

BLOOD MONEY

BLOOD MONEY
The **CIVIL WAR**
and the
FEDERAL RESERVE

JOHN REMINGTON GRAHAM
FOREWORD BY DAVID AIKEN



Pelican Publishing Company
GRETNA 2006

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Library of Congress Cataloging-in-Publication Data

Graham, John Remington, 1940-

Blood money : the Civil War and the Federal Reserve / by John
Remington Graham ; foreword by David Aiken.

p. cm.

ISBN-13: 978-1-58980-398-5 (pbk. : alk. paper)

1. Money—United States—History—19th century. 2. Monetary pol-
icy—United States—History—19th century. 3. Federal Reserve
banks—History—19th century. 4. United States—History—Civil
War, 1861-1865. I. Title.

HG525.G665 2006

973.7'11—dc22

2006007762



Published by Pelican Publishing Company, Inc.
1000 Burmaster Street, Gretna, Louisiana 70053

“Rather than assume the care of the slaves, they would control labor with the use of capital. It necessarily followed that, when the laborer ceased to be of service because of sickness or old age, he would be of no concern to capital. He could either get well or die without the capitalists being obliged to provide medical attention or bury the dead. Such was the interest that capital had in the result of the Civil War. The people of this country poured out both their treasure and their blood to establish the political and industrial independence of humanity, and the mercenary capitalists turned a trick of finance and converted the enormous sacrifice made by the people during that struggle into a victory for capital in order that they might enforce upon humanity the industrial slavery that the trusts preferred rather than the chattel slavery which then existed in the Southern States.” —Congressman Charles A. Lindbergh Sr. of Minnesota in *Banking and Currency, and the Money Trust*, National Capital Press, Washington, 1913, pp. 102-103.

“Not only is wealth accumulated, but immense power and despotic domination is concentrated in the hands of a few, and those few are frequently not the owners, but only the trustees and directors of invested funds, who administer them at pleasure. This power becomes particularly irresistible when exercised by those who, because they hold and control money, are able to govern credit and determine its allotment, thereby supplying life-blood to the entire economic body, and grasping in their hands the very soul of the economy so that nobody dare breathe against their will.” —Pope Pius XI in parts 105 and 106 of the encyclical letter *Quadragesimo Anno*, published by the Holy See on May 15, 1931.

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Foreword

National deficits, the Federal Reserve, and high finance rarely appear in discussions about the War Between the States. Battles, battlefields, military and political leaders, war diaries, or even cultural differences between the warring sides have received far more attention. When money is discussed, it is often treated in a predictable manner and centered on rising prices, taxes and tariffs, or destroyed properties. John Remington Graham moves financial matters forward in this carefully researched account, by going back in order to shed light on the present and to suggest remedies for correcting damage done to America's financial independence and solvency. Graham's father, who was a banker and economist, no doubt contributed to the author's interest in high finance. Such an interest, when combined with a passion for research and the skills of an experienced trial lawyer, gives him an advantage as he introduces neglected evidence.

The first time I read the manuscript, I had the eerie feeling I had seen similar material elsewhere. It reminded me of ideas I had noticed in the 1840s and 1850s novels of John Beauchamp Jones (1810-1866), in which Jones tirelessly and repeatedly connected government, business, and banking. Sometimes Jones cloaked money matters in mystery and treated them seriously. Other times he included money in situations so hilariously funny it was hard to remember money had even contributed to the comedy. My focus on J. B. Jones was literary and historical. When Graham looks at Jones, he is doing it from the point of view of business and banking, and in so doing Graham is doing, finally, what Jones spent his literary life insisting had to be done. Following the money.

As early as the 1840s, J. B. Jones was warning his readers to follow the money, to observe not only where it was going but where it had come from and what it was being used for. In book after book, Jones tried both to entertain and to educate readers who were lamentably unversed in emerging economic practices. Jones accurately predicted much of what actually took place throughout the country before, during, and after the War Between the States as he focused on the signs of growing civil unrest. Being savvy about matters of money, he knew how easily civil discord could be translated into dollar signs for those invested in conflict rather than peace.

When J. B. Jones died in 1866, the American Republic he so loved had already been dealt a death blow. The nation divided in war had not been stitched back together. Little more than clumsily applied bandages called peace wrapped the gaping wounds in the body politic. Would time heal the wounds, or would they fester?

In the ways of a good crime scene investigator, John Remington Graham has removed the bandages, exposed and examined the wounds, studied trace evidence still available in archives, and put his findings under a microscope now accessible to the public. Those who are convinced that the Republic established by the founding fathers has been dead and buried some generations ago may deem Graham's efforts as work on one very cold case indeed. These readers may doubt that Graham or anyone else could uncover any new clues. But they would be wrong. Graham has gone through layers deep inside the wounds to a place where he can do his best work. He has questioned the predictable suspects, among them the dark and shadowy figures of slavery, tariffs, and secession. His conclusion is that none of these usual suspects had the strength to deal the death blow to the American Republic. This point, I hasten to add, was also made by J. B. Jones.

How then do we bring closure to a cold case? Questioning the original suspects is part of it. So also is investigating media involvement. Did J. B. Jones suspect the media of improperly inciting the worst passions? Jones didn't have to suspect media involvement. He knew it existed. He was, after all, a journalist and newspaper editor who understood the media industry well and took it to task in several of his novels.

