



The fundraisers in the Revolution

by Anton Chaitkin

Part I of a new series on the real identity of the Founding Fathers.

It is perhaps curiously appropriate that our corrupt financial system is facing a thunderous crash in this, the bicentennial year of the United States Constitution.

Reform of the system requires a return to the principles of the American Founding Fathers. Usury, narco-dollars, anarchic trade war, and depopulation must be replaced by government-backed commitments to productive credit, lawful trade in useful goods, and the technological development to support strong population growth.

Marxists and criminal bankers alike have lied, however, that the Constitution was written by "laissez-faire" irrationalists; that the American Revolutionary leaders simply wanted to license their own private gains by the government they devised; that our political system is based on the moral outlook of "each against all."

In this false historical frame of reference, there is no alternative to the tyrannical control of our economy by international banks. They say that the nation was founded and its industries built by leaders who thought like David Rockefeller and Don Regan, that the language of the Revolution—"all men are created equal" . . . "endowed by their Creator with certain inalienable rights" . . . "we the people . . . to provide for the common defense, promote the general welfare . . . do . . . establish this Constitution"—is misleading, and the Constitution should now be replaced by a more "up-to-date" government, run more openly by these bankers.

In the present series of articles, we shall see how our *actual* Founding Fathers dealt with opponents like these, and shaped a Constitution and an economic system in which the sovereign power of a democratic republic could prevail against the international, imperial, financial oligarchy.

We begin our historical inquiry during the Revolutionary War. For the third time in three decades, Benjamin Franklin's organization had placed Pennsylvania in a state of military readiness. The colonies had agreed to make Franklin's Philadelphia the capital of their struggle for independence, and his old colleague from earlier military efforts, George Washington, the commander-in-chief.

In December 1776, the Continental Congress received word that British armed forces were advancing on Philadelphia. Congress fled to Baltimore, leaving merchant Robert Morris in complete charge of executive government for the five-month-old United States of America. The previous year, Robert Morris had been a vice president of the provisional military government of Pennsylvania (the Committee of Safety) under president Franklin. Morris was also chairman of the "Secret Committee" of the American Congress, responsible for procuring arms for the Revolution. Morris was now to have personal responsibility for managing the finances of the Revolution.

That same December, just before Christmas, Benjamin Franklin arrived in Paris. From there Franklin would direct American diplomacy and international fundraising for the Revolution.

On Dec. 31, 1776, General Washington sent a messenger to Robert Morris, requesting \$50,000 immediately. Washington needed money for an Intelligence Service. And his troops, having surprised the British by crossing the Delaware that frozen Christmas Eve, were nonetheless about to leave the army en masse unless they received some pay.

Morris coaxed a loan for the whole sum from a Quaker acquaintance who, like most of his co-religionists, was anything but a strong devotee of the patriot cause. The cash was sent the next morning to General Washington.

The American Revolutionary War effort was managed,

in practical fact, by these men—Washington, Franklin, and Morris. We here carefully note the names of their chief assistants: General Washington's aide Alexander Hamilton; Franklin's confidential secretary and great nephew, Jonathan Williams, later the first Superintendent of the U. S. Military Academy; and Robert Morris's two closest co-workers in the Philadelphia financial office, Gouverneur Morris (no relation) and James Wilson.

From that December of 1776, through the American victory at Yorktown in 1781, and past the Peace Treaty of 1783, Robert Morris and Benjamin Franklin corresponded often, sometimes more than daily, across the Atlantic. Morris, General Washington and a handful of Franklin-allied congressmen met together regularly, as a de facto "executive committee."

The chief problem they faced was that there was essentially no money available to fight the war, but money had to be gotten anyway.

There were substantially no industries in America that could be taxed, as the British had in recent decades done what they could to prevent industrial development in the colonies.

Franklin borrowed money in Europe, and Morris and Franklin frantically juggled transatlantic bank accounts. Morris was forced to use primarily private channels for domestic loans and contributions to the patriot military forces.

The most urgent task of the central, responsible Revolutionary leadership, was to forge a single nation out of the thirteen revolting colonies, with a central authority that could finance the war for survival.

Without a strong central government, the American cause suffered badly. Exasperated by usury and war profiteering, and prodded by British agent-mob leaders, state legislatures passed laws to prohibit shipments of goods into other states, and to foreign countries, as a vain form of price control. In July 1779, a Pennsylvania legislative committee tried to halt the export of flour to the fleet of our French allies; rioting mobs were whipped up against Robert Morris, and against James Wilson, the lawyer for the French in America.

