

CHAPTER II

The American Bully Part I

Bullying is nothing more than the manifestation of an uncontrollable sense of inferiority.

LEE GOTTLIEB
common citizen

ONCE A BULLY, ALWAYS A BULLY

Chapter I presented a truer perspective of the men who created the Constitution of the United States than our society gives to most Americans. It also alerts you of the underhanded things that men of power are capable of when protecting their own interests.

The next three chapters offer more of the same. They're about the abuse of power and the deliberate strangulation of the human dream for true freedom. They list many of the bullying and corrupt actions of the privileged class during the republic's first two centuries, and should prove interesting if you have little knowledge of U.S. history.

You aren't expected to read every word. Reading a few dozen items from each decade should be sufficient to reveal the bullying nature of the men comprising the American Establishment and the contempt in which they hold America's common workers.

However, you should read the facts about the Korean and Vietnam Wars that took place in the 1950s, '60s, and '70s, for the men who deceitfully placed the country into those wars still control the federal government.

Whatever your education, without a solid understanding of what really happened yesteryear, there's no way for you to understand what's happening today, or what must be done to ensure that you and your children's children survive tomorrow.

It's more than likely some of the dates that follow aren't correct as much of the information was obtained from autobiographies and writings of the men who lived the events, and they sometimes contradicted one another. But of what importance in the spectrum of infinite time whether an event happened a few years earlier or later? What is important is it did happen.

1788-1799

New Hampshire ratified the new constitution in 1788, making it the "Law of the Land." It was the law that gave the wealth of the North American continent to the groups of privileged men who had created it.

In 1789, George Washington became the nation's first president.

The delegates to the first Constitutional Congress reluctantly adopted

ten of the fourteen submitted amendments to the constitution, today known as the "Bill of Rights." The amendments offered American commoners some protection against abuse by men of government, but only of the central government. Privileged men of state legislatures remained legally free to mistreat commoners.

Early into the first session of Congress, a law placing a tariff upon imports was unreasonably delayed. Upon investigation, it was discovered the ships of a few merchant/congressmen were about to land. The tariff had been deliberately delayed to so the men could avoid paying the new duties. Of course, in anticipation of higher costs, these dedicated Americans had already raised the price of goods sitting in their shops.

In 1790, Hamilton unveiled his Funding Plan that proposed the new federal government pay the Continental Congress's war debts at face value—plus interest—by issuing federal bonds in exchange for confederate or state certificates. The new bonds were to be paid by tax revenues. Resistance to the Funding Plan was vehement. Surprisingly, Hamilton's friend James Madison objected to it.

Madison, a man of the soil, mistrusted men who gained riches through manipulation of money rather than sweat of brow. Speaking before the House of Representatives, he urged the men not to mortgage the new nation to speculators and moneylenders, but to reward the original bond holders, the common citizens who had fought to free the nation. But, to no avail.

Because news of the plan had been leaked, speculators ranged the countryside with bags of money buying certificates and land warrants from financially hard-pressed ex-soldiers. At the official announcement, the federation's outstanding debt was in the hands of speculators, among who were many of Hamilton's friends, business associates, and relatives.

The part of the Funding Plan called "Assumption" required the federal government to repay state debts also. But, most of the southern states had repaid their debts and none relished the thought of helping northern speculators make undeserved profits.

Supported by Hamilton, influential moneylenders formed the nation's first central bank: the United States Bank. With this action, the federal government openly declared its dependency upon private moneylenders

for sources of operating capital. Speculators mobbed bank doors to buy shares offered to the public.

Commoners were furious. Not only did they fear and distrust bankers, they saw little reason for the new American government to turn to private moneylenders for the nation's financial security. After all, it was the American people who, presumably, owned the natural resources of the new nation, certainly resources enough to finance government's needs.

By now James Madison was thoroughly disgusted with the rampant greed of politicians and speculators. In a letter to Thomas Jefferson, he wrote of the bank's investors:

...The subscriptions are consequently a mere scramble for so much public plunder, which will be engrossed by those already loaded with the spoils of individuals...It pretty clearly appears, also, in what proportion the public debt lies in the Country, what sort of hands hold it, and by whom the people of the United States are to be governed. Of all the shameful circumstances of this business, it is among the greatest to see the members of the legislature who were most active in pushing this job openly grasping its emoluments...

To raise operating funds and help pay bond holders clamoring for payment, the men of Congress passed a whiskey tax. It established the new government's future pattern: privileged city men would make farmers and common workers pay the costs of government.

In 1791, New Jersey gave public funds to three companies to build a state system of roads and canals. Robert Morris headed all three. To help him "defray operating costs," the state authorized Morris to run a lottery.

In 1793, a government army of almost four thousand men marched into Indian territory. The red men were defeated and their homes and fields deliberately razed to deprive them of shelter and food for the winter. The treaty they were forced to sign took from them almost 25,000 square miles of land.

The following year, Pennsylvania farmers, hurt by the poor economy and resentful of central government intruding into their lives, demonstrated

against the whiskey tax. Using the new constitutional powers, the privileged men of government assembled an army to put down the insurrection. By its sheer size the army, which George Washington commanded, intimidated the farmers into complying with the law. The use of force was denounced throughout the states and the common people's distrust of central government grew.

In a country bursting with stories of corruption, the giveaway of American lands is one of the most corrupt. It was the vast empty lands of the continent after which speculators lusted. Many private cattle, lumber, mining, and railroad empires were created as public officials gave away vast tracts of public land.

In the west, bands of "Indian fighters" ruthlessly massacred tribes of red men resisting the white men's invasion of their lands. Land speculators and land company investors then profited handsomely as settlers rushed westward into the Indian-free territories.

