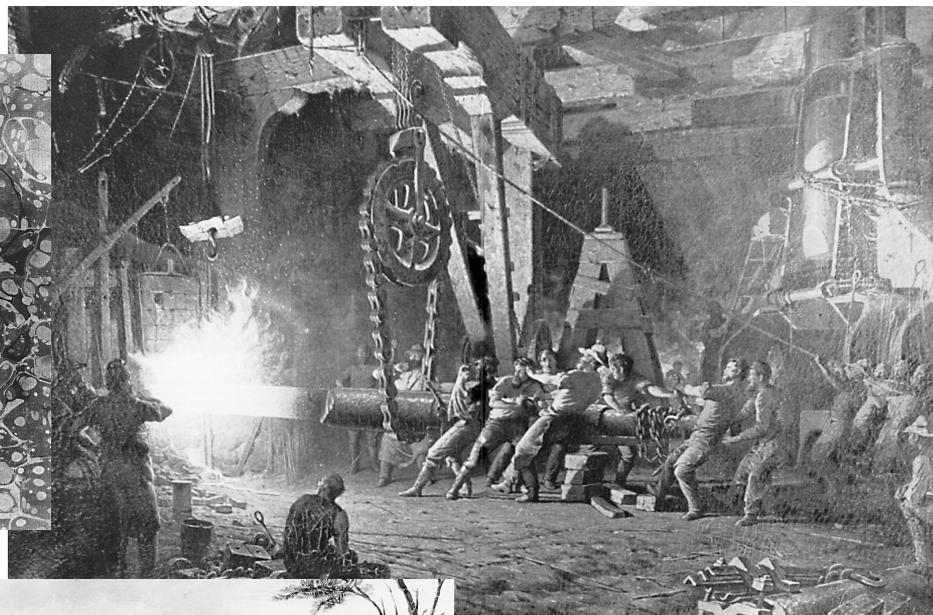
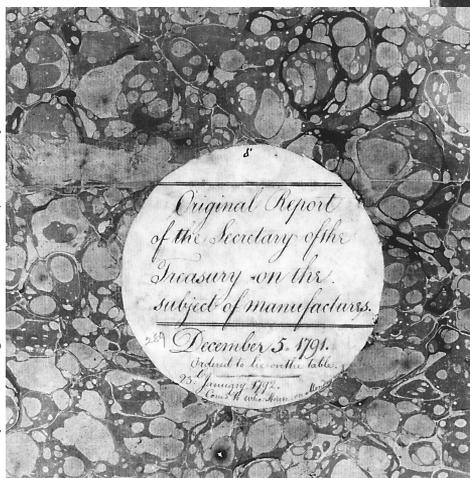
The "self-preservation" Jefferson referred to, was the need of the slavocracy to preserve slavery. This is even more finely etched in a December 1820 letter Jefferson wrote to Albert Gallatin. In it, he sees the abolition of slavery as dissolving the Union:

With these [the Northern states], it is merely a question of power; but with this geographical minority [i.e., the South], it is a question of existence. For if Congress once goes out of the Constitution [sic] to arrogate a right of regulating the condition of the inhabitants of the States, its majority may, and probably will, next declare that the condition of all men with the United States shall be that of freedom; in which call all the whites south of the Potomac and Ohio must evacuate their States, and most fortunate those who can do it first.<sup>30</sup>

To defend the Southern position, Jefferson adopted what was in fact a vicious ruse. He postured that he desired freedom for the slaves, but said the Federal government had no right to pass statutes "imposing" manumission on the states. To do so would be tyranny, as the Constitution did not give the central government the right to act on this matter (again, Jefferson's rejection of the General Welfare clause). Rather, Jefferson maintained, the states themselves, such as Virginia, South Carolina, etc., would have to act voluntarily, through their legislatures, to pass laws ending slavery. Jefferson was willing to try that in Virginia's legislature. But, he knew perfectly well, the states' rights line of approach would never lead to the end of slavery. The Virginia slavocracy was not going to vote itself out of existence through a legislature that it controlled. And thus, Jefferson acquiesced to slavery's perpetuation.