In 1779 and 1780, the Congress emitted \$203 million in unbacked currency, which sank in value as it was printed: Sam Adams had to pay \$400 for a hat in Boston. In lieu of taxes, Congress directly requisitioned supplies of grain, tobacco, and clothes: pigeons and rats overran the grain warehouses.

In September 1780, Washington's intelligence coordinator Col. Alexander Hamilton called for the creation of an actual national government with power to save the country, in a letter circulated to men of influence through his friend James Duane. "Without certain revenue, a government can have no power. That power which holds the purse-strings absolutely, must rule." Under the present, vulnerable system, Hamilton said, the "moneyed men have not an immediate interest to uphold [public] credit. They may even, in many ways, find it in their interest to undermine it."



Robert Morris of Pennsylvania. He was a signer of the Declaration of Independence, the Articles of Confederation, and the Constitution, and served as a senator in the First Congress.

Hamilton's proposal of an official Department of Finance, with Morris as the Financier, was adopted by Congress.

On May 17, 1781, in his first official act as Financier of the nation, Morris proposed to Congress a plan for a national bank, which Morris, Hamilton, and legal scholar James Wilson had worked out together in the preceding months.

The bank would help organize the desperate national finances by taking deposits, issuing respected bank notes, and loaning funds to the government. In his explanatory letter, Morris proposed, "That it be recommended to the several States . . . to provide that no other bank or bankers shall be established or permitted within the said States, respectively, during the war."

The Continental Congress voted to charter the Bank of North America, headquartered in Philadelphia. Morris's business partner Thomas Willing was President; James Wilson was a board member and the Bank's attorney. The vote on the Bank was recorded as follows: All Southern congressmen except one were in favor; Pennsylvania was split, one to one; both Massachusetts congressmen voted no; all others voted yes.

Curiously, Virginia's James Madison was the one South-

ern congressman to vote no on the Bank. Madison's mixed feelings about economic theory, as a patriot who was not in the center of the Revolutionary struggle, are seen by the fact that he supported Robert Morris's plan for a tariff on imports, though in the 1790s he was to oppose both tariffs and a national bank as "usurpations."

Twentieth-century historians, anxious to eradicate the memory of the Founding Fathers' fight for national sovereignty, have elevated James Madison into the "Father of the Constitution"—falsely, as we shall see. In this way, Madison's later "free trade" attacks on President Washington and Treasury Secretary Hamilton, outrageously enough, are given patriotic status in opposition to "government meddling," i.e., American government support for American national economic development.

The Bank of North America

Unfortunately for the patriots' exasperated efforts, the wartime tariff plan never made it through Congress. The Bank of North America, however, was established early in 1782, and began repairing the horrible financial crisis of the new U.S.A. It lent \$100,000 to the United States less than two weeks after opening its doors.

By expanding available credit, the Bank was able to combat usury, forcing down interest rates that had gone as high as two and one-half per cent per month. When demagogues in the Pennsylvania legislature attacked the Bank of North America, Franklin and Washington's favorite "left-winger" Thomas Paine counterattacked with a book, "Considerations on Government," which pointed out that these "democratic" critics were fronting for moneyed interests jealous of the people's new power over the usurers.

Before the Bank began functioning, Franklin's Pennsylvania machine saw the army through by the skin of its teeth. The wives of Robert Morris, James Wilson, and Charles Thomson (permanent secretary of the Continental Congress and former second-in-command of Franklin's secret organization, the Junto) often bravely toured the streets and the taverns of Philadelphia together, fundraising for the Army. Mrs. Wilson alone is credited with having raised \$62,000.

Robert Morris visited General Washington in camp during August 1781, to plan the campaign that was to win the war. Morris promised to finance a drive into Virginia, and Washington agreed to undertake it. Some of the gold came on loan from France, some from Morris's private sources. Every phase of the march toward Yorktown was supplied by minute-to-minute planning out of Philadelphia.

The same kind of close, tactical coordination among the "executive committee" would be necessary to write the federal Constitution and bring about its ratification by the states, as we will see in our next installment. Franklin's allies were to prove that a free people can govern themselves, and need not be slaves of international finance. But these Founding Fathers would be forced to give their lives, *after the Revolution*, in the vicious political war with the Tory oligarchy.

What the Tower Commission did not say

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