In 1798, president John Adams and his advisors, with complete disregard of the Bill of Rights, passed Alien & Sedition Acts giving them the power to intimidate and punish newspaper men and pamphleteers who publicly issued negative statements about the government. Some editors of opposition newspapers were sentenced to prison and many people were denied trial by jury, fined, and deported.

The First Amendment and the right of free speech in the United States proved to be fiction. The Alien and Sedition Acts were acts of repression, typical of a social system in which some citizens are privileged and others are common. The law was the first attempt by the Establishment to squelch political opposition and a free press.

At the close of the 18th century, many privileged Americans were still unhappy with the republican form of government, openly voicing belief in monarchy as the only form of government that could effectively control the inhabitants of a country as large and diverse as the U.S.

1800-1849

At the turn of the century the population of the thirteen states was estimated at five million people, and the planet at one billion.

It was predominantly an agricultural economy. Ninety-five percent of

the American population lived on small farms. They survived by growing and consuming their own food, acquiring other necessities at the general store or by trading with neighbors.

There were few wage earners. The family was the production unit and, much like the president of a corporation, the father directed its activities. Labor was divided: mother did the cooking, daughters did the laundry, father and sons worked the fields and repaired fences. Survival was the basic reward of human toil.

Banknotes of the Bank of the U.S. were redeemable in gold or silver upon demand of the holder. Thomas Jefferson, who was disliked by many of his privileged peers, frequently argued with Hamilton about the self-interests of the bank.

Riding the tide of anger and resentment against the privileged men of the Federalist Party, Jefferson marshaled the forces of the common people and narrowly won the presidency in 1801.

Privileged Americans disliked him even more.

Despite the generally accepted attitude that a federal office was owned by its holder and could be passed from father to son, Jefferson threw as many Federalists out of federal jobs as he could.

It was accepted practice during the 19th century for privileged men to cooperate with one another for profit. Commoners, however, were denied the same right. When Philadelphia shoemakers joined forces in 1805 to press for higher wages, the courts found them “guilty of a combination to raise wages,” and the workers were fined.

In 1809, the courts found New York tailors guilty of uniting to raise wages, and fined them.

By 1812, France and England, which were at war, had seized over 1,500 American ships and imprisoned more than 5,000 American seamen. In protest, the men of American government declared war against Britain, even though the English Parliament was then considering a law prohibiting impressment. Many Americans vehemently protested the war and refused to bear arms. An American newspaper man was beaten for denouncing the declaration of war.

In an attempt to acquire Canada’s vast land holdings for the republic, the American Establishment sent troops northward, but they were repelled

by the Canadians. Some historians believe the true reason for the War of 1812 was American greed for these additional lands.

In 1814, the courts fined Pittsburgh shoemakers for uniting to raise wages.

By 1815, the postwar boom and the demand for money had increased the number of banks to more than two hundred.

In 1816, the second Bank of the United States was granted a twenty-year charter.

By 1816, there were more than 100,000 factory workers in the U.S., of which more than two-thirds were women.

Spain sold Florida to the United States upon condition the U.S. renounce claim to western lands within Texas. Acceptance angered many land speculators. The Mexican government inadvertently diffused the anger when it offered tracts of Texas land to American settlers, who eagerly rushed into the territory.

Disillusioned with the greed of his countrymen, Jefferson revealed his disgust with the Constitution in a letter to a friend:

...Where then is our republicanism to be found? Not in our constitution certainly, but merely in the spirit of our people. That would oblige even a despot to govern us republicanly. Owing to this spirit and to nothing in the form of our constitution, all things have gone well. But this fact, so triumphantly misquoted by the enemies of reformation, is not the fruit of our constitution, but has prevailed in spite of it...

In 1818, weakened by too many bad real estate loans, the Baltimore branch of the Second Bank of the U.S. declared bankruptcy.

In 1819, the postwar boom collapsed. Prices fell and hundreds of companies went out of business. It was estimated as many as 50,000 workers were unemployed in three eastern cities alone.

In 1821, the first City Central, a regional worker’s association composed of various local trade unions, was formed in Philadelphia.

When gold was found in Georgia, the state legislature voided all treaties that had given Georgia land to Indians.

Workers formed the Anti-Masonry Party to oppose the Free Ma-

sons, a secret organization of influential Federalist businessmen. It was the first political party to issue a written platform; a policy quickly imitated by the two major parties.

In 1824, women workers in Rhode Island struck for better wages.

The 1820s was the decade in which workers discovered the strength of unity. They formed trade associations, founded worker newspapers, paraded, went on strike, and formed political parties.

By 1830, the population of the United States was estimated to be 13 million people.

The factory system was changing the way Americans lived. Because machines could produce things faster and cheaper than people working at home, American commoners were forced to acquire money if they wanted to share in the good things produced by factories.

Most factory workers were farm women and children, who worked to supplement the family income, while the men continued working the farm. Many working children were under twelve years old.

In response to the Mexican government's land offer, almost 30,000 Americans had swarmed into Texas, frightening the Mexican Establishment with their disregard of Mexican law. Mexico tried to stop further immigration, but the American Establishment encouraged it, and offered to buy Texas. The offer was refused.

An Indian Removal Act ordered all Indians living east of the Mississippi river to relocate west of the river.

In 1832, president Jackson vetoed renewal of the Bank of the United States' charter, claiming:

...Every monopoly and all exclusive privileges are granted at the expense of the public...The many millions which this act proposes to bestow on the stockholders of the existing bank must come directly or indirectly out of the earnings of the American people...It appears that more than a fourth part of the stock is held by foreigners and the residue is held by a few hundred of our own citizens, chiefly of the richest class...If our Government must sell monopolies...and if gratuities must be made...let them not be bestowed upon

the subjects of a foreign government nor upon a designated and favored class of men in our own country ...In the bearings of the act before me upon these points I find ample reasons why it should not become law...

