

ORIGINS OF THE ANGLO-DUTCH WORLD ORDER

"In nations which have made a false commencement, it would be found that the citizen, or rather the subject, has extorted immunity after immunity, as his growing intelligence and importance have both instructed and required him to defend those particular rights which were necessary to his well-being. A certain accumulation of these immunities constitutes... the essence of European Liberty, even at this hour. It is scarcely necessary to tell the reader that this freedom, be it more or less, depends on a principle entirely different from our own. Here the immunities do not proceed from, but they are granted to the government, being, in other words, concessions of natural rights made by the people to the state, for the benefit of social protection. So long as this vital difference exists between ourselves and other nations, it will be vain to think of finding analogies in their institutions. The mildest and justest governments in Europe are, at this moment, theoretically despotisms."

James Fenimore Cooper
Introduction to *The Bravo*

Eight reports on the origins of today's modern Anglo-Dutch oligarchical system.

A few caveats:

1) These reports do not offer a complete picture of either the political or the epistemological battles that occurred during the historical period in question. Each report deals solely with the specific topic of that report.

2) No attempt is made to present the "other side," i.e., the humanist pro-republican network.

3) It is assumed that the reader of these reports is already familiar with three things: Graham Lowry's book¹, particularly his insights into the political battle in England during the reign of Queen Anne; LaRouche's writings on Palo Sarpi, empiricism, and the enlightenment²; at least some of our previously published writings on Venice³. Most of what has already been covered in these published materials will not be repeated here.

4) These reports are intended for reference and discussion purposes. They are not presented in a finished or edited form for publication.

Contents

- 1) The oligarchy's spoor: Roman Law and Aristotelianism
- 2) The Spanish roots of free trade
- 3) Paolo Sarpi's web
- 4) From the "Right of Resistance" to John Locke
- 5) The Dutch tragedy
- 6) England: Venice triumphant
- 7) Slavery
- 8) Central banking

¹*How the Nation Was Won: America's Untold Story*; by H. Graham Lowry, published by The Executive Intelligence Review, 1988

²See, e.g., *Toward a Second Treaty of Westphalia: The Coming Eurasian World*; EIR, Vol. 31 No 49, Dec. 17, 2004

³*American Almanac* - http://members.tripod.com/~american_almanac/contents.htm

PART I - PROLOGUE: THE OLIGARCHY'S SPOOR

In 1433, Cardinal Nicholas of Cusa, writing in Book II of his *Concordantia Catholica*, states, "Since Natural Law is based on reason, all law by nature is rooted in the in the reason of man," and later in Book III of the same work, he says, "There is in the people a divine seed by virtue of their common equal birth and the equal natural rights of all men, so that all authority - which comes from God as does man himself - is recognized as divine when it arises from the common consent of all the subjects... This is that divinely ordained marital state of spiritual union based on a lasting harmony by which a commonwealth is guided in the fullness of peace toward eternal bliss."

This Platonic concept of the divine spark of reason inherent in all human beings - that which distinguishes us from the beasts - is the basis for all modern nation-state republics, including, most emphatically, our own United States. The oligarchy, particularly in its present Synarchist manifestation, intends to extinguish this conception of man from the planet, and to return the human species to the conditions which existed under the Roman Empire, or the later Roman-created, feudal system.

The Medieval Fondi's Two Projects

During the 11th and 12th centuries, the respective geopolitical roles of Venice and the Byzantine empire were reversed. Venice, the satellite/client state of Constantinople, emerged by 1200 as the dominant military and economic force in the eastern Mediterranean. The change began with Venice's military interventions in 1003 and 1082 to defend the Byzantine Empire from almost certain defeat at the hands of the Turks and Normans. In 1096 Venice organized the first Crusade, to be followed by four more over the next 126 years. Out of these crusades the Venetian empire was born. The infamous fourth Crusade, wherein Venice organized the sack and military occupation of Constantinople, gave Venice the island of Crete and almost all of the Byzantine colonies along the Adriatic Sea. By the middle of the 13th century, Venetian galleys dominated the Mediterranean and were actively trading in Flanders and London.

During this "Venetian era," two inter-related oligarchical projects were set into motion, aimed at molding the development of European society in certain very definite, and permanent ways. The first project was the translation of all of Aristotle's extant works into Latin. The second was the revival and republishing of the works that made up Roman Civil Law.