## 5. Monetarism: A Slave to Albert Gallatin

Jefferson's failure to understand Leibniz's principle, that man's individual creative development is fostered through the assimilation of scientific advances in the technology of economic production, led him necessarily to reject the concepts of national economy and national banking, as these were developed in the United States under the rubric of the American System of nationalists Alexander Hamilton, Mathew Carey, Friedrich List, and President Abraham Lincoln's economic adviser Henry Carey. Jefferson preferred, instead, the British Empire's "free trade" economics of Adam Smith, Jean Baptiste Say, and Thomas Malthus.



Jefferson supported Adam Smith, and rejected the American System policies of industrialization and infrastructure championed by Hamilton, the Careys, and Friedrich List. Top left: Hamilton's "Report on Manufactures." Above: West Point steel foundry. Left: The Erie Canal.

Thus, in a June 1807 letter to John Norvell, Jefferson wrote that, "on the subjects of money and commerce . . . [Adam] Smith's *Wealth of Nations* is the best book to be read, unless Say's *Political Economy* can be had." As early as September 1801, Jefferson had proposed the concept of "free bottoms, free goods" in a letter to Robert Livingston, then U.S. Minister to France—an idea intended to help win the necessary acceptance by the European powers of American goods travelling in American ships, although springing from Jefferson's lifelong adherence to the British free trade doctrine.

Similarly, Jefferson seconded the genocidal population theory of Parson Thomas Malthus, writing to physiocrat Jean Baptiste Say of "Malthus' work on population, a work of sound logic, in which some of the opinions of Adam Smith, as well as of the economists, are ably examined. I was pleased on turning to some chapters where you treat the same questions, to find his opinions corroborated by yours." (Jefferson had one qualification: that perhaps America, still with its large tracts of uncultivated land, was an exception to Malthus' dictum that the quan-

tity of food increases arithmetically, while population increases geometrically—a dictum that seemed more suited to Europe.)<sup>31</sup>

Jefferson could not conceive of the government's undertaking economic initiatives whose outcome would be seen in continued economic growth in subsequent generations. As reported by Dumas Malone, the most important among the principles Jefferson held to

was that laws and constitutions could not, in right, be perpetual but were subject to periodic revision. In the present instance he applied the principle to the question of public debt, denying the right of one generation to burden another beyond the "natural" limit of its powers. This limit, he claimed, was the additional time that adult members of society might be expected to live from any particular moment. On the average, according to the best European statistics available to him, he figured that they would survive about nineteen years. Accordingly, he held that every debt should be limited to such a period at the outside.<sup>32</sup>

His overriding concern, he said, was that America avoid "permanent national debt." Hence, for example, in 1789, when the issue of the newly formed U.S. government assuming the debts of the states, according to the

plan of Alexander Hamilton and Robert Morris, was being discussed, Jefferson wrote to Madison, expressing these “principles of finance.” Madison, who at least had a better grasp of this than Jefferson, wrote back that posterity inherits benefits along with debts.

Jefferson’s Enlightenment empiricism made it impossible for him to appreciate the Renaissance creation of the nation-state, beginning with the France of Louis XI, as a Platonic “idea”—a One, whose continued existence is generated by the self-developing activity of its people. In economics, this self-development is enabled through the credit and banking system. By rejecting the Platonic conception of the nation-state, Jefferson completely misunderstood the role of credit, and rejected not only the First National Bank, but any positive conception of banking at all.

In the banking system, credit is neither the sum, nor the product, of Robinson Crusoe-like individual transactions, as Adam Smith would have it. Instead, credit is created by a sovereign, dirigistic act of the state, which uses its credit-creating power to foster and maintain an environment that favors real economic growth, and suppresses financial speculation.

The best way to understand this, is to conceive of the operation of the First National Bank under Washington’s Treasury Secretary, Alexander Hamilton, or the parallel proposal of economist Lyndon H. LaRouche, Jr., today, for the establishment of a Third National Bank of the United States, out of a federalized Federal Reserve System, as an emergency solution to the current disintegration of the bankrupt financial system.