American troops were sent to Argentina to protect the profits of American businessmen.

Mexico sent troops to stop American immigration into Texas.

In 1835, American troops were sent to Peru to protect the profits of American businessmen.

By 1836, there were more than seven hundred banks in the nation, all issuing bank notes.

When Texas declared itself an independent nation, the American Establishment encouraged all Americans to help the Texans fight for their freedom. Mexico was defeated, and most non-Texans returned to their homes. The American Establishment, astounding the people of Europe with its hypocrisy, refused Texas' request for annexation on the grounds of "neutrality."

When the second Bank of the United States' charter expired, the president removed federal funds and deposited them in favored state banks, destroying the monopoly of eastern financial power.

James Madison died in 1836 and his records of the Constitutional Convention were finally released to the public—forty-nine years after the convention.

By 1836, employers had begun to fear and respect the determination of American workers to get more rewards for their efforts. Workingmen's organizations used their growing strength to oppose lien laws, and laws authorizing imprisonment for debts.

Believing bank notes and paper money benefited bankers and speculators at the cost of honest working people, farmers and city workers opposed all laws enlarging the banking industry's money monopoly.

The increasing animosity toward bankers, and against a privately owned central bank, gave rise to a "subtreasury plan," which called for the removal of the nation's money supply from control of private interests. The plan proposed the money supply be placed under the authority of the federal treasury, and dispensed by federal subtreasuries scattered across

the land.

By 1837, many of the nation's eight hundred banks had gone bankrupt: they had issued more banknotes than they could redeem with hard cash. Wall Street experienced another panic, which plunged the economy to new lows. Thousands of commoners lost jobs, the number of homeless increased, and labor unions lost membership as workers took any jobs they could find to feed their families.

American army troops forced 14,000 Cherokee Indians into concentration camps for refusing to leave their homelands. Three thousand Indian men, women, and children, died on the long "Trail of Tears" to the Oklahoma territory.

In 1841, the president vetoed a bill to charter the Fiscal Bank of the United States, a proposed central bank. In retaliation his entire cabinet resigned, with the exception of the secretary of state. Eleven states defaulted on their foreign bonds and the United States Bank in Pennsylvania failed. Thousands of businesses closed their doors.

In 1845, the American Establishment, fearful that Texas would form a commercial alliance with England, finally annexed the territory to the republic. Fearful also of losing other coveted Mexican lands, the president wrote to Californians hinting of U.S. assistance should they revolt against Mexico.

He sent American warships to California and ordered army troops into a position calculated to provoke the Mexican Establishment. The battle that followed took American lives and caused many congressmen to openly denounce the president's callous determination to go to war, and his disregard of human life.

However in 1846, Congress did declare war upon Mexico, sending U.S. troops into battle, and secret agents to interfere with Mexico's internal affairs.

When California declared its independence, the American Establishment rushed U.S. troops into the territory declaring it "annexed." Americans defeated the Mexicans and, at the Treaty of Guadeloupe Hidalgo, our southern neighbor was forced to give half of its lands to the United States. Americans were jubilant; God's will for Manifest Destiny was being fulfilled.

In 1849, Edward Kellog published a small book that hinted at the consequences of America's class struggle:

...The laboring classes of all civilized nations have been, and are, as a body, poor. Nearly all wealth is the production of labor; therefore laborers would have possessed it, had not something intervened to prevent this natural result. Even in our own country, where the reward of labor is greater than in most others, some cause is operating with continual and growing effect to separate production from the producer...

It was the decade in which millions of acres of federal land were distributed to influential men for their privately owned railroads. With such vast land holdings at their disposal, these companies often behaved more like land companies than railroad companies. When the railways opened for business, some land speculators made immense profits.

By the end of the decade the American Establishment had forcefully taken more than 30 million acres of land from the Indians.

1850-1859

In 1850, the American population was estimated at 23 million people. As Americans left the land to work in factories, moving into the factory cities built to house them, only seventy-five percent of the population now lived on farms.

Economic depression covered the land increasing the ranks of the unemployed and hungry.

The National Typographic Union became the first recognized nationwide trade union.

By 1850, England, France, Russia, and the U.S. had become full-fledged nation-states, smug in the belief of white superiority; absolutely convinced nonwhite people were neither capable nor deserving of self-rule. England was the planet's greatest industrial and financial power.

In 1852, American troops were sent to Argentina to protect the profits of American businessmen.

In 1853, the men of government bought the lands of Arizona and New Mexico from Mexico, and sent American troops to Nicaragua to

protect the profits of American businessmen.

In 1854, newspapers reported contents of an “official” document declaring the U.S.’ intention to take Cuba by force, if Spain didn’t sell it Cuba. The anger of the American people forced the president to issue a denial.

In 1854, an American warship bombarded and destroyed Greytown, Nicaragua, an English company town, that had rashly competed with an American corporation for the business of transporting travelers across the Isthmus of Panama.

By 1855, factory owners were bringing in black men to replace striking white workers.

By 1856, U.S. business interests had financed a Panamanian railway that was protected by U.S. troops.

In 1857, the U.S. suffered still another financial panic caused, as usual, by unrestrained speculation. But this time it had been caused by the speculative interest in railroads, not land. Thousands of Americans were thrown out of work

The government sent troops to China to protect the profits of U.S. businessmen.

In 1859, U.S. troops occupied the San Juan Islands.