The revival of Roman Law has a murky origin. Supposedly an intact copy of Justinian's Digest was discovered in the late 11th century; no one knows who found it. By 1084 a School of Jurisprudence, founded by Irnerius (1050-1130), was operating at Bologna, and by the early 12th century it had become the European center for legal studies. The curriculum was based entirely on the study of Roman Law, particularly the Digest. Irnerius, himself, lectured on the entire *Corpus Juris Civilis*. His chief work is the *Summa Codicis*, the first systematic application of Roman Law to medieval jurisprudence. Pepo, another early leader, wrote commentaries on Justinian and other Roman texts. Beginning in the 11th & 12th centuries, various new commentaries were written on the *Corpus Juris Civilis*. These became very influential and were known as the "Gloss." A collection of these glosses was published in the 13th century by Accursius of Bologna.

By the early 13th century there were 10,000 students at Bologna, and the university was known as the *mater studiorum*. Graduates of the university founded other schools, including Vincenza (1204), Arezzo (1215), and Padua (1222).

The creation of the University at Bologna was the work of Matilda of Tuscany (1046-1114), the heiress to immense feudal land-ownings in Tuscany and northern Italy. Matilda personally deployed Irnerius in establishing his school of Roman Law. She was also an unswerving ally of the Papacy, and she is sometimes known as Matilda of Canossa, because of the role she played in arranging the humiliating subjugation of the German Emperor Henry IV to Pope Gregory VII. Matilda financed the Pope's army in his wars against the Emperor, and in 1087 she led a

Tuscan army to Rome to defend the Pope. In 1087 she married the Duke Welf of Bavaria.⁴

An important effect of the revival of Roman Law, and one with long-standing consequences, was the application of Roman Law to Church Canonical Law. Again, the center of this project was at Bologna. The leader of this effort was Johannes Gratian, a Calmodese monk, who is sometimes called the founder of Canon Law. He taught at Bologna, and in 1150 he published the *Concordantia discordantium canonum*, (the Concord of Discordant Canons), more commonly known as the "*Decretum*" of Gratian, a work of continuing influence over a span of centuries. In 1230, Pope Gregory IX published the *Corpus Juris Canonici*, a major codification of Canon Law, which included Gratian's previous work.

Roman Law

Roman Law begins with the concept that all men are beasts: "The law of nature is that law which nature teaches to all animals. For this law does not belong exclusively to the human race, but belongs to all animals, whether of the earth, the air, or the water." (*The Institutes; Of Persons*). There is no distinction made between humans and beasts. Man is "born into nature" like any other animal, and subject to the same rules. The Institutes say that, "By the law of nature all men are originally born free," but this freedom is not the freedom of creatures made in God's image; rather, it is the "freedom" into which wild dogs or savage beasts are born (born free in a state of nature).

Roman Law uses the terms "Natural Law" and "Law of Nature" interchangeably. In Roman usage, Natural Law is not derived from man's capacity to discover the laws of the universe, and to act upon that universe - to continue God's creation - based on the human spark of reason. Rather, "the laws of nature remain ever fixed and immutable." (*The Institutes; Of Persons*). In Roman Law there is a complete absence of physical-economy and man's Promethean role in science. Everything is discussed from the standpoint of man's fixed relation with (and within) nature. In Roman Law, "Natural Law" as Cusa would have expressed it, does not exist.

Since there is no real "Natural Law," societies are free to enact laws which infringe upon, or even violate, the "Laws of Nature." For example, "Freedom is the natural power of doing what we each please, unless prevented by force of law... Slavery is an institution of the law of nations, by which one man is made the property of another, contrary to natural right. Slaves are in the power of their masters, a power derived from the law of nations; for among all nations it may be remarked that masters have the power of life and death over their slaves."

This Roman distinction between the Law of Nature and the Law of Nations (man-made law), is the origin of the centuries long debate over Natural Law vs. Positive Law. It should be noted that from Grotius, through Locke, down into the modern era, this debate is axiomatically flawed, because most of those involved in it are not talking about (Cusa's or Plato's) Natural Law, but the Roman Law of Nature.

The heart and soul of Roman Law is the *Corpus Juris Civilis*, a compilation of all of the Roman law codes, written at the direction of the Emperor Justinian and issued in 533 AD. There were originally three parts to the Corpus, with a fourth added later. The first three parts were not written at the time of Justinian, but compiled from much older sources. The four parts are:

- 1) The *Codex Justinianus* [Codex] - (all of the extant constitutions, going back to the time of Hadrian)
- 2) The *Pandects* [Digest] - (writings of great Roman jurists, along with current edicts. It constituted the current Roman law of the time.)
- 3) The *Institutiones* [Institutes] - (intended as a study guide for law schools, and included extracts from the Codex and Digest.)
- 4) The *Novellae Constitutiones* (new laws and statutes adopted during Justinian's time.)