John Remington Graham calls into question the ethics of political figures of the period. J. B. Jones spared few politicians in his novels, and he was in a position to know them as few did. Jones was the editor of the *Madisonian* in 1842 during the Tyler administration. The *Madisonian* was President John Tyler's political mouthpiece. In fact, Jones dedicated *Freaks of Fortune* (1854) to a personal friend: "To Robert Tyler, Esq., who, with his father, retired from the presidential mansion—as they entered it—without fortune." In 1861, former President Tyler personally recommended J. B. Jones for a suitable position in the Confederacy.

Among the prized possessions Jones carried with him in his flight from New Jersey to Richmond was a "fine old portrait of Calhoun, by Jarvis." John C. Calhoun had offered Jones a post as *chargé d'affaires* in Naples during the Polk administration. Jones declined the position even though he respected the man offering it. As a quiet and introverted

family man who had seen both the best and the worst of the inner workings of Washington, D.C., Jones was never inclined to seek or accept a political position. The very idea of using money as power disgusted him. The misuse of money in politics was irritating enough to find its way into Jones's novels.

Based on his experience and study, John Remington Graham shares Jones's assessment of bankers and lawyers during years leading up to the war. Some were moral, others were not. Few were incorruptible.

While J. B. Jones was a devout Christian and church-going Episcopalian, he never allowed clerical conduct of a questionable nature to slide past his pen. Preachers behaving badly were dealt with on the printed page in much the same way Jones doled out his scorn for radical abolitionists inciting crowds to riot. Graham actually goes easier on churchmen and abolitionists than Jones ever did. Did Jones know fiery-tongued preachers were stockpiling money in Northern churches? He did indeed, and turned the practice into one of his most entertaining and funny subplots.

In 1859 Jones pulled together various money pieces of the puzzle and sent to press a masterwork, *Border Wars: A Tale of Disunion*, later published as *Wild Southern Scenes*, then as *Secession, Coercion, and Civil War: The Story of 1861*. The work showed signs of eventually rivaling *Wild Western Scenes* (1841), Jones's first book, which had sold an amazing 100,000 copies over a twenty-year period. Actually, *Wild Western Scenes* kept soldiers on both sides of the war laughing as they pulled tattered copies from their packs and read from them on battlefields far from home.

The success of the last fiction Jones ever wrote was cut short when hostilities boiled over and hard fighting began. Jones had written about what might happen, but when what might happen actually became a terrible reality, even the most humorous aspects of the story lost their appeal. Reading about a potential disaster is one thing. Living with the real consequences is another. And Jones's sad tale of the reality that came about is recorded in his posthumously published *A Rebel War Clerk's Diary* (1866), to which Graham pays detailed attention in his text and notes.

If Graham's work has helped me to understand the message J. B. Jones was sending, then Jones's novels certainly prepared me to deal with the conclusions Graham reaches. The fatal wound that robbed the Republic of its life was neither slavery, nor tariffs, nor even secession. It was money, money bathed in the blood of American soldiers, both North and South.

I am reminded of all those Northerners who were beaten, hung, shot, or jailed—simply for protesting the invasion of the South. And I am reminded of all those Northerners who tried to help the South recover when the war was over. They too fought to defend a dying Republic which few—all too few—realized was being secretly stabbed in the back by those bent on making money out of its demise.

Born, educated, and called to the bar in Minnesota, John Remington Graham provides his readers with war-related information most Southerners will not know. As a son of Minnesota, for instance, Graham learned the legend and studied the life of Congressman Charles A. Lindbergh Sr. (1859-1924), whose observations in *Banking and Currency and the Money Trust* (1913) clearly link the Federal Reserve with the War Between the States. Lindbergh's work served as an inspiration to delve deeper. With the benefit of hindsight upon political and economic history, Graham also elaborates on material produced by the Iowa peace Democrat lawyer Henry Clay Dean (1822-1881) in *Crimes of the Civil War and Curse of the Funding System* (1868), and the engineer turned economist Alexander Del Mar (1836-1926) in *A History of Monetary Crimes* (1899). A multitude of statutes, important judicial decisions, legal rules of evidence and principles of inductive logic adapted to historical analysis, and Anglo-American constitutional law and history are all brought to bear on the subjects of war and money.

According to the sources used by Graham, the death of the American Republic, that shining light to oppressed humanity everywhere, was not caused by slavery. Nor was the death caused by unfair tariffs, or even by States asserting the right of secession. No, the great American experiment in constitutional government by the consent of the governed was ruined by a plot to gain control of banking and currency—the love of money, the root of all evil according to St. Paul. Blood money.

College of Charleston
December 22, 2005

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Acknowledgments

I wish to thank Dr. Donald Livingston, founder and director of the Abbeville Institute, who enabled me to appreciate the historical writing of David Hume, and thereby weaned me once and for all from my youthful faith in “Whiggish” historians, so I might better understand Congressman Charles A. Lindbergh Sr., Minnesota’s greatest statesman. Dr. Livingston challenged me to begin this work.

I wish to thank Dr. Clyde Wilson, devoted scholar of the statesman philosopher John C. Calhoun. Again and again Dr. Wilson obliged me to rethink and rewrite. And he introduced me to Henry Clay Dean, the incomparable peace Democrat from Iowa.

I wish to thank Roger Elletson, lawyer and educator, for introducing me to the work of the economist Alexander Del Mar whose penetrating insights into money as a medium of power inspired me in days when I protected farmers from predatory banking practices which my father had always abhorred and avoided.