It was the decade in which the concept of nationalism took firm hold throughout Europe and the United States, and commoners throughout the world were thoroughly programmed by their Establishments with the belief that dying for country was just as glorious as dying for God.

1860-1869

In 1860 the population of the republic was estimated at 31 million.

It was the year the new “Republican” Party won control of the central government, becoming the first non-southern Administration to hold power since passage of the constitution.

It wasn’t the same Republican Party that Thomas Jefferson had led, with the same ideals and the same objectives. To the contrary, this new party was comprised of the type of privileged men who had followed Alexander Hamilton, and had created the deception called the “Constitution of the United States.” It was simply another play on words to deceive

ignorant commoners.

Economic greed is the root of modern war, and the Civil War is no exception. Freeing black people from slavery was merely the noble reason offered to convince northern commoners to approve the bloody conflict. The true reason was northern financiers and industrialists wanted western lands for industrial purposes and not for growing cotton. They particularly didn’t want competition from cotton plantations for western labor.

Nor did Abraham Lincoln, the Republican president honored for his desire to “free” the slaves, truly want to see blacks equal with whites. In an 1858 speech in Charleston, he had declared:

...I will say, then, that I am not, nor have ever been, in favor of bringing about in any way the social and political equality of the black and white races...that I am not, nor ever have been, in favor of making voters or jurors of negroes, nor of qualifying them to hold office, nor to intermarry with white people...And inasmuch as...there must be the position of superior and inferior...I as much as any other man am in favor of having the superior position assigned to the white race...

Southerners didn’t want war; they didn’t expect Northerners to use brute-force to keep them in the republic. It had been a voluntary union, and they believed it was their right as free men to withdraw if they wished.

But they were dead wrong. They got war, for their claim to sovereignty gave them the potential to compete for western lands with northern states, which the business rulers of these states didn’t want.

It was a war American commoners didn’t understand, and many refused to attend, calling it another “rich man’s war and poor man’s fight.” Reflecting this attitude is an excerpt from a letter written by a northern judge urging his son not to enlist in the army:

...It is only the greenhorns who enlist. You can learn nothing in the army...there are plenty of other lives less valuable or others ready to serve for the love of serving...

In 1863, northern Republicans passed a Conscription Act to help raise an army. The act allowed wealthy young men to escape army service by paying the government \$300, or by providing a substitute body. Substitutes were normally sons of poor families needing money.

Enraged at this display of class discrimination, commoners participated in draft riots throughout the North. It took Union troops four days to quell the violence in New York City.

Both radical and conservative Republicans disliked Lincoln. They feared the man's intense desire to reconcile North and South and to wage war without hurting the southern economy. They believed the man too weak to conduct the peace as they wanted it conducted. And what these men wanted when the war was won, was to treat Southerners as losers of war, not as Americans of equal worth.

Despite a strong attempt by the Republican hierarchy to dislodge the president as their nominee for the upcoming elections, Lincoln won the nomination and the election of 1864.

During the absence of southern representation in Congress, the Republicans passed many laws favorable to the industrial North. They wrote high protective tariffs, creating windfall profits for northern manufacturers. By approving laws to fund an intercontinental railroad, they gave northern factory owners a needed transportation system.

Despite the war, northern businessmen used federal troops to break labor strikes, and the courts—which always favored business interests—held the workers guilty in constraint of trade.

Overworked American commoners continued fighting for a fairer return on their labor, and plasterers, masons, cigar makers, carpenters, bricklayers, and painters formed trade unions, giving them a greater force at the bargaining table.

The pro-business segment of the Republican Congress also prepared well for its postwar labor needs by passing laws authorizing the recruitment of European immigrants; people who would flood the American labor markets with an unending supply of hungry, eager workers.

In 1864, echoing the discontent and aggressiveness of Europe's working classes, a national labor union called the "International Industrial Assembly of North America" was formed.

On April 9, 1865, the South surrendered. From the first shot fired at Fort Sumter in April of 1861, more than 600,000 Americans had killed one another. Thousands of northern businessmen and stock market speculators, who had profited handsomely by the war, openly declared their disappointment at its end.

Six days later, on April 15, President Lincoln, the man disliked and feared by so many powerful men of his own political party, was assassinated. But the dilemma remained: what could victorious Republicans do to keep political power away from American southerners?

Establishing new relationships between North and South proved difficult. Some northerners, including the new president, Andrew Johnson, wished leniency shown toward the devastated South, where the fields were overgrown, the homeless and poor roamed the land, confederate money was valueless, and many of its cities and plantations had been burned to the ground.

Leaders of the Republican Party demanded southerners be treated as the losers of war and used extraordinary measures to gain their objectives; all reminiscent of the deception and illegality of the Constitutional Convention.

In an effort to rush through emergency laws, they called an extra session of the Fortieth Congress, a power the constitution grants to the president, not to congressmen.

To prevent the president from removing generals, whom they had appointed and wanted in positions-of-power, they removed his power as commander-in-chief of the army. Another power granted the president by the constitution.

To give the vote to millions of newly freed blacks, who were expected to vote Republican, the Republicans proposed the Fourteenth Amendment to the constitution.

An unobtrusive clause of the amendment disqualified citizens who had engaged in rebellion from political and military office. The clause made it illegal for any of the southern white leadership to hold federal office. The Fourteenth Amendment made it impossible for the South to challenge Republican control of Congress, guaranteeing northern Republicans the continued control of the nation they desperately wanted.

In an attempt to discredit the new president, whom they had grown to dislike as much as his assassinated predecessor, the Republican leadership displayed gross disregard for law. Using unconstitutional procedures—and without legal cause—they brought impeachment charges against the man. Despite the sleazy use of paid “informers,” impeachment failed.