The *Corpus Juris Civilis* is also the source of all modern "contract law," as well as various theories of property rights. Again, the approach taken is completely bestial: "The things we take from our enemies become

⁴[This Matilda should not to be confused with her near contemporary, the Empress Matilda (1101-1169). This second Matilda was the English daughter of King Henry I, and the first in line to the English throne. She was married, at the age of 12, to the German Emperor Henry V, but after his death, she re-married, this time to Geoffrey, the Duke of Anjou. Their progeny became the founders of the Angevin (or Plantagenet) dynasty in England. Matilda never ruled England, but her son became King Henry II. Henry ruled over vast feudal holdings in England, Normandy, Aquitaine, Gascony, and Touraine. Henry's heir, Richard the Lionheart became the leader of Venice's Third Crusade in 1191.]

immediately ours by the law of nations, so that even freemen thus become our slaves... Precious stones, gems and other things found upon the seashore become immediately, by natural law, the property of the finder." (*The Institutes; Of Things*)

The argument employed by Hugo Grotius in his work *On the Freedom of the Seas* is entirely based on Roman Law. If you have read Grotius, compare him with the following quotes: "By the law of nature these things are common to mankind -- the air, running water, the sea, and consequently the shores of the sea." And also: "Wild beasts, birds, fish, and all animals... so soon as they are taken by anyone, immediately become by the law of nations the property of the captor; for natural reason gives to the first occupant that which had no previous owner." (both from, *The Institutes; Of Things*)

This issue of Roman Law is not esoterica. Roman Law has defined the oligarchical notion of natural law and jurisprudence down to the modern era. The Napoleonic Code was perhaps the worst modern fascist version of Roman Law, but sadly, the axioms of Roman Law can be found to this day in the constitutions of many nations, including in present-day Europe.

Aristotle

Despite the earlier Platonic (Augustinian) influence over Western Christianity, the Venetian ascendancy of the 12th and 13th centuries brought with it an onslaught of Aristotelianism. This Aristotelian pestilence entered Europe via two routes. First was the revival of Roman Law itself, which is Aristotelian, both in its very nature and due to fact that many ancient Roman jurists were leading Aristotelian scholars. (The most famous of these was Paulus [circa 200 AD]). The second entry point was the translation, and republishing of Aristotle's writings.

This Aristotelian revival began in the 11th century, and progressed in tandem with the aforementioned developments at Bologna. At first the new translations (into Latin) came from Islamic Spain and northern Africa, and standard histories usually emphasize this. However, after the 1209 Venetian conquest of Constantinople and seizure of Cyprus, it was Venice that became the center of Aristotelian scholarship. The first European translation of Aristotle - his *Politics* - was published there in 1270. This work quickly became the most-studied non-religious text in Europe. The emerging European universities, including the already mentioned Italian ones, as well as Oxford, Cambridge, and Paris, all became centers of the revived study of Roman Law and Aristotle, such that by the mid-13th century, at many of the universities, the three main areas of study were Canon Law, Roman Law, and Aristotle (usually his *Politics* and *Nicomachean Ethics*). This widespread circulation of Aristotle's writings predated the rediscovery of Plato's works by more than two centuries⁵, a very tragic development indeed.

A second wave of Aristotelianism entered Venice after the Turkish conquest of Constantinople in 1453. Thousands of Greek/Byzantine emigres fled to Crete, a Venetian possession, and many made their way to Venice. Perhaps the most influential was Marcus Musurus, who resided in Venice during the long siege of the League of Cambrai. In 1512 he was appointed Chair of Greek Studies in Venice by Francesco Faseolo, the Grand Chancellor of the Venetian Senate. Throughout his Venetian career he was closely allied with the publisher Aldus.

The most notorious of the medieval Aristoteleans - William of Ockham - is worth mentioning here, not only because many of the later empiricists paid homage to his raving reductionism and materialism, but also because of his influence, into the 17th century on the development of both economic and natural rights theories. In his famous controversy with Pope John XXII over the question of property rights, Ockham puts forward the first modern theory of explicit positive law. In the debate, neither Ockham nor the Pope deviate from the confines of Roman Law. They both quote extensively from the *Corpus Juris Civilis* and all their references to Natural Law are also Roman, since they both mean the Law of Nature. Ockham, however, adds a twist, introducing the idea of the "rights of law courts" (positive rights), and argues that "Dominium is a principle human power of laying claim to a temporal thing in court." Ockham's argument in this debate is taken directly from the second book of Aristotle's *Politics*. Paolo Sarpi said of Ockham, "I have esteemed William of Occam above all the schoolmen."

The controversy between Ockham and the Pope is repeatedly referenced down through the years, especially in the writings of the later Spanish school at Salamanca, and into the writings of the Calvinist "reformers," as well as

⁵*The Renaissance, and the Rediscovery of Plato and the Greeks*, by Torbjorn Jerlerup, Fidelio, Vol. XII, No. 3, Fall, 2003

Grotius. In every case these later figures agree that Ockham was in the right.