I wish to thank Dr. David Aiken, master of Southern literature, who introduced me to the Civil War diarist J. B. Jones and guided me through maturing stages of this work.

I also wish to thank Dr. Marshall DeRosa, advocate and expounder of the Confederate States Constitution, for his review of my manuscript and his encouragement.

Thanks also to Tommy Curtis, ever loyal as a personal friend and Southern patriot, for acting as a sounding board and gentle prompter as I wrote and rewrote.

And I must not forget Dr. Milburn Calhoun who patiently sent me back to my desk several times for better exploitation of the possibilities in my text and notes. —J. R. G.

An Important Insight Reexamined

From 1861 to 1865, the Southern States were conquered by an overwhelming military assault which deeply injured the economy and culture of the region. This assault is usually called the American Civil War, for it was not unlike the war between the Cavaliers and Roundheads at the time of Charles the First. The struggle is also called the War Between the States, because it was a war between a Union of Northern States and a Confederacy of Southern States, or the War for Southern Independence, because it distinctly resembled the American Revolution.

The surrender of the last rebel armies was followed by a long period of reconstruction during which Southern representatives and senators were excluded from Congress, and constitutional government was abolished in ten of the former Confederate States. The vast majority of white citizens were disenfranchised, and military occupation and martial law were imposed upon the defeated people of those States. An unhappy postbellum age of lawlessness, corruption, and oppression lingered until the last Federal troops were finally withdrawn from Louisiana in 1877.

This discourse will reconsider a view of the American Civil War associated with such names as Henry Clay Dean, J. B. Jones, Alexander Del Mar, and Charles A. Lindbergh Sr. These remarkable observers, each in his own way, contributed to a bold and terrible thesis, which may thus be restated:

The divisive antagonisms between the North and the South, finally erupting in the spring of 1861, were not unfortunate historical accidents, nor the result of some inexorable momentum in events. Those antagonisms, rather, were deliberately agitated during the 1850s by great international banking houses with a preconceived motive of provoking secession. And secession was to be used as a pretext for a bloody and expensive war of conquest, which was actually launched and carried out. The war was planned as a brutal slaughter, as it tragically became. The war was planned to generate a stupendous national debt, mostly represented by bonds, and such a national debt was in fact generated. The private interests acquiring these bonds successfully plotted to secure the passage of legislation which enabled them to convert the paper by them acquired in financing the war

into a new and dominant system of banking and currency under their ownership and control. And those private interests fully succeeded in their sinister program, and set up a huge financial empire centered on Wall Street from which they have ever since governed the United States from behind the scenes.

Henry Clay Dean was a lawyer living in Iowa during the war. He personally witnessed the heart-sickening events of those days. He was falsely arrested and imprisoned without trial, suffering serious injury to his health, because he detected the gigantic fraud and corruption which propelled the war, and warned his fellow citizens what was afoot. As a peace Democrat, he had considerable stature in those troubled times. "The capitalists and stock gamblers in Europe," he said, "by their alliance with the political adventurers of America, carefully planned this war in the interest of despotism and the funding systems. They anticipated every argument, and prepared the public mind for war in advance. During the war they prepared for the debt and continued the war that the debt might reach its present enormous extent."¹ From figures then published, Dean reckoned that by 1866 the war had caused the public debt of the United States to multiply by more than fifty-three times the amount due in 1860. The magnitude of this growth in public debt can be gauged by the fact that the principal due in 1860 was about equal in specie to the public debt of the United States as reckoned in 1791. Thus the public debt generated by the American Civil War each month substantially exceeded the entire public debt generated by the American Revolution. By 1866, the public debt of the United States had grown until it was about equal to the public debt of the British Empire, which did not come from fighting one war lasting a few years, but had accumulated from fighting many wars following the incorporation of the Bank of England in 1694. And the interest paid on this vastly augmented public debt of the United States in 1866 much exceeded all other appropriations by Congress, and was twice the interest paid on public debt by Great Britain.²

This consummation was dangerous, not only because of the horrendous weight of the burden imposed, but even more because it concentrated in the hands of a coterie of great financiers for their own benefit, without regard to the public good, virtually unchecked discretion to expand and contract the supply of money, currency, and deposits functioning as money. It gave them practical means to alter the flow or availability of money and credit, and thus to stimulate or enfeeble at pleasure any activity which

requires money and credit, be it manufacturing, industry, agriculture, commerce, education, scholarship, culture, art, music, or even religion. It enabled them to induce changes in prices on the market, so they might buy when prices fell, sell when prices rose, and thereby take windfall profits. It conferred discretion to exploit according to preconceived but secret plans by expanding credit to stimulate economic activity of one kind or another, then terminating or diminishing credit, thereby causing unanticipated reversals in fortune unrelated to the natural fluctuations of the free market, allowing lenders to acquire property by foreclosures and money judgments. It gave them privileged access to the halls of government, —the opportunity to buy and sell politicians with impunity. It gave them the capacity to finance political campaigns of their favorites, to acquire dominance in the news media, and thereby to sway most elections. Control of nearly all domestic and foreign policy of the government followed as a matter of course. These private interests, therefore, became more powerful than the lawful government of the land. They became *de facto* an “invisible government” of the United States.

Therefore, the most important consequence of the American Civil War was loss of the monetary independence of the United States. And that, as a practical matter, was also loss of political independence behind a façade of “freedom” and “democracy.”