Harnessing the power of their newspapers, the angry Republican leadership attacked the integrity of politicians who had sided with Johnson during the impeachment procedures. Using their greater political-force, they kept these men from winning political office or chairing committees of importance.

Claiming the spoils-of-war, northern politicians, businessmen, and other opportunists descended upon the South, legally looting its remaining wealth.

The Reconstruction Acts divided the South into five military districts, each under the command of an army general. But the men of the Supreme Court had declared military courts illegal where civil courts were available. Fearing the Supreme Court might pronounce other reconstruction laws illegal, the Republican political machine swung into action to remove its powers.

Republican newspapers throughout the land denounced the Supreme Court and the justices, and proposals to eliminate the Court or restrict its powers in cases involving the Reconstruction Acts erupted across the nation in town meetings and state legislatures.

To block the uncooperative president from interfering with its plans, the Republican Congress passed a law, effectively removing his power to make appointments to the Court, another infringement upon the constitution, which clearly gives only the president the right to appoint Supreme Court justices.

In 1867, Western farmers, hit by a decline in wheat prices, overburdened with payments for property bought during the prosperous war years, and looking for relief from eastern bankers and railroad monopolies formed a political organization called the “Patrons of Husbandry,” also known as the “Farmers Grange.”

In 1868 the Republican Congress passed a law removing the Supreme Court’s jurisdiction to hear any appeals from lower courts involving

the right of habeas corpus. It was the straw that broke the camel’s back. From then on, the intimidated and fearful men of the Supreme Court of the United States evaded conflict with the Republican hierarchy.

Carried by the black vote, Republicans won the presidency.

American troops were sent to Japan, Uruguay, and Columbia to protect the profits of American businessmen.

In 1869, banks began closing as excessive and unsound deposit creation began to take its toll.

The Noble Order of the Knights of Labor was founded in the hopes of winning workers a fairer wage through political activity. They fought for the 8-hour day, inheritance taxes to curb the wealth of the rich, and the elimination of child labor.

From the very beginning of the republic, government jobs had been looked upon by both parties as the spoils of war, to be openly dispensed by the victors among political supporters, friends, and relatives. The party in power treated “civil servants” as their personal servants, often demanding campaign contributions and votes for the party. Workers were intimidated into compliance for fear of losing jobs. During the late 1860s, this topic of “political patronage” was hotly debated throughout the nation.

The 1860s is the decade in which employer associations engaged in lockouts, discharged labor leaders, circulated black lists, and hired strike-breakers. These actions not only forced labor unions underground, but also forced them to respond to violence with violence.

This was the decade in which hundreds of thousands of eager foreigners were brought to the U.S. to compete with Americans for factory jobs and drive wages down.

1870-1879

In 1871, president Grant, an open critic of the patronage system, took the first historic step to remove civil employees from political oppression. He appointed a Civil Service Commission to initiate fitness tests and remove political influence as the qualification for public employment.

In 1871, the men of Congress announced that American Indians were no longer a sovereign people, and would no longer be afforded the “courtesy” of treaties. The declaration was meaningless to red-skinned Ameri-

cans, with whom the men of Congress had already broken hundreds of treaties.

By 1872, Congress had awarded railroad speculators with hundreds of millions of acres of public lands and millions of dollars of public funding, proving to the world the “free” in free enterprise really means free public goodies for the privileged.

In 1872, the platform of the National Labor and Reform Party reflected many of the wishes of common Americans, including removal of the nation’s money-supply from control of private bankers:

...that it is the duty of the Government to establish a just distribution of capital and labor by providing a purely national circulating medium, based on the faith and resources of the nation, issued directly to the people without the intervention of any system of banking corporations...That the public lands of the United States belong to the people and should not be sold to individuals nor granted to corporations...that we demand the subjugation of the military to the civil authorities, and the confinement of its operation to national purposes alone...

By 1873, the economic downturn following the panic of 1869 had taken its toll: more than 5,000 businesses had gone under leaving tens of thousands of workers unemployed. Prestigious investment houses and the New York Stock Exchange were forced to close.

Once again organized labor lost members as men in bread lines took any job offered to feed their families. Employers reclaimed whatever gains the unions had previously made, and imposed blacklists, penalties, and lockouts upon labor union organizers and “agitators.”

By 1873, U.S. troops had intervened three times in Panamanian affairs.

In 1874, when gold was discovered in the Black Hills of South Dakota, U.S. troops and gold speculators drove the Sioux off their land.

By 1875, the Farmers’ Grange boasted almost one million members throughout the north, central, and southern states.

By 1876, the economy had brightened but by then more than 9,000

businesses had closed their doors.

Tired of Republican rule, Americans decisively rejected the Republican candidate, giving the Democratic candidate both the electoral and the popular vote.

Republicans, however, demanded the invalidation and recount of votes in three southern states. Upon recount, the Republican candidate miraculously won all three states—all controlled by Republican carpetbag governments—and became the new President of the United States.

Commoners were flabbergasted, but influential southern Democrats quietly accepted the recount; they had been guaranteed the removal of all federal troops remaining in the South, and federal subsidies for much needed railways.

1877 was the year of fierce and bloody railroad strikes throughout the nation. More than 100 workers were killed and thousands jailed.

In 1879, Progress and Poverty, Henry George’s book about wage slavery was published. It proposed a system of land taxation to restrict great fortunes, and increasing the working citizens’ standard of living. The book aroused the emotions of fair-minded people in western countries, as had the message of racial slavery in Uncle Tom’s Cabin.