Why Start This Way?

The reason for beginning these eight reports in this manner, is that in studying the writings of Catholic, Lutheran and Calvinist writers into the 16th, 17th and 18th centuries, it is absolutely stunning, and I repeat stunning, that in all those individuals who developed theories of law, jurisprudence, and economics which led into the Anglo-Dutch oligarchical system, the common threads of Roman Law and Aristotelianism are always present. Always. Without exception. Where you find Aristotle and Roman Law, you are certain to find the Venetian pestilence, and vice-versa. No virus, no plague of any kind, has tortured the human species throughout its history, as have these dead ideas from the past.

PART II - THE SPANISH ORIGINS OF FREE TRADE

In 1526, 34 years after Columbus' first trans-Atlantic voyage, the Dominican scholar Francisco de Vitoria (1485-1546) was appointed the Chair of Theology at the University of Salamanca (Spain), a position he held until his death in 1546. For 20 years Vitoria recruited a group of followers, who together produced a vast body of work encompassing theology, economics, natural law and jurisprudence. Taken together, these individuals and their writings, became known as the School of Salamanca⁶. The epistemological influence of the Salamancans was pervasive, even into the 18th century. After World War II, the Austrian school of economics resurrected interest in Vitoria. The definitive work on the school, Marjorie Grice-Hutchinson's *School of Salamanca*, contains a dedication to Frederick Von Hayak, and the Von Mises Institute has published articles and sponsored seminars on the Salamancans.

Francisco de Vitoria was educated in Paris by the Belgian Aristotelian Peter Crocaert (Petrus de Bruxellis), and in 1521 he obtained a degree in theology from the Sorbonne. He became the closest advisor to the Hapsburg Emperor Charles V, particularly in the period from 1539 to 1541. In 1545, because of ill health, Vitoria declined the offer of King Philip II to lead Spain's delegation to the Council of Trent. Instead, the delegation was headed by his leading pupil, Domingo de Soto, who later succeeded him as first theology chair at Salamanca University.

All of the theories of the Salamancans are derived from Roman Law and Aristotle. Vitoria himself, frequently cites various commentators on Roman Law, as well as Gratian (*Decretum*), William of Ockham, and Juan de Torquemada. Torquemada (1388-1468) was the foremost Roman Law theorist in the period just before Vitoria. A delegate to the Councils of Constance and Basil, he was an uncompromising supporter of Papal supremacy. He attended the Council of Florence and later denounced its proceedings. His major work is a four volume commentary on Gratian's Decretals, published in Venice in 1578. He was the uncle of Tomas de Torquemada, the Grand Inquisitor.

Another influence on Vitoria was the Castilian Alfonso Tostado (1400-1455), the Bishop of Avila, whose collected works were published in Venice in 1596. He wrote extensively on the subject of just war, and said, "In a just war everything that a man can seize becomes the property of its captor, both by divine law and the Law of Nations; and it is just to kill... in a just war there is nothing that may not be wrought upon the enemy... Wars are just when they are undertaken in order to redress for injuries, restitution of property, or recompense for wrongs done."

Vitoria's 1527-1540 lectures were transcribed into several works, including *De Indis* and *De Juri Belli Hispanorum in Barbaros*. His works were published in Lyons (1557), Salamanca (1565), Antwerp (1602) and Venice (1626).

Ultramontane International Law

The creation of the Spanish empire was largely financed through banks in Augsburg, Antwerp, and Genoa, all of which were dominated by Venetian interests. Genoa had been subservient to Venice ever since the Genoese defeat in the 1380 Battle of Chioggia. Vitoria, and his students at Salamanca, became the propagandists and theorists for the Spanish empire, and they crafted economic policies as well as a so-called "code of international law," intended to justify the new colonialism.

In 1532 Vitoria delivered a series of lectures, which were later collected under the title *De Indis et de Ivre Belli Reflectiones*. These lectures, a defense of Spain's exploitation and enslavement of the Indians in South America, is remarkable in its coherence with the outlook of today's vulture capitalists, or the likes of Anne "Freddy" Krueger.

Contrary to what one might expect, Vitoria's argument is not explicitly racist. Instead, he begins his lecture by refuting the claim that Spain has the right to loot the Indians because they are non-Christian, or because they are

⁶ See *The School of Salamanca*, and *Early Economic Thought in Spain 1177-1740*, both by Marjorie Grice-Hutchinson

savages incapable of ruling themselves. He states that the Indians actually have legitimate self-governing societies. Despite their backwardness, and idolatry, they possess true dominium. Neither the right of discovery (*inventio*) nor the right for religious missionary work justify conquest. Vitoria says, "According to the Law of Nations, that which has no owner becomes the property of the seizer; but the possessions we are speaking of were under a master, and therefore they do not come under the head of discovery."