Under the LaRouche proposal, \$500-600 billion in credit—not debt—would be directed by a Third National Bank to finance the building of projects of basic infrastructure: an upgraded national water management system, a new rail grid utilizing high-speed, state-of-the-art magnetically levitated trains, an expanded energy sector based on nuclear power, and so forth. This would correct the existing \$7 trillion infrastructure deficit, create corollary hard commodity goods orders in the manufacturing sector, and create ten million productive jobs in manufacturing and infrastructure combined, with the added effect of raising tax revenues, thus pushing the Federal budget into surplus. This dirigistic action would foster an explosive rate of growth in the physical economy, ordering the future to the benefit of our posterity—a key illustration of LaRouche’s point, as developed in “The Essential Role of ‘Time-Reversal’ in Mathematical Economics,” that in terms of Platonic hypotheses, the future determines the present.

This is exactly what the First National Bank did in the years 1791 to 1811, under Hamilton’s guidance: It laid the basis for America’s emergence as a modern, great industrial power.

In a monetarist system of the sort assumed by Jefferson, however, the supply of credit is created by a clique of private bankers, who dictate its use, either through unregulated “free banking,” or through a private central bank. Sooner or later, the financiers are led by the internal logic of their system, to channel credit into some form of cancerous, speculative financial bubble, which starves the credit needs of physical production. As production contracts, the tax revenue base shrinks, and the monetarists then demand that the nation-state “balance the budget”—a demand which becomes the means to attempt the dismantling of nationalist government, and the suppression of the government’s vital role in building infrastructure and providing for the General Welfare. This results in further economic contraction. Precisely this pattern developed after Jeffersonian President Andrew Jackson shut down the Second National Bank of the U.S. beginning 1833, precipitating an orgy of wildcat banking, until the speculative bubble burst in the crash and Great Depression of 1837.

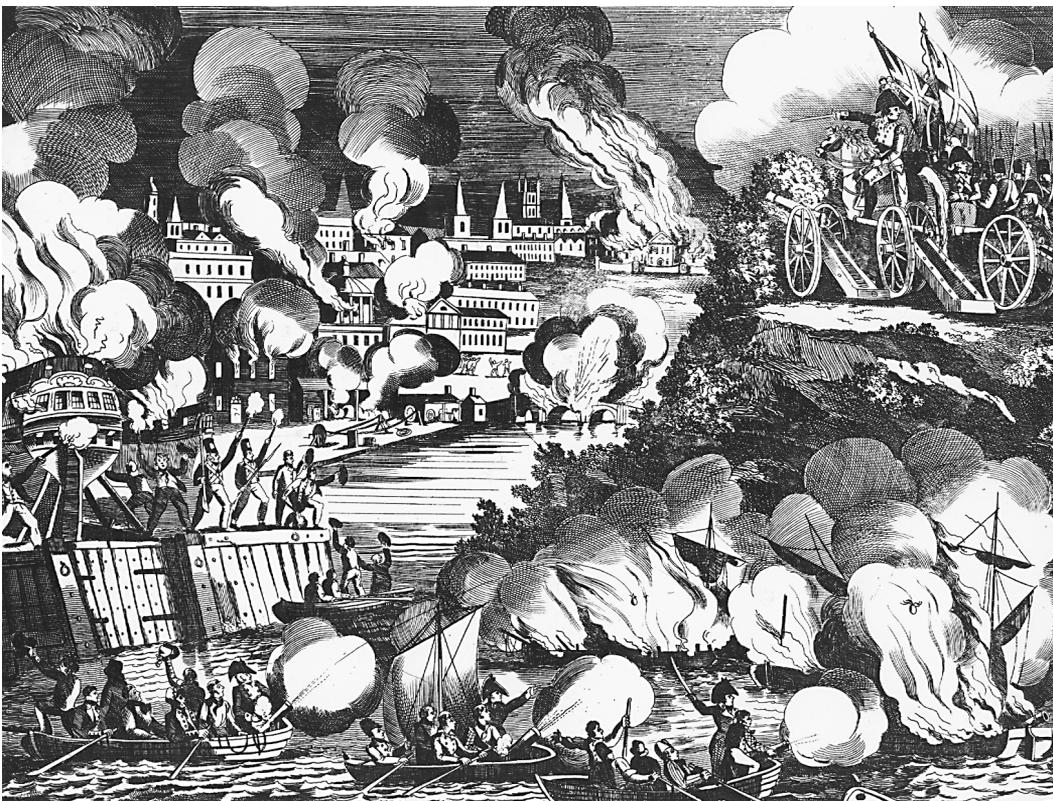
Thus, ironically, but lawfully, the monetarist “budget-cutting” lunacy always results in larger deficits, as has been recently illustrated by the monetarist 1985 Gramm-Rudman Act. Meanwhile, application of the Leibnizian-Hamiltonian conception of the nation-state’s dirigistic power to create profit and social surplus, vastly increases the tax revenue base.