It will do no harm to qualify our thesis, lest needless apprehensions result. Great financiers cannot be identified as the only culprits behind the American Civil War. For that overstates the case, and attributes to them means and influence more pervasive than they actually had. Pseudo-religious fanaticism, raw greed and corruption, political folly, unwholesome ambition, and cultural misunderstanding were abundant in those days. But such evils have been troublesome in almost every age. While problems then festering had particularly interesting features, war could easily have been avoided. And unless events had been cunningly manipulated by interests with sufficient capital to exaggerate destructive personalities and influences all out of proportion to their actual importance, the generation living in 1860 would have come and gone without major incident.

The Questions of Secession and Slavery

The American Civil War has been justified by a standard line of propaganda as a gallant crusade to save the Union and free the slaves. And so attention has been distracted from the hard reality of taking over banking

and currency by debate over whether the Southern States had a constitutional right to secede from the Union, and whether military conquest was a moral necessity to abolish slavery. A few observations will help put these questions in perspective.

Never was there a stronger secession movement in the United States than in New England during the War of 1812. The particulars are laid out clearly enough in the Journal and Report of the Hartford Convention,³ which met at the end of 1814 and adjourned in early 1815 to protest against an unjust and unnecessary war imposed by Southern politicians upon the commercial section of the Union. For New England desired peace and trade with Great Britain and Canada. Secession from the Union was actually contemplated. Breakup of the Union was avoided because President James Madison saw the danger before the situation degenerated too far, and successfully negotiated the Treaty of Ghent.

Leading antebellum text writers on the United States Constitution in the North and the South had no difficulty in conceding a constitutional right of the several States to secede from the Union. St. George Tucker, Professor of Law at the College of William and Mary, and Justice of the Virginia Supreme Court, prepared an annotated edition of Blackstone's *Commentaries on the Laws of England*, published by Birch & Small of Philadelphia in 1803, and widely used by the legal profession in the United States. In Appendix D in the first volume of his edition, on page 187, Judge Tucker concluded that each State of the Union is "still sovereign, still independent, and still capable, should the situation require, to resume the exercise of its functions in the most unlimited extent." The same right of secession was expounded by William Rawles, appointed by President George Washington as United States Attorney in Pennsylvania, in his *View of the Constitution of the United States*, first edition published by Carey & Lea of Philadelphia in 1825, second edition published by Philip Nicklin of Philadelphia in 1829. In the last chapter of both editions, Rawles concluded that any State "may wholly withdraw from the Union." This text was used for instruction at West Point, and it was highly recommended for professional and scholarly use as late as 1859.

Many Northern newspapers editorialized in 1860 and 1861 that the Southern States should be allowed to withdraw from the Union in peace.⁴ In less than two weeks after the election of Abraham Lincoln as President of the United States, the *Cincinnati Daily Press* trumpeted, "We believe that the right of any member of this Confederacy to dissolve its political relations with the others and assume an independent position is absolute." Particularly

striking were editorials soon following in New York City.⁵ “If the cotton States decide they can do better out of the Union,” said the *New York Tribune*, “we insist on letting them go in peace. The right to secede may be a revolutionary right, but it exists nevertheless.” And the *New York Herald* added, “Each State is organized as a complete government, possessing the right to break the tie of the Confederation. Coercion, if it were possible, is out of the question.” The day after Jefferson Davis was inaugurated provisional President of the Confederate States, the *Detroit Free Press* editorialized, “An attempt to subjugate the seceded States, even if successful, could produce nothing but evil, —evil unmitigated in character, and appalling in extent.” A month later, the *New York Times* observed, “There is a growing sentiment throughout the North in favor of letting the Gulf States go.”

In view of this respectable political sentiment, well founded in legal scholarship, it is impossible to make a fair argument that the war was caused by secession in 1860 and 1861. Both sides agreed that secession from the Union was reserved to the several States, and a war cannot be fought over a question on which both sides agree.

For that matter, peaceful secession of the Southern States would probably have been in the best interests of all concerned, for power would be more prudently distributed across North America today, if the Confederate States, the United States, and the Dominion of Canada occupied the continental expanse above the Rio Grande. Each confederacy would then protect the traditions and culture of a distinct civilization, yet all three unions could interact productively by treaties of commerce and alliance, while counterbalancing each other from excess. So the war was not necessary to maintain sound continental order. On the contrary, the breakup of the United States was certainly foreseen in the Philadelphia Convention as a natural and inevitable event. For Nathaniel Gorham of Massachusetts had served as President of Congress under the Articles of Confederation, and as Chairman of the Committee of the Whole in the Philadelphia Convention. And to emphasize the obvious, Gorham casually asked a rhetorical question during deliberations on August 7, 1787: “Can it be supposed that this vast country, including the western territory, will one hundred fifty years hence be one nation?”⁶

Nor does it make sense to argue that slavery was a cause of the war. The subject has become delicate because of irresponsible attempts to characterize relics of the War for Southern Independence as symbols of racism, oppression, and hatred. Yet the only really significant antebellum movement to abolish slavery generated in the Southern States. And this

movement, fathered by Thomas Jefferson and fostered by James Madison, was highly prestigious and influential.