Vitoria's catch, however, is that because the Indians possess true dominium, they are bound to the strictures of the Law of Nations (*jus gentium*), a Roman Law concept. This means they must abide by certain universally recognized freedoms, including freedom of trade, freedom of travel, open borders, and freedom to preach the gospel. The Law of Nations requires the Indians to allow Spain free and open commerce. Also, according to the Law of Nations the Indians are obliged to share with Spain any property or resources they hold in common. If the Indians infringe on these rights, the Spanish are permitted to wage "just war" upon them. (Much of this argument is taken directly from the *Institutes* of Justinian.)

If the Indians resist, the Spanish are permitted to conduct total war with all its consequences, including seizing the natives' land and possessions, and delivering them into slavery (including innocents and children). It is also lawful to then occupy the defeated nation, erect citadels, and exact tribute (reparations).

In *De Indis*, Vitoria says "neither may the native princes hinder their subjects from carrying on trade with the Spanish, nor, on the other hand, may the princes of Spain prevent commerce with the natives." Vitoria rejects the idea of absolute sovereignty of nations, and asserts the right of free trade as superior to governments or nation-states. Vitoria's argument is a complete theory of free trade and the supremacy of property rights,.

On "Just War," Vitoria says that diversity of religion is not a cause for war; neither is the desire for glory or personal gain by a monarch. There is only ONE cause for a just war: injury suffered. He asks, "what may be done in a Just War?" His answer, "everything that is necessary to recover lost property, and its value, including seizing the enemy's goods." The victor may also destroy the enemy's fortresses, occupy his land, take hostages, and extract vengeance for the wrong done to him. He says that the conqueror becomes the judge of the conquered, an idea repeated by Grotius in *De Jure Praedae Commentarius*.

Vitoria's Epigone

Initially most of Vitoria's students were Dominicans. Later a group of his Jesuit students established a second school, based on Vitoria's teachings, at Coimbra, Portugal. His pupils include:

Dominicans ⁻⁷

Domingo de Soto (1494-1560) - Studied under Vitoria at the Sorbonne and followed him to Salamanca. Later, succeeded Vitoria as first theology chair at Salamanca University. Confessor of Charles V, and his personal emissary at the Council of Trent. His 10 volume treatise *De Justitia et Jure*, was widely read. In it he says, "The rule 'a thing is worth whatever it can be sold for,' is a celebrated axiom among jurisconsults. Therefore,... we should leave merchants to fix the price of their wares;" and, "In any art we have to take the word of the experts, as Aristotle (Politics) and Paulus(re mandata) remind us; every man is the best judge of his own business;" and, "A man may do as he likes with his own property." De Soto defended usury as compatible with "just price," and bitterly opposed efforts at relief of the poor, particularly those proposed by Juan de Medina, a Benedictine monk.

Diego de Covarrubias y Leiva (1512-1577) - Pupil of Navarrus. One of the great experts on Roman Law, sometimes called the "Spanish Bartolus." Applied Vitoria's ideas to Roman Law. Rejected absolute state sovereignty. Developed a "subjective theory of value." Said "the value of an article does not depend on its essential nature but on the estimation of men, even if that estimation is foolish." He said that the just price of an item does not depend on its original cost, nor on the cost of labor or production, but only on the market-value. In 1550 he published *Veterum numismatum collatio*, on the quantity theory of money.

Fernando Vasquez de Menchaca - States that private life and private interests predate and have precedence over

⁷One of the later Salamancans, Antonio Escobar (active circa 1650) was the primary target of Blaise Pascal's attacks in his *Provincial Letters*. Escobar was a proponent of the "subjective" theory of value, and a follower of Molina and Suarez.

the state. Private property is an institution of the *jus gentium*; it is not a creature of the *jus civile*. The state exists to protect the institution of private property. The state has limited power. It has the right of dominium jurisdictiones (a limited jurisdiction to punish crime), but not dominium proprietatis (the right of ownership). A citizen's private ownership is inviolable. The *jus gentium* postulates a universal "private sector" human community. Sovereignty exists for the sale of property. Vasquez justifies his views with the assertion that they all flow from the concept that man is made in the image of God. Man possesses dominium in his nature. The command to pursue dominium, made in Genesis I, was a command to take possession of parts of nature. By doing this he expresses his freedom, and acts in the image of God. His private property is essential to human culture. The role of the state is to preserve and protect human society, not commandeer it. Society's power is based on the human individual, property rights, the family, and the right of free communication/exchange. (Note that this entire argument is repeated almost verbatim in the second book of John Locke's *Two Treatises of Government*).