It should be remarked, that Jefferson’s monetarist views on the banks correspond precisely to the views of today’s Liberty Lobby or John Birch Society. Jefferson may have hated the aristocrats who ran banking and looted people, but he hated them in an impotent way,<sup>33</sup> because his opposition to Hamilton’s First National Bank denied America the sovereign means by which to control the issuance of bank credit. This is clear, for example, in his favoring strict gold specie payment, for the most part, rather than banknotes: since London ran the world gold markets, Jefferson’s plans left American finance subject to the oligarchs’ control.

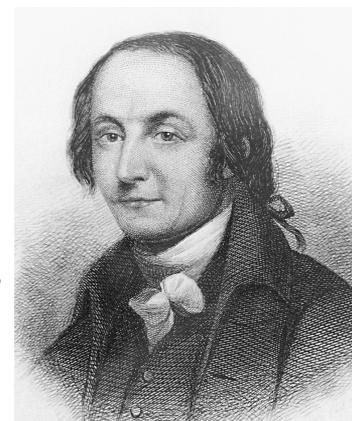
Nowhere is this clearer than in Jefferson’s slavish relationship to the Anglo-Swiss financial agent Albert Gallatin, a relationship which began before Jefferson became President, and extended until Jefferson’s death in 1826.

Throughout his career, Albert Gallatin was sponsored by top levels of the European oligarchy as an anti-nationalist financial policy maker. His success in becoming Treasury Secretary to both Presidents Jefferson and Madison—indeed, becoming a kind of “Svengali” to Jefferson—meant that his destructive, monetarist views left a strong stamp on the United States’ development.<sup>34</sup>

Born in Geneva in 1761, Gallatin’s childhood was spent in intimacy with other leading enemies of America, who happened to be his cousins, the Mallet, Prevost and



The Granger Collection



Library of Congress

Traitors Aaron Burr (top right) and Albert Gallatin (bottom right) worked for the British oligarchy to destroy the American republic. Above: British troops invade Washington, D.C. in the War of 1812.

Necker families. Voltaire, the French Enlightenment foe of Gottfried Leibniz, was Gallatin's "most intimate friend and father-figure in his youth."<sup>35</sup>

Having moved to the United States in 1780, by 1787 Gallatin had acquired 60,000 acres of land in southwestern Pennsylvania. In 1787-88, he led the anti-ratification movement against the U.S. Constitution in Pennsylvania, with his associate John Smilie. In September 1788, he drew up the resolution of the anti-Federalists, calling for a new Constitutional Convention.

In 1791-92, Gallatin led the opposition to the excise tax on whiskey adopted by President George Washington, culminating in his orchestrating the 1794 Whiskey Rebellion, which Washington had to put down by force. Not surprisingly, when the Pennsylvania legislature appointed Gallatin to the U.S. Senate in 1793, the Senate removed him from his seat.

Gallatin opposed almost every economic measure Alexander Hamilton introduced to make America grow, including opposing the Federal government's assumption of Pennsylvania's debts. Gallatin obtained a seat in the House of Representatives, and in 1796, with the urging and approval of Thomas Jefferson, he drew up his *Sketch of the Finances of the United States*, which proposed a time-table to retire the U.S. debt as quickly as possible,

without consideration for the needs of the growing country, nor for the plans of the First National Bank to retire the debt.