By contrast, the abolition movement in the North became so enfeebled by pathetic eccentricity that it had to be reinvigorated by James Birney of Alabama who, after freeing his slaves, twice ran for President on a platform calling for an end to slavery throughout the United States.⁷

Nowhere in any of the Northern States during the antebellum period was there ever a debate over slavery so distinguished, so important, and so eloquent as was held during the proceedings of the Virginia House of Delegates in 1832. The often magnificent speeches in this debate were published by newspapers in Richmond at the time, and have since been conveniently preserved for interested scholars.⁸ Noteworthy about these proceedings is the fact that Southern abolitionists were dominant and carried important votes. It will be instructive to consider one speaker whose words are fairly illustrative of the oratorical offerings which then rang in legislative halls. On the tenth day of the debate, the Southern abolitionist James McDowell unforgettably expounded the fundamental error of slavery:

“Sir, you may place the slave where you please. You may dry up, to your utmost, the foundations of his feeling, the springs of his thought. You may close his mind to every avenue of knowledge and cloud it over with artificial night. You may yoke him to your labours as the ox which liveth only to work and worketh only to live. You may put him under any process which, without destroying his value as a slave, will debase and crush him as a rational being. You may do all this, and the idea that he was born to be free will survive it all. It is allied to his hope of immortality. It is the ethereal part of his nature which oppression cannot reach.”

Yet in the same speech, McDowell reported a truth about slavery as practiced in the Old South, as he knew from personal observation, because, in his legislative district slaves made up 26% of the population. McDowell said:

“It is true, sir, to the letter, what gentlemen have frequently declared, that there is no laboring peasantry in any other part of the world, who, in all external respects, are better situated than our slave, —who suffers less from want, who suffers less from hardship, who struggles less under the toils of life, and or who has a fuller supply of the comforts which mere physical nature demands. In all these respects he shares the equalizing and benignant spirit of our institutions and our age. He is not the victim of cruelty. He is rarely, if ever, harmed by oppression. He is governed by an

authority which year after year is abating of its harshness, and is admitted to every privilege which the deprivation of his liberty can allow.”

McDowell later served as Governor of Virginia (1843-1846). He and other abolitionists in the Virginia House of Delegates agreed that slavery ran against natural law, yet was not cruel or oppressive. In the wake of propaganda peddled over more than a century to justify the American Civil War, it has generally been believed that slavery was a harsh system, but in time lies lose their force, and eventually comparisons are made between irresponsible claims and the actual facts. It has now been demonstrated with hard economic data that the slaves of the Old South fared much better than factory workers in the North with respect to health, diet, leisure, longevity, and general well-being.⁹ The bad consequences of slavery were not what could be appreciated by abstractionists in the North who had no touch with reality. McDowell explained the faults of slavery in his observation “that the slaveholding interest of the country will and can coalesce with no other interest,” and “must be hostile to all others.” Slavery was wrong, not because it was brutal and hard, which it was certainly not, but because it robbed society of vitality and energy. This opinion was shared by most people of Virginia in 1832, and their House of Delegates passed a resolution which lamented “the great evils arising from the condition of the colored population of the commonwealth.” Southern abolitionists made no further progress at that juncture, only because there was great uncertainty on how to proceed.

If today the country were confronted with a giant and entrenched system of workfare, in which a very large segment of the labor force had been subordinated over many generations to work on certain projects and was compensated in kind rather than in money—and such was pretty much the nature of slavery in the Old South—, serious reformers would not suggest immediate and sweeping abolition. For serious reformers would approach the problem by careful planning to phase out the system gradually, enabling those affected to adjust and find jobs, while seeking to discover ways to assure an adequate work force for projects served by the old system to the extent such projects were still necessary for society. But even then opinion would be divided over exactly how to rid society of the blight.

In one of his noted speeches before the war,¹⁰ Abraham Lincoln himself said of slavery, “If all earthly power were given to me, I should not know what to do as to the existing institution.” He did not know what to do, because nobody really knew how to make abolition humane, practical, and

beneficial. There were many contradictions produced by slavery, and Lincoln himself conceded them. The Virginia statesman John Randolph of Roanoke left a will freeing his slaves, and established a trust to buy land for them in the free State of Ohio so they could survive and prosper, but the people in the free State of Ohio drove the freedmen from the farms which their Southern champion had procured for them.¹¹

During the war, it was widely believed in the Southern States that general emancipation of all slaves was sure to come not long following independence.¹² As Union armies approached Richmond, slaves living in the city reacted, not in happy anticipation of freedom, but in fear of losing all they had. Across the Southern States, slaves energetically built breastworks and fortifications to defend their homeland. Thousands of black troops fought for Southern independence, and saw combat. Robert E. Lee, who had freed hundreds of slaves before the war as executor of his father-in-law's estate, was himself regarded by his fellow Southerners as favoring general emancipation of all slaves. With the support of most officers and men in Confederate armies, General Lee proposed enlistment of slaves with freedom as a bounty, such as had been a frequent practice during the American Revolution. The Southern Congress eventually authorized the plan by law. And President Davis implemented the plan with executive regulations.

Certainly the war did not bring about a humane, practical, and beneficial transformation from servitude to freedom. William Sharkey was one of the most enlightened patriots of the Old South. In 1852, he became Chief Justice of Mississippi. At the conclusion of hostilities in 1865, he became reconstruction governor of his State under President Andrew Johnson, and in that capacity he led the people of Mississippi in convention to abolish slavery before the 13th Amendment was adopted. In testimony given before Congress,¹³ Judge Sharkey described the devastating impact which the "armies of freedom" and the "great emancipator" had upon the black race:

"I believe that there are now in my State very little over half the number of freedmen that were formerly slaves, certainly not more than two-thirds. They have died off. There is no telling the mortality that has prevailed among them; they have died off in immense numbers. I should say that very little more than half the amount of land that was under cultivation before the war will be under cultivation this year."