Martin de Azpilcueta Navarro (Navarrus) (1493-1586) - Taught Canon Law at Toulouse before going to Salamanca. Later he was chosen by Charles V as the first rector at Coimbra. His main writing on monetary theory was *Comentarios de Usura*, published in 1556. This work presents the first thorough examination of foreign exchanges. This includes the development of the idea of "purchasing power." Navarrus was an early exponent of the Quantity Theory of Money, and he was the very first to note the effect on Spanish prices from the influx of treasure from America. He said "In countries where there is a great scarcity of money, all saleable goods, and even the hands and labor of men, are given for less money than where it is abundant.," and "all merchandise becomes dearer when it is strong demand and short supply." Explicitly defended money-changing and usury. For a nation's currency to settle at its correct value, it is essential that it be openly traded at a profit. He said, "Nor is it true that to use money by changing it at a profit is against nature. Although that is not the first and principal use for which money was invented, it is none the less an important secondary use." The Salamanca Quantity Theory of Money rabidly opposed Government interference in the free marketplace, including actions like price controls, and especially in international trade.

Tomas de Mercado (died -1585) - Mexican by birth but lived many years in Salamanca and Seville. Wrote several commentaries on Aristotle. In his work *Tratos y contratos de mercaderes* (1569), which he dedicates to the merchants of Seville, he popularises Navarrus' theories on money and exchange. He says, "In Spain, a banker bestrides a whole world and embraces more than an ocean."

Jesuits -

Juan de Medina (1490-1546) - promoter of scarcity theory of value.

Luis Molina (1535-1600) - Follower of Vitoria, but taught in Portugal at the University of Coimbra. Argued that the "just price" of a thing is the exchange-established price. Developed the "utility" theory of value. Supported free-floating prices and currencies. If the king grants a monopoly to one, he violates the rights of the consumer to buy from the cheapest seller. Supported the "purchasing power" theories of monetary value put forward by Navarrus and Mercado.

Leonard de Leys (Lessius) (1554-1623) - Belgian follower of Molina. Highly influential. Studied under Suarez; friend of both Molina and Vasquez. Follows all of them on monetary theory. Wrote *De justitia et jure* (1605), which went through 40 editions in Antwerp, Paris, Lyons, and Venice. Says that money has a dual value, the legal value and the "fortuitous" value. The fortuitous value is based on 4 things: 1) from its abundance or scarcity; 2) from the demand that exists for bills of exchange; 3) from the supply of bills of exchange; 4) from the demand for money.

Francisco Suarez (1548-1617) - Studied at Salamanca from 1565-1570. Later professor at both Salamanca (1592-1597) and Coimbra (1597-1616). Wrote *Tractatus de Legibus* and *Defensor Fidei*. "If a legitimate prince governs tyrannically and no other means of self-defense can be found than the expulsion and deposition of the king, then the people, acting as a whole... may depose him." Highly praised by Grotius. His writings focus on the issue of international law, and he develops the idea that the sovereignty of the individual state is limited by the fact that it forms part of a community of nations, linked by mutual obligations. Suarez's views are strictly pluralistic. He stresses that each nation develops its own law based on custom, and that all morality is rooted in instinct. Paramount are feelings, not ideas. Passions and desires are the great motivators of life. An uprising against a tyrant is justified. He developed the distinctions between the Law of Nations, positive law, and customary

law, which analysis is included by Grotius in his *De Jure Praedae*.

University of Coimbra -

Originally founded in 1308 in Coimbra, Portugal. In 1537 King John III revived and expanded the school and brought in followers of Vitoria from Salamanca to run it. These included Antonio Suarez, Manuel de Costa, and Martin de Aspilcueta (Doctor Navarrus), who became the first rector. The University was under the control of the Jesuits. One of its first professors was the Scottish monarchomach George Buchanen, later a follower of John Knox and enemy of Mary Stuart. Earlier, while a professor in Bordeaux, France he had been the tutor of Montaigne, and the close friend of the father of Joseph Scaliger (Grotius' tutor). Other professors at Coimbra included Molina and Suarez.

Influence

In his *Ethics*, Aristotle puts forward the first supply and demand theory of value: "If the parties were not in want at all or similarly of one another's wares, there would not be any exchange, or at least not the same. And money has come to be, by general agreement, a representative of Demand."

The Salamancans took this view, and from it they elaborated an entire economic and monetary structure, one which suited the needs of the *fondi* at a time of explosive growth in both the money supply, and the financial and money markets in Spain, Flanders, and elsewhere. The Salamancans developed a comprehensive governmental and legal corpus based on private property, the free market, supply & demand, and "just price." The entire "Quantity Theory of Money" is contained in their writings. Almost all that is in Quesnay, as well as Adam Smith, can be found in the Salamancans, and, in truth, there is very little in Grotius which does not come from Vitoria or Suarez. John Law's *Money and Trade Considered*, published in 1705, contains a theory of value identical to the Salamancans.