Although a Republican, the author advocated that workers—the producers of wealth—receive a greater share of the rewards for their toil:

...There is but one way to remove an evil—and that is to remove its cause. Poverty deepens as wealth increases, and wages are forced down where productive power grows, because land, which is the source of all wealth and the field of all labor, is monopolized... We must make land common property...

The 1870s was the decade in which the Pinkerton Detective Agency was hired by Pennsylvania coal mine owners to smash the resistance of laborers to their inhuman working and living conditions. Infiltrating worker groups, the company spies persuaded workers to commit illegal acts, giving Establishment police officials the legal excuse to forcefully close down the groups.

It was the decade in which businessmen formed associations expressly to fight labor unions, and the courts, which repeatedly favored

employers over common workers, ruled that workers couldn't legally band together for economic benefit.

It was the decade in which thousands of Chinese were imported to labor on railroads. It was the decade of great railroad wars, and the decade in which railroad corporations forced thousands of helpless American commoners from their homes.

It was the decade in which the viciousness and corruption of the American Free Enterprise System erupted into public view, revealing to the entire world the true nature of unfettered capitalism.

1880 -1889

In 1883, the newly formed Civil Service Commission began removing federal employees from the oppressiveness of forced political contributions.

American manufacturers, who brought reluctant prison inmates into work their factories, refused to negotiate with striking workers. German industrialists, on the other hand, recognizing the advantages of employing "contented" workers, initiated worker health insurance and workingman's compensation programs.

In 1885, Wall Street suffered another financial panic, and U.S. troops were sent into Panama to protect the profits of businessmen.

In 1886, workers protesting employer violence at a local factory in which one worker was killed and many injured, held a labor rally in Chicago's Haymarket Square. An exploding bomb killed eleven people and wounded many others. Police beat and bloodied the workers.

Eight labor leaders were charged as "anarchists" and sent to prison. Without a shred of evidence to support the charges, Establishment judges sentenced seven to death, eventually hanging four.

To this day, it has yet to be determined who exploded the bomb, workers or employer goons?

In New York City, the leaders of a streetcar workers strike were sent to prison.

The death of open patronage, had forced the political community to look elsewhere for campaign funds. Instinctively, politicians solicited support from the business community.

During the election of 1888, the Republican Party organized teams to solicit campaign funds from local businessmen. Some party members wrote to manufacturers detailing the advantages of supporting a party that would continue to seek high protective tariffs for American manufacturers.

Recognizing the advantages to be gained by supporting one national political party, as opposed to many state political rings, businessmen eagerly responded to Republican overtures.

Republican politicians rewarded their business supporters with public office. Favored businessmen were appointed secretary of state, secretary of war, and postmaster general. So many rich men bought seats in the U.S. Senate with their political contributions some people called it the "Millionaires Club." A contemporary writer noted:

...[a U.S. senator] represented something more than a state, more even than a region. One senator, for instance, represented the Union Pacific Railway System, another the New York Central, still another the insurance interests of New York and New Jersey. Coal and Iron owned a coterie from the middle and eastern seaport states. Cotton had a half dozen senators. And so it went...

One hundred years after ratification of the constitution, the common people were still unrepresented in the U.S. Senate.

The 1880s was the decade in which laws were passed reducing public aid to poor Americans living in public workhouses. The poor were now expected to find jobs to earn their keep.

It was the decade in which the great railroad building boom ended and Congress responded by passing a bill prohibiting citizenship, to yellow skinned immigrants.

It was the decade in which public resentment and unease over the open greed and corruption of the industrial, financial, and political communities forced the reluctant men of Congress to pass new laws. A criminal fraud statute was written to curb stock market abuse, and an antitrust act was passed to outlaw monopolies and combinations formed to restrain trade.

But none of these laws or regulatory agencies were taken seriously

by the privileged, for they knew what kind of men ran state and federal governments. They knew the laws were token laws, and the regulatory agencies token agencies, created merely to pacify the public's unease over the growing concentration of economic power.

The 1880s was the decade in which the U.S. finally equaled both England and Germany as an industrial power.

1890-1899

By 1890, the gap between rich and poor had grown and the narrow distribution of wealth in the United States had become more evident. Working Americans feared the trusts and the power they wielded. It was common belief trusts and the power-hungry people who ruled them were the source of America's slums, crowded cities, racial prejudice and political corruption.

Despite commoner's resentment of public subsidies to private monopolies, and despite the Republican president's campaign promise to reduce tariffs, because existing high tariffs had created a Treasury surplus, the Republican Congress did pass new tariffs—further increasing unearned profits for the privileged.

In response, the American people angrily swept the Republicans out of office in the 1890 congressional elections, forcing the party to develop a new strategy.

Party leaders were determined to divert the attention of American commoners away from economic problems to international events. This, they anticipated, would help transform the republic into an international player, create additional opportunities for personal profit, and increase party influence over domestic affairs.

But because Americans commoners always had shown unwillingness for involvement in the problems of others, the Republicans had to first change long held American attitudes of nonintervention in foreign affairs.

Of course, some powerful Democratic Party leaders also understood it would be easier to divert the attention of working Americans away from domestic problems than to solve the problems, and that collaboration with Republicans would be advisable.

In 1890, the army's Seventh Cavalry machine-gunned a band of Sioux

whom they had already disarmed. Ninety men and 200 women and children were murdered.

The formation of the Peoples' Party in 1891 brought American commoners new hope. They joined by the millions. The strength of the new party and its rapid acceptance in the West and South so alarmed southern Democrats they tried to stop its advance with ballot stuffing, lies in the political press, brute-force, and murder.

The platform of the new political party was built upon the belief the people owned the natural resources of the nation, and foreign interests should not be allowed to own any part. It advocated government ownership and operation of railroads, telegraph, and telephone companies, and proposed land reforms to prevent the building of real estate empires.