Despite their long-standing antipathy, in 1800, Alexander Hamilton split the Federalist Party to defeat John Adams and elect Thomas Jefferson President. He then backed Jefferson against the attempt of his running mate Aaron Burr to steal the presidency, recognizing Burr to be the greatest danger to the nation. Burr became Vice President, and Albert Gallatin Secretary of Treasury, in the Jefferson administration that took office in 1801. With a complicit Jefferson in tow, Gallatin instituted a financial scheme to pay off all of America's debt of then \$38 million by 1816. Since the U.S. government's annual revenue was \$10 million, Gallatin's earmarked \$7.3 million per year for debt service left only \$2.7 million for all non-debt items, despite the fact that non-debt expenditures in the previous administration had averaged \$5 million per year. Gallatin concentrated his budget cuts against the army and navy, leaving America virtually defenseless against future British attack, and clearing the way for Britain's invasion and attempted overthrow of the Revolution in the War of 1812.

Meanwhile, during this period, Vice President Burr, who had killed Hamilton in a duel in 1804, was himself

plotting to dismember the United States, working on behalf of the British to seize portions of the United States' Louisiana Territory and set up a separate western buffer state under British protection, a plan also pursued by the British agent James Workman.<sup>36</sup> During this period, Burr was regularly meeting with Gallatin. Burr was later convicted of conspiracy against the United States.

Jefferson stuck by Gallatin throughout this entire process, and Gallatin remained his Treasury Secretary for the full eight years of his Presidency. After Jefferson left office, they continued on intimate terms. According to Dumas Malone's *The Sage of Monticello*, in 1809, when incoming President James Madison passed over Gallatin for the position of Secretary of State (retaining him nonetheless in the very powerful post of Treasury Secretary), Gallatin confided to Jefferson that he was considering resigning. In an October 1809 letter, Jefferson advised Gallatin that resigning would be a "public calamity," and the "most inauspicious day" ever seen by the new Madison government. Gallatin was needed to follow through on the dishonest plan to "extinguish" the national debt.

Meanwhile, Jefferson teamed up with Gallatin to force the budget balancing on Madison, even though they were on the eve of war, when increased U.S. military expenditures were urgently needed to prepare for the planned attack.

Later, during 1812-15, when the British finally invaded America and burned down the Capitol, Jefferson, through his son-in-law John Wayles Eppes, the chairman of the powerful House of Representatives' Ways and Means Committee, continued to pressure the government to provide for retiring its debt. By raising a hue and cry about "fiscally acceptable limits," Jefferson's actions threatened to sabotage the war mobilization. This was aid and comfort to the British.

Jefferson wrote three principal letters about public finance to Eppes. In a reply written to Jefferson on July 21, 1813, Eppes stated that only a "rigid adherence" to the principles laid out in Jefferson's letters, would secure the country against the evil of a "permanent debt." Eppes wrote, that at the next session of Congress, he would attempt to make provision, so that the recently voted war-loan was repaid within fifteen years, and requested an outline of Jefferson's fiscal-conservatism plan. "By executing such a task," Eppes wrote, "you will add one more essential benefit to the long list of important services already registered in the hearts of your countrymen."<sup>37</sup> Eppes then used his powerful position in Congress to attempt to apply Jefferson's proposals.

Meanwhile, President James Madison was trying to fight a war against the British. In 1813, he bundled Gallatin off to Europe, to get that traitor out of the post of

Treasury Secretary. Jefferson continued to write to Gallatin as his most trusted adviser. For example, in a Nov. 24, 1818 letter to Gallatin, Jefferson denounced the "parasite institutions of banks." He wrote: "The flood with which they are deluging us of nominal money has placed us completely without any certain measures of value, and by interpolating a false measure, is deceiving and ruining multitudes of our citizens."<sup>38</sup> Gallatin, who was a thorough tool of the Anglo-Swiss financier oligarchy, must have laughed uproariously at Jefferson's letters. Jefferson's simplistic, anti-bank populism, made it easy for Gallatin to manipulate him on banking matters.

To the end of Jefferson's life, Gallatin would continue to effectively dictate his financial policies. In 1823, three years before his death, he wrote to Gallatin,

A visit from you to this place would indeed be a day of jubilee, but your age and distance forbid the hope. Be this as it will, I shall love you forever, and rejoice in your rejoicings and sympathize in your ails. God bless and have you ever in his holy keeping.<sup>39</sup>

In his later years, Gallatin would establish the pseudoscience of ethnology. In 1842, Gallatin created the American Ethnological Society, and became its first president. This branch of "race science" was used to profile, stir up for mischief, and exterminate American Indians<sup>40</sup>—a "science" in keeping with the oligarchical outlook he shared with his friend Thomas Jefferson.