Once confined by geography to certain limits, slavery was a doomed institution. It was doomed, because it was quasi-feudal, and the South also underwent a rapid process of modernization. The culture of the

South enabled the region to adapt more gracefully to the emergence of railroads, telegraph, larger cities, industry, machinery, and invention, but nothing could dilute the rapid obsolescence of slavery, —nothing except, perhaps, expansion of the institution into new territory suited to the planter way of life. Nor was this fact unknown to Southerners.

It has been said that the institution might have continued at least in the slave States had Southern whites been determined to maintain it. Yet Southern whites were not determined to maintain it. The institution was still tolerated only because Southerners knew that sudden uprooting would cause more problems than it would solve. If slaves might conceivably have been used in the mines of the Southwest, nobody in the Dixie States was inclined to make an attempt. Hence in 1860 Congressman Otho Singleton of Mississippi made this striking concession: "I ask again, what will be the future of the Southern slaveholder? If slavery be confined to its present limits, the institution will necessarily be overthrown. It is only a matter of time."¹⁴

In 1860 there was no real possibility that slavery could or would expand into the Federal territories. The reasons, based on geography and modernization, are plainly enough laid out by Charles Ramsdell in his classic article, *The Natural Limits of Slavery Expansion*, 16 *Mississippi Valley Historical Review* 151-171 (1929). In all of the Federal territories in 1860, there were not many thousands of slaves as commonly assumed, not even many hundreds. Nor were planters in the Dixie States interested in moving west, although they were free by law to do so. There were in those days exactly seventeen slaves in all the Federal territories, two of them in Kansas, which entered the Union the next year without slavery, and none of them in any of the territories eventually claimed by the Confederate States. Following the Virginia slavery debates, natural processes began to nudge slavery into ultimate extinction. By 1860, these processes were in full motion. Nothing more was needed than cautious prudence, artful legislation, and wise statesmanship to usher the institution into the mists of the past within the course of fifty years.

A Conspiratorial View of History

Why, then, the War Between the States? There was no moral or economic justification which could be built upon hard facts. There were no unstoppable forces which made secession inevitable or even desirable. Still less was there any just cause or urgent reason which made

war necessary to counteract secession. In more tranquil circumstances, secession could easily enough have been avoided, and adjustments between the North and South might have been accomplished within the Union. Nor is there any reason why the North and South could not have existed as neighboring federal structures in peace and friendship.

Yet popular opinion and vulgar passions had been whipped up by the Presidential election in 1860 to such a pitch that the country was waiting to explode in consequence of a few awkward political mistakes. Sensitive questions had been cunningly agitated during the 1850s until the public mind was dangerously inflamed. These questions had been agitated to provoke a frightfully bloody and expensive civil war, and thereby to run up a huge national debt which could be used as a vehicle for taking over banking and currency in the United States.

It is initially hard to accept such a conspiratorial view, because we have been conditioned to a "Whiggish" theory of history which says that key events occur because of broad forces and trends over time, that these broad forces and trends eventually assume foreseeable patterns from their own inertia, and that by means of these patterns history marches inexorably toward a triumph of freedom over oppression and science over ignorance, etc. This rosy view of things tells us that the French Revolution, to take a particularly instructive example, happened because of broad forces and trends of history, and really was for the good of mankind. In France, we are told, the noblesse had long been untaxed, the church had long been corrupt, the people had long been oppressed, and the constitution of the kingdom had become irreparably demented. Great excitement was felt when French troops returned from America after Yorktown, we are told. The situation was exceedingly tense, the argument goes. And so when King Louis XVI offered hope of reform, it was impossible to have an orderly and beneficial process. Instead, the goddess of liberty, carrying a musket in one hand and a tricolor in the other, led the people to claim their just rights! Revolution, judicial murder, genocide, wars, and political chaos became inevitable. This view does not add up, and the picture it draws does not hang together, yet it is the fare usually offered and swallowed.

More insightful historians such as John Robison¹⁵ and Nesta Webster,¹⁶ not to mention a number of good French writers, have understood that the French Revolution was not and could not have been a spontaneous event. It happened because men, some of them evil, some of them deluded, planned it on a grand scale and carried out their designs. In fact, Louis XVI was a good man, eminent among the founding fathers of the United States, and

father of the French people whom he conscientiously consulted in framing constitutional reforms which he intended to see implemented. As a whole the nation believed that the government should remain a monarchy, that the Crown was hereditary from male to male, that the King was inviolable and sacred, that royal sanction was necessary for promulgation of laws, and that the constitution should be reformed after the British model, only adapted to the particular circumstances of France. There was no popular desire for an uprising or even a republic. Nor was progress obstructed by the noblesse and the clergy, who, on the contrary, were anxious to promote meaningful constitutional reform. The revolution was excited by ruthless subversives in the third estate—the likes of Robespierre, Danton, and St-Just, even the prostitute illuminatus Mirabeau was among them—, and by the fifth Duc d'Orléans or “Philippe Égalité” who was duped, used, then sent to the guillotine.

The American Civil War likewise would not have happened if it had not been planned and fomented.