It also denounced the army of Establishment mercenaries called Pinkertons, and opposed public subsidies to private corporations. Recognizing the dangers of a private banking system, the platform recommended "...Postal Savings Banks be established and operated by government to safeguard workers' earnings..."

When two American sailors were killed in a street fight in Valparaiso, Chile, the Establishment grasped the opportunity for international intervention. It asked the men of the Chilean government to make reparations. When the demand was ignored, the president Harrison sent a war message to the Congress. Most congressmen, however, were unwilling to send the nation to war over a street brawl.

In 1892, thousands of workers protesting wage cuts went on strike against a steel company's Homestead, Pennsylvania plant. The company put barbed wire around the plant, imported workers from other areas, and brought in Pinkerton agents to break the strike. Twenty strikers were killed in the violence that followed, giving the governor an excuse to send more than 3,000 militia to subdue the angry workers.

The president ordered 2,000 troops into Idaho to quell striking miners. The Tennessee National Guard was called out to subdue miners angry over the use of convict labor in the mines.

In 1892, the Queen of Hawaii announced her country's intention to end U.S. domination of Hawaii's industries and plantations. The American minister to Hawaii asked for U.S. troops to protect American interests.

In 1893, the republic suffered an economic panic so severe almost five hundred banks closed their doors and more than 1,500 businesses declared bankruptcy. Millions were unemployed. Farm prices fell and the federal government set up food kitchens to feed the hungry.

The poor and homeless Americans descending upon Washington to protest economic conditions were labeled “Hobo” marchers by the Establishment press.

In 1893, the President of the United States refused a request from Venezuela asking for help to settle its fifty-year boundary dispute with England.

By 1893, the American business community once again confronted the dilemma inherent in industrial capitalism: how to keep factories running at full capacity, when low-paid American workers couldn't afford to buy their products, and new markets couldn't be developed fast enough to consume total production.

The president of the newly formed National Association of Manufacturers defined the problem:

...Many of our manufacturers have outgrown or are outgrowing their new markets, and the expansion of our foreign trade is their only promise of relief...

Echoing the needs of American industry, political puppets and the political press bombarded the public calling for international expansion and commercial supremacy. Some suggested taking control of the Philippine and Hawaiian Islands. Others suggested going to war, because war was good for business expansion and was a key to wealth. They claimed it our manifest destiny to make Asia and the Pacific our colonies.

In 1893, U.S. marines forced the Queen of Hawaii from her throne. The Americans asked that Hawaii be immediately annexed to the U.S. The president's refusal prompted a senator to respond:

...In the interests of our commerce and our fullest development...and for the sake of our commercial supremacy in the Pacific, we should control the Hawaiian Islands...Commerce follows the flag, and we should build a navy strong enough to give protection to Americans in every quarter of the globe...

The smoldering flames of American class conflict flared again in 1894.

Threatened with the loss of dividends due to the economic depression, owners of a railroad car company cut employee wages and refused employee representatives to plead their case.

Workers went on strike. Like many industrial workers, they lived in a company town, rented a company house, shopped in a company store, bought gas and water from the company, and, overall, paid higher prices than Americans commoners living in noncompany towns. The pay cut had merely devalued their already devalued lives.

The striking workers, however, were soon joined by members of the newly formed American Railway Union, whose president, Eugene Debs, ordered members not to handle this specific railroad company's cars anywhere in the republic. Within weeks railroad transportation across the nation was paralyzed.

The effectiveness of the organized resistance drew the wrath of the Establishment. The railroad company imported strike breakers who violently attacked striking workers. The General Managers' Association, an employer's group, demanded government troops break the strike, and asked the U.S. Justice Department to forbid further union activities.

Despite objections by the governor of Illinois—and despite the unconstitutionality of the action—the President sent 10,000 army troops to the scene. More than twenty-five soldiers and workers were killed, but the Establishment broke the workers' strike.

In 1894, American troops were sent to Nicaragua to protect the profits of American businessmen.

In 1894, still another book, *Wealth Against Commonwealth*, by Henry Demerest Lloyd, exposed the cruelty of the capitalist system, clearly explaining how industrialization had created vast wealth for few families, while perpetuating massive poverty for workers.

Performing an abrupt turn about, the president agreed to resolve the boundary dispute between Venezuela and England; the dispute he had previously refused to resolve. The men of Congress quickly authorized his action, and the secretary of state officially notified the English Establishment that the men of the American Establishment would consider it an act of hostility against this country, if it didn't submit to arbitration in Venezu-

ela. The tone of the message implied Americans would go to war over the issue.

Although surprised at the unexpected belligerence, the English were having problems with Germany and had little desire to fight two wars simultaneously. They notified the war-hungry American Establishment that they would modify their Venezuelan policies.

In 1895, Congress passed a federal income tax law. The men of the Supreme Court struck it down, declaring it an unconstitutional assault upon real property and capital.

By 1895, U.S. businessmen owned and operated Mexico's eight major railroads.

By 1897, the economy had bounced back, prices were rising, and once again the need of new markets for American products was reflected in the speech of a popular American expansionist:

...American factories are making more than the American people can use; American soil is producing more than they can consume. Fate has written our policy for us; the trade of the world must and shall be ours. And we will get it as our mother [England] has told us how. We will establish trading posts throughout the world as distributing-points for American products. We will cover the ocean with our merchant marine. We will build a navy to the measure of our greatness. Great colonies governing themselves, flying our flag and trading with us, will grow about our posts of trade. Our institutions will follow our flag on the wings of commerce...

Thwarted in its drive to provoke war with England over Venezuela, the American Establishment explored another direction.