They were also the FIRST group to write systematically on the subject of currency exchange transactions, developing a theory based on both supply and demand, as well as debasement of one currency vs. another ("purchasing power parity"). These theories still dominated the currency theories of the British oligarchy into the 19th century, as seen in the Bullion Report of 1810. Finally, the Salamancans were the first to put forward a developed notion of the so-called "subjective" theory of value, in regards to both currencies and other commodities, i.e. the primary issue in something's value was in how the value of that item (e.g. currency) was "perceived."

It is nearly impossible to overstate the collective influence of the Salamancans down through the 18th century. For our purposes there is also something else to consider. Present-day synarchists, including the followers of Fernando Quijano, are wont to portray Catholic-valued Spain as humanity's champion against the protestant Anglo-Dutch system. The aroma of that view even permeates Webster Tarply's pro-Spanish articles on Venice. A careful study of the writings of the Salamancans shows the absurdity and fraud of that claim. The economic writings of that school - the most influential intelligencia in the post-1492 history of Spain - as well as their equally-influential works on natural law and jurisprudence are heavily grounded in Roman Law and Aristotelianism. The Salamancans were studied, copied and their theories further developed by the Venetian emulators of London and Amsterdam. The outlook of the Salamancans - much like the present day dealings of the Spanish banks with the Ibero-American nations - is that man is a beast and property rights reign supreme.

PART III - SARPI'S WEB

In 1598, Sir Edwin Sandys (1561-1629), then residing in Venice, wrote a book on the state of religion in Europe, titled *Europae Speculum*, (published in the Hague in 1629). Sandys' co-author was Paolo Sarpi (1552-1623), who had befriended Sandys during the latter's extended stay in Venice. Nine years later Sandys became one of the founders of the London Virginia Company, chartered by King James I, for the purpose of establishing English colonies in North America. In 1618, Sandys was made treasurer of the company and effectively ran it until 1623. In 1619, under Sandys leadership, two dozen African slaves, purchased from a Dutch man-of-war, were brought into Virginia, the first black slaves in an English-speaking North American colony. In the same year, Sandys' hand-picked Governor Sir George Yeardley, inaugurated the House of Burgesses, whose first meeting was in July, 1619. Voting for Burgesses was limited to landowning males, and the Burgess, itself, was composed of the "Governor and Counsell with two Burgesses from each Plantation freely to elected by the inhabitants thereof." The first assembly included Captain Christopher Lawne, representing Captain Lawne's Plantation; Captain Warde and Lieutenant Gibbes, representing Captain Warde's Plantation, etc. Thus was the tidewater plantation system established, and the seedling of the later Confederate States of America planted on North American soil.

Sandys himself was knighted by James I, sat in Parliament for many years where he introduced a number bills supporting free trade, and was active in the East India Company from before 1610 until his death. In 1621 he dispatched his brother George Sandys to run the Virginia colony.

The Giovani Project

Following the catastrophic events of the War of the League of Cambrai (1509-1513), the Venetian leadership unleashed the Wars of Religion. These wars were Venice's response to the radiating influence of the 15th century Renaissance, the emergence of sovereign governments (e.g. Louis XI of France), and Venice's near destruction by the League. Venice's plan was to drown Europe in an orgy of blood, death, destruction, and fanaticism. Foremost was their intent to extinguish the hope which the Renaissance represented to reform human society on the basis of man "made in God's image." The Council of Three (the "Inquisitors of State") was created in 1539 to direct this bloody work.

In addition to her military and political isolation, by the mid-1500s Venice faced an existential economic crisis. Between 1560 and 1600, the size of the Venetian merchant marine shrank by one half. In 1560 a banking crisis struck, lasting into the 1580s. This resulted in the total collapse of Venice's private banks, including the houses of Sanuto & Dolfin, and Pisani & Tiepolo. By 1584 every private banking house in Venice had closed. The old system of individual family-owned banks was dead.

In 1582 a grouping of oligarches - known as the Giovani - seized power, and took drastic measures to save the Venetian system. The Giovani took action on three fronts: 1) a series of economic and political reforms; 2) an acceleration of the religious warfare that was driving Europe mad; and 3) the launching of a project to create clones of the anti-human Venetian system of government, economics and empiricist "philosophy" in England and the Netherlands. It is provable that both the second and third of these three projects, and perhaps all three, were directed by Paolo Sarpi. To accomplish this, Sarpi deployed a vast network of collaborators throughout Europe. The previously mentioned Edwin Sandys was only one of the many pawns and dupes who made up the conspiratorial web utilized by Sarpi in the years following 1582.