Consider John Brown's raid on Harper's Ferry in 1859, which became a political powder keg and later a rationalization for war crimes. In late 1864, for example, as Atlanta burned, and women and children were sent homeless onto the countryside, the military band of Sherman's army jubilantly played “John Brown's Body.” It is naïve to suppose that Brown's raid was caused by broad forces and trends in history. The fugitive slave law then on the books was artless. But John Brown could not on his own have mounted his raid because a few people were upset about a bad law which, in any event, was seldom used. It would have been possible to introduce better legislation in Congress, and Southern representatives and senators could have been found to support it. John Brown had no mass appeal even in the North. He could have done nothing if he had not been financed by a coterie of wealthy individuals who conspired to promote his designs. It is not necessary to have the details to know that there must have been some such conspiracy, probably centered in New England, supporting and financing John Brown. At the time, not a few sensed some such plot. And contemporary scholarship has identified the particulars of exactly such a combination.¹⁷

The details are interesting, in part because they satisfy natural curiosity concerning the individuals, their personalities, and their circumstances. The details are even more interesting in that they illustrate how and why otherwise good citizens, honored in their communities—two reverend clergymen, two wealthy businessmen, a distinguished educator, and a

respected physician, themselves encouraged by famous poets and scholars—, could be and were induced to hire a vicious murderer and a gang of outlaws who, as they knew, would commit hideous acts of homicide and arson against their own countrymen in a neighboring State. The first to die in Brown's raid to free black slaves was a freed black, and from this beginning a multitude of ironies follow, one after another until the whole affair can be seen as profoundly stupid. The conspirators fully understood that Brown was a con artist and thug with pathological tendencies. They knew of the brutal and inhuman crimes which he had earlier committed in the Kansas Territory. They knew also that Brown's uprising would almost certainly fail, that Brown himself would surely hang for treason, and that the episode might well ignite a fratricidal war, thereby threatening civilized legal order on the continent.

The details are especially interesting in that they confirm the reality of a conspiracy which natural reason tells us must have been formed and carried out, but from which we recoil because the very thought is so repugnant. The details provide a wholesome sense of confidence in insights that certain distinctive patterns in events must have been orchestrated by human design.

John Brown's raid was a microcosm of the age in which he lived. The combination behind him was a conspiracy within a conspiracy, a scenario within a scenario. The attempt to make Brown a martyr was not the insanity of an individual, but an act of collective insanity. And if the episode is so understood, it is not quite so difficult to comprehend the plans of great banking houses to cause a fraternal bloodbath with a view to gaining control over the money and credit in the United States.

The difficulty in grasping such a reality derives from assumptions commonly entertained by historians as they interpret events falling within their discipline. Even if unconsciously, they want to believe in the seductive heresy of Pelagius who lived in the 5th Century and taught that the original sin, if ever committed, was never transmitted to later generations, and that man is naturally good. But authentic Christianity has always taught that man is a fallen creature in need of redemption, that sinfulness is inherent in human nature, and that evil is an active force in the universe. Working from this premise, Christianity has been able to establish Western civilization with a remarkable degree of success, as by building huge Gothic cathedrals to sap up energy that otherwise would have been devoted to war, while inspiring men and women to rise above their humanity into sainthood.

By contrast the philosophy of the "enlightenment" was that human

nature is naturally good, and that the church and crown prevented the manifestation of goodness. And this ideology motivated the conspiracies which produced the French Revolution. Yet the mass executions of patriots and innocents in Paris as mobs chanted cheap slogans, the patricide and matricide which inflicted deep wounds in the soul of France still not healed, the genocide in the Vendée, and the wars of Napoleon, are all a powerful demonstration that the revolution was founded upon a dangerous error. And this same philosophy of the enlightenment bewitches us into believing that the American Civil War must have been fought for good ends, which is the furthest thing from the truth.

It is commonly argued by sceptics that the evidence is insufficient to “prove” this or that combination, as if circumstantial evidence were inferior to direct evidence. But, whatever historians may think, the law has learned from experience over long centuries that circumstantial evidence is frequently better than direct evidence. Circumstantial evidence is necessary and often sufficient when no direct evidence is available. Circumstantial evidence sometimes provides clarity when direct evidence is ambiguous, for an indisputable fact can settle a question when eyewitnesses do not know or cannot agree. Circumstantial evidence is usually adventitious, and therefore difficult to fabricate or impeach, whereas direct evidence is often impaired by prevarication, perjury, or mistake. Cross-examination can expose a lying witness, but is powerless against a telling fact. If intuition supported by circumstantial evidence were insufficient in court, the law would make little progress in seeking justice.

If an historian must exclude everything but direct evidence before he fashions a definitive thesis, his vision will be reduced to inconclusive particulars. It is unrealistic, in any event, to expect that, in uncovering a conspiracy to take over banking and currency in the United States, we might find a transcript made from shorthand notes taken by a private secretary of a secret conversation among international financiers in one of the great banking house of Europe. Nor do we need such evidence to deepen our understanding of the American Civil War.

The Rules of Evidence

In order to stimulate a civil war within the United States, it was necessary to foment hatred between the North and the South. And in order to appreciate the reality of such a conspiracy, it is important to appreciate a few practical rules of evidence. The first rule is actually a

sagacious and indispensable rule of law on which juries have traditionally been instructed from the bench: men are presumed in law to have intended the natural and foreseeable consequences of their own acts.