American power groups had long believed control of Cuba was essential to the safety of the nation, yet for more than thirty years they had refused to help the Cuban-American Army of Liberation drive the Spanish from Cuba. But in 1898 priorities had changed.

Once again the warmongering Establishment press began its bombardment of the American people. Spain was now the aggressor, and little

Cuba the victim. The press ground out its propaganda, and the men of Congress passed a resolution endorsing the rebel cause. The Republicans staged a public rally to get sympathy for the cause of Cuban independence. Using the techniques of the political demagogue, Republican spokesmen labeled critics and opponents of their tactics "anti-American" and "traitors."

The president gave the Spanish an ultimatum: resolve the situation with Cuban dissidents, or the United States would go to war. To prove his determination, the American navy was placed on alert. Not wanting war with the U.S., the Spanish did as the English had done in the Venezuelan affair: they modified their Cuban policy.

But the president and his Republican associates refused the conciliatory attempts and ordered the battleship *Maine* to Key West. To antagonize the Spanish further, they ordered the *Maine* to sail directly into Havana Harbor. The Spanish refused to take the bait.

The battleship sat quietly in the harbor for many weeks until one day it suddenly—and mysteriously—exploded killing 252 Americans. The Spanish denied involvement. An American naval board of inquiry denied naval negligence, claiming an underwater mine had caused the explosion.

As with the Haymarket incident, the perpetrators of the explosion were never determined: Spanish, or American?

The uncertainty of the incident didn't stop the American Establishment. The president demanded Spain immediately relinquish its sovereignty and withdraw from Cuba. The Spanish refused. But when the pope intervened, they agreed to American demands.

The President of the United States, however, ignoring Spain's acceptance of his terms, delivered a war message to Congress and deliberately lied to the American people about the true state of Spanish-Cuban affairs. Thoroughly confused, Spain severed diplomatic relations with the United States.

Congress declared war on Spain and ordered the American Asiatic fleet, which had conveniently positioned itself in Hong Kong, to immediately attack the Spanish fleet in Manila Harbor. Caught off guard, the Spanish fleet was trapped and destroyed.

In 1898, U.S. troops were sent to invade the Philippines. Despite the

wish of Hawaiians to retain their independence, Congress promptly annexed the Hawaiian Islands, passing a bill making Hawaiians United States' citizens. American army troops were sent into Cuba and Puerto Rico to protect private American investment.

Outmaneuvered and badly beaten, the Spanish surrendered.

The American Establishment publicly pondered what to do with the conquered territories, but the entire world knew the decision had already been made.

An American businessman summed it up:

...We have become a great people. We have a great commerce to take care of...Commerce, not politics is king. The manufacturer and the merchant dictate to diplomacy and control elections...We have the right as conquerors to hold the Philippines. We have the right to hold them as part payment of a war indemnity...All nations recognize that the conqueror may dictate the terms of peace...

In 1899, writer William Dean Howell commented,

...our war for humanity has unmasked itself as a war for coaling stations, and we are to keep our booty to punish Spain for putting us to the trouble of using violence in robbing her..."

And so, despite the prewar pledge to Congress by the President of the United States:

...I speak not of forcible annexation, because that is not to be thought of, and under our code of morality that would be criminal aggression...

And despite the prewar pledge by Congress regarding Cuba:

...that the United States hereby disclaims any disposition or intention to exercise sovereignty, jurisdiction, or control over said island, except for the pacification thereof, and asserts its determination when that is accomplished, to leave the government and control of the island to its people...

the American Establishment claimed possession of all lands it had

released from Spanish "oppression."

The treaty the American Establishment forced upon Spain, not only made Cuba an American protectorate, but demanded Spain also relinquish the Philippine Islands. Natives of the islands, however, didn't want American occupation any more than they had wanted Spanish and resisted the American invaders as they had resisted the Spanish. The fighting that followed was long and bloody.

The Spanish-American War was a major milestone, a turning point in American history. It catapulted the United States into the ranks of first-class empire builders. The pseudo-democratic, capitalist United States, openly displaying its true nature to the world, was now the imperialist United States, ruled by the same kind of men that had ruled the empires of Assyria, Persia, Rome, and England.

The Republican Party had again selfishly betrayed American ideals and American commoners. Ethical and less ambitious party members shamefully retired from the party, and from public life.

By 1899, U.S. troops had invaded Nicaragua four times.

The 1890s was the decade in which privileged Americana successfully resisted worker attempts to win reduced work hours, old-age pensions, and legislation to tax income and inheritance.

It was the decade that witnessed the replacement of industrial capitalism with financial capitalism. Money was king and industry had fallen under the domination of commercial and investment bankers who used their powers to supply the huge aggregates of capital needed by industrialists.

It was the decade of the unregulated growth of trusts and holding companies. As John D. Rockefeller observed, "...Individualism is gone, never to return..."

What This Means

It means the history of our country is not as proud and glorious as we've been led to believe, and that the American-style democracy so many Americans are proud of isn't either.

It means political power in this country has never been derived from

the will of the common people, but by its absence. It's why the American System in the 19th century consistently ignored the needs of both poor and working citizens, and required the political participation of neither. It's why wage earners were exploited, beaten, and sometimes murdered for resisting the will of the privileged employing class.

It means people were being replaced by machines as humanity's main source of energy, and the corporate form as the humanity's major force of change.

It means some far-sighted members of the Establishment successfully used the media to change social thought and human behavior, while less imaginative men tried merely to sell "things.

It means the direction and progress of the entire North American venture has been driven by the quest for personal wealth, not for freedom, for while liberty was promoted as the ideology of commoners, the privileged marched to the tune of profit.

That's what Chapter II means.