## Conclusions

From his race science view of Blacks and support for the institution of slavery; to his bolstering of feudalistic agrarianism; to his rejection of the Constitution's General Welfare clause and the Leibnizian concept of America as based on science and manufacturing; to his championing of states' rights: Jefferson's axiomatic outlook was made to order for the British attack against America called the Confederacy.

It is time to recognize the near identity of the Jeffersonian outlook with Confederate principles. The influence of the Enlightenment, unresolved at the time of America's founding, created a cultural susceptibility which opened the nation to British political manipulation against the republican ideals embodied in its creation. The manipulated rebellion was quelled in the great Civil War, but the illness went uncured. Removing Jefferson's ideas as an object of admiration or a guide to action, is a crucial step to clearing the way, so that the American nation can rise to meet the challenges of the current world crisis, a task upon which the future existence of global civilization now depends.

## NOTES

1. Anton Chaitkin, *Treason in America: From Aaron Burr to Averell Harriman*, 2nd. ed. (New York: New Benjamin Franklin House, 1985), pp. 95-123 (=Chaitkin).
2. Dumas Malone, *Jefferson and His Time*, Vol. 1 (Boston: Little, Brown and Co., 1948), p. 101. (=Malone)
3. Lyndon H. LaRouche, Jr., "The Essential Role of 'Time-Reversal' in Mathematical Economics," *Fidelio*, Winter 1996 (Vol. V, No. 4), p. 27.
4. Thomas Jefferson, *Jefferson: Writings*, Library of Man (Cambridge: Press Syndicate of Cambridge, 1984), pp. 1440-45. (=Writings)
5. *Writings*, pp. 939-40.
6. *Writings*, pp. 479-80.
7. *Writings*, pp. 1339-43.
8. *Notes on the State of Virginia*, in *Writings*, pp. 290-91.
9. *Writings*, pp. 659-60.
10. Alexander Hamilton, "Report on the Subject of Manufactures" (1791), printed in *The Political Economy of the American Revolution*, ed. by Nancy Spannaus and Christopher White, 2nd. ed. (Washington, D.C.: Executive Intelligence Review, 1996), pp. 375-442.
11. Thus, Jefferson's outlook, when applied to foreign affairs, led him to later oppose the Monroe Doctrine when it was formulated by John Quincy Adams in 1823. The Doctrine's intention was to end the colonial status and establish sister republics in Ibero-America, in accordance with the concept of a "community of principle." Jefferson endorsed British Foreign Minister George Canning's plan to install the British as the policemen for the hemisphere.
12. "On the Subject of the Bank of the United States" (Feb. 15, 1791), in *Legislative and Documentary History of the Bank of the United States*, compiled by M. St. Clair Clarke and D.A. Hall (Washington, D.C.: Gales and Seaton, 1832).
13. "Draft of the Kentucky Resolutions" (1798), in *Writings*, pp. 449-56. Jefferson's preference for confederation over dirigist national government was longstanding. He had opposed adopting the Constitution back in 1787, preferring instead the anarchistic and paralyzing Articles of Confederation, writing at the time that "all the good of this new constitution might have been couched in three or four new articles to be added to the good, old, venerable fabric [Articles of Confederation—RF]" (*ibid.*, pp. 912-14). This was the root of the Kentucky Resolutions.
14. "Draft Declaration and Protest of the Commonwealth of Virginia, on the Principles of the Constitution of the United States of America, and on the Violations of them" (1825), in *Writings*, pp. 482-86.
15. Robert Cushman, *Leading Constitutional Decisions*, 13th ed. (New York: Appleton-Century-Crofts, 1966), pps. 10-24, 279-90, 390-400.
16. *Dictionary of American Biography*, vol. VIII, pp. 642-43.
17. Thomas Jefferson, *The Works of Thomas Jefferson in Twelve Volumes*, Vol. XII, ed. by Paul L. Ford (New York and London: Knickerbocker Press, 1905), pp. 185-89. (=Works)
18. *Works*, Vol. XII, pp. 161-64.
19. Marshall letter of July 13, 1821, in "The Story-Marshall Correspondence (1819-1831)," ed. by Charles Warren, *William and Mary Quarterly*, 2 ser., XXI (Jan. 1941), pp. 13-14.
20. *Works*, Vol. XII, pp. 175-79.
21. *Works*, Vol. XII, pp. 202-203.
22. Warren, p. 14.
23. *The Writings of James Madison*, Vol. IX, ed. by Gaillard Hunt (New York and London: G.P. Putnam's Sons, Knickerbocker Press, 1910), pp. 137-44.
24. *Writings*, pp. 256-74.