The other rule is really rooted in a principle of inductive logic called Ockham's razor, which was stated in so many words by Sir Isaac Newton at the beginning of the third book of his *Principia*: given a distinctive pattern or tendency in events, assign the simplest and most fitting explanation as the cause, unless and until another more reasonable and plausible explanation later appears from new evidence. This rule was originally framed to deal with philosophical questions concerning universals and relations. It was expanded by Newton to explain the movements of heavenly bodies, and is properly used today in all the empirical sciences. It may be used even in politics and law. With this important principle in mind, it is easier to appreciate an unforgettable observation by Abraham Lincoln in his famous "House Divided" speech¹⁸ given on the occasion of his nomination by the Republican Party in Illinois as a candidate for United States Senate:

"We cannot absolutely know that all these exact adaptations are the result of preconcert. But when we see a lot of framed timbers, different portions of which we know have been gotten at different times and places by different workmen—Stephen, Franklin, Roger, and James, for instance—, and when we see these timbers joined together, and see they exactly make the frame of a house or a mill, all the tenons and mortices exactly fitting, and all the lengths and proportions of the different pieces exactly adapted to their respective places, and not a piece too many or too few—not omitting even scaffolding—or, if a single piece be lacking, we see the place in the frame exactly fitted and prepared yet to bring such piece in, —in such a case, we find it impossible not to believe that Stephen and Franklin and Roger and James all understood one another from the beginning, and all worked upon a common plan or draft drawn up before the first blow was struck."

When Lincoln made this comment, he spoke as a seasoned trial lawyer. He meant that, if events are of a kind which ordinarily would not happen unless men plotted to advance a certain objective, then we should not be inundated with doubt, but may and should confidently postulate a conspiracy to accomplish that objective. There is actually such a judicial standard for proving up conspiracy in civil litigation, once aptly expressed as follows:¹⁹

“Conspirators do not make minutes of their machinations, progress, and objectives. Seldom, therefore, can conspiracy be proved by other than circumstantial evidence. It is only by assembling the results, with such evidence as may be of the progress thereof by the participants, that the victim can ever make a case of conspiracy. If in the end there is a completed structure of result, the frame of which has been furnished piecemeal by several individuals, the parts when brought together showing adaptation to each other and fitness for the end accomplished, it is at least reasonable to infer concert in both planning and fabrication.”

When Lincoln delivered his “House Divided” speech, he believed or at least said that events of his day were shaped by powerful men with an agenda to expand and perpetuate slavery. His logic was correct, but he argued his case on incomplete evidence. There was a conspiracy afoot, but not of Southern planters seeking to bring slavery into the Federal territories where slavery was prohibited by geography. It was instead a combination of great financiers, and their agenda was to generate a war that would help them take over banking and currency in the United States.

In what follows, the rules of natural reason just explained will be assumed in discussing events so they may be seen in a clearer light. The distinctive features of the analysis following will in part rest on evidence not previously considered with sufficient attention, but will turn more largely on an awakened understanding of how events should be interpreted.

Inciting Hatred: Uncle Tom’s Cabin

The opening salvo in the campaign to sow hatred was Harriet Beecher Stowe’s *Uncle Tom’s Cabin*, first serialized in a newspaper, then published as a book in 1852. It was not a reasoned argument against slavery. It had no basis in fact. It was pure fiction, reaching a melodramatic climax in a scene where the sadistic master Simon Legree murders a kindly slave Uncle Tom who pleads, “Mas’r, if you was sick, or in trouble, or dying, and I could save ye, I’d give ye my heart’s blood; and, if taking every drop of blood in this poor old body would save your precious soul, I’d give ‘em freely, as the Lord gave his for me. O, Mas’r, don’t bring this great sin on your soul!” After more gaudy sensationalism, the awful moment arrived: “There was one hesitating pause, —one irresolute, relenting thrill, —and the spirit of evil came back, with sevenfold vehemence; and Legree, foaming with rage, smote his victim to the ground.”

This vindictive fabrication was published as a malicious libel against the Old South. It was mass marketed, requiring vast capital which could only have been supplied by the largest banking houses in the United States and Great Britain. This book was promoted lavishly, like no other book ever before promoted in the history of Western civilization. The King James Bible and the Book of Common Prayer aside, ten times more copies were published and sold than of any other work then known in the English-speaking world.²⁰ Mrs. Stowe's corny novel could not have gained a large readership without the kind of advertising and fanfare that only powerful connections and big money could assure. Pushing her work was like selling a low-grade Hollywood film today. It might be tasteless, as so many films are, but with enough capital it is possible to sell almost anything. Northerners read Mrs. Stowe's absurdity, and were outraged because they believed it was true. Southerners read her lie, and were outraged because they knew it was false. There was enough resulting anger in the air to generate the desire in men to kill each other, an essential ingredient of war,—exactly what the financiers behind this “literary” production wanted.

Transcontinental Railroads and the Repeal of the Missouri Compromise

Next came legislative adjustments in the Federal territories concerning the institution of slavery.

In 1820 Missouri was admitted into the Union. The new State lay to the west of the Mississippi River. On the other side of that great waterway, the Ohio River and the Mason-Dixon Line distinguished the modern industrialized society in the Northern States from the quasi-feudal agrarian society in the Southern States. While the two cultures could exist side by side on the same continental expanse, they could never be mixed, because each civilization was radically different from the other. Human beings are remarkably territorial. They will fight and kill for land to maintain a particular way of life.

If the latitude of the confluence of the Ohio and Mississippi Rivers were extended in a westerly direction as a continuing boundary between the Northern and Southern States, Missouri should have come into the Union without slavery. Yet, because the planter way of life was well entrenched in Missouri when she applied for admission to the Union, it was wholly impractical to prohibit slavery in the new State.