25. Malone, Vol. 6, p. 322.
26. Malone, Vol. 6, pp. 320-27. Mary Jane Freeman, "Thaddeus Kosciuszko: Poland and America's Noble Soul," *The New Federalist*, Vol. XI, No. 5, Feb. 3, 1997.
27. Thomas Jefferson, *Autobiography*, in *Writings*, p. 44.
28. Malone, Vol. 6, p. 338.
29. *Works*, Vol. XII, pp. 185-89.
30. *Writings*, p. 1447-50.
31. For these three letters, see *Writings*, pps. 1176-79, 1090-95, and 1143-44, respectively.
32. Malone, Vol. 6, p. 138.
33. Jefferson was strongly influenced by the "anti-banking" viewpoint of Henry St. John, the Viscount Bolingbroke (1678-1751). Bolingbroke was a High Tory, who endorsed the agrarian outlook from the standpoint of the feudal aristocracy which supervised that life, and he remonstrated against the "monied interests," which encroached upon the landed aristocracy's power by trading in money alone. In 1709, Bolingbroke wrote to Lord Orrey, "A new Interest [the monied men] has been created . . . and a sort of Property, which was not known twenty years ago, is now increased to be almost equal to the Terra firma of our Island. The Consequence of all this is, that the Landed Men are become poor and dispirited."  
In his young adulthood, Jefferson kept a notebook in which he wrote down key ideas from philosophers and poets, which came later to be known as Jefferson's *Literary Bible: His Commonplace Book of Philosophers and Poets*. One-sixth of this book's two hundred pages are filled with the writings of Bolingbroke.  
Jefferson's lifelong remonstrations on behalf of the Virginia tobacco plantation owners against the London and Liverpool financial factors to whom they were indebted, was identical. It is not that the London financiers did not exploit the American tobacco plantations—they did—but that Jefferson's anti-financier rhetoric was on behalf of landed interests.  
See Sheila Biddle, *Bolingbroke and Harley* (New York: Alfred A. Knopf, 1973), pp. 111-15.
34. Chaitkin, pp. 35-92, *passim*.
35. Chaitkin, p. 21.
36. Chaitkin, pp. 66-80.
37. Malone, Vol. 6, p. 139.
38. *Works*, Vol. XII, pp. 103-106.
39. John Austin Stevens, *Albert Gallatin* (New York: Houghton, Mifflin and Co., 1884), p. 310-11.
40. Chaitkin, pps. 23-42, 44-58, 399-410.

## ADDITIONAL SOURCES

In addition to references cited in the notes, the following works have been drawn upon in preparation of this report:

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*The Literary Bible of Thomas Jefferson: His Commonplace Book of Philosophers and Poets* (Baltimore: Johns Hopkins Press, 1928).

Linda Frommer, "How Pitt's Jacobinism Wrecked the French Revolution," *New Solidarity*, Vol. VIII, Nos. 28 and 29 (June 3 and 7, 1977).

Donald Phau, "The Treachery of Thomas Jefferson," *The Campaigner*, March 1980 (Vol. 13, No. 2).

Dumas Malone's *Jefferson and His Time* is a six-volume biography. This article has drawn particularly on Vol. 1 (*Jefferson the Virginian*), Vol. 2 (*Jefferson and the Rights of Man*), and Vol. 6 (*The Sage of Monticello*), which were published in 1948, 1951, and 1977, respectively.