One of the first acts following the Giovani takeover was the creation in 1587 of the state-owned Banco della Piazza di Rialto. This was followed in 1619 with the founding of a second state-owned bank, the Banco del Giro. These banks had extensive powers, including a monopoly on the issuance of bank notes and bills of credit. Historically, their real importance lies in that they became the model for the creation and development of the Bank of Amsterdam and the Bank of England. These "state-owned" banks were not national banks, and certainly not republican institutions. Rather, the institutions of the state as well as the central banking houses were consolidated under a more centralized and dominant oligarchical control, i.e., a takeover of the institutions of government by the

fondi. This was the new paradigm, from which everything later developed. It was also during this period that Venice shifted from a commercial economy to a rentier and speculative economy, becoming, by 1620, THE major European center as a clearinghouse for Bills of Exchange.

Where the Elite Meet

The Venetian collaborators of Sarpi were grouped around a series of salons (*Ridotto*) including the famous "Morosini Salon." But there were others, such as the Paduan salon of the Genoese Gian Vincenzo Pinella. In addition to their Venetian members, these salons were the gathering places for Venice's friends. As such, they became the loci where Sarpi's European-wide web was spun. Pinella's Paduan residence, for example, was a frequent stopping place for Phillipe Du Plessis Mornay and Arnaud du Ferrier. Du Ferrier (1508-1585), the one time President of the Parliament of Paris, represented King Charles IX at the Council of Trent. He was a close friend of Montaigne (1533-1592) and a teacher of Jean Bodin. While serving as the French Ambassador to Venice, he met Sarpi in 1578 and they became very close. According to some sources, du Ferrier helped Sarpi to write his History of the Council of Trent.

By the beginning of the 17th century, Sarpi's reach was really quite incredible. His personal network of followers extended through the courts of Europe, scientific circles, and several key universities, including Geneva, Leyden, Oxford and Cambridge. His correspondence was voluminous, and his personal fame resulting from his role during the Interdict as well as the publication of his History of the Council of Trent, brought eager oligarchical errand-boys knocking on his door in Venice. Among those who made the pilgrimage to Sarpi's home were Thomas Hobbes, William Cavendish (Earl of Devonshire), and Robert Cecil (the cousin of Francis Bacon). Sarpi maintained an active correspondence with Francis Bacon. This was done through William Cavendish. There are extant at least 77 letters to Cavendish from Sarpi's secretary Micanzio, and Micanzio, himself, was the literary agent for Bacon in Venice.

A (very) small sampling of Sarpi's cohorts includes:

Marcantum (Marco Antonio) de Dominis (1560-1624) - Taught mathematics at Padua, and later named Doctor of Theology there. A Catholic Bishop, he sided with Venice during the Interdict, and was on intimate terms with Sarpi. In 1615, fearing the inquisition, he fled to Geneva. The next year Henry Wotton, the British ambassador to Venice, arranged his departure for England. By 1617 he was lecturing in Cambridge, and in 1619 he was named Dean of Windsor College. His 1611 book on optics was praised by Newton. He also developed a theory of the tides, based on attractive forces between the earth and moon, that was incorporated into Newton's theory of gravitation. In 1619, Dominis published in London the first edition of Sarpi's *History of the Council of Trent*, the manuscript of which he had carried with him from Venice. Late in life he returned to the Catholic Church and died in custody awaiting trial. By order of the Inquisition, his body was dragged through the streets of Rome, and then publicly burnt.

Isaac Casaubon (1559-1614) - Born in Geneva to French Huguenot parents. Became a professor of Greek studies at Calvin's Geneva Academy in 1581. His Geneva home became a way station for many travelers on their way to Venice, including Henry Wotton and Richard "Dutch" Thomson. Collaborated with Joseph Scaliger (the teacher of Grotius) in Leyden. Carried on a long correspondence with Paolo Sarpi, particularly during the Interdict crisis. Left Geneva in 1596 and lived in France until 1610. After the assassination of Henry IV, he fled to England in the company of Lord Wotton of Marley (the brother of Henry Wotton), and entered into the service of James I.

Giovani Diodati (1576-1649) - Born in Geneva. Successor to Beza (who was the successor to Calvin) as the head of the Geneva church. One of the leaders of the Synod of Dort. Met Sarpi in Venice, and during the Interdict, Diodati, William Bedell (Wotton's chaplain), and Sarpi formed a triumvirate that for all practical purposes ran Venice.

Henry Wotton (1568-1639) - From 1586 to 1590 at Oxford with Albericus Gentilis. (The Oxford Chancellor at that time was the Earl of Leicester (Robert Dudley), the uncle of Sir Philip Sidney). Wotton formed a lifelong friendship with John Donne. Also friends with Giordano Bruno, John Florio, Lord Burghley and Thomas Walsingham. He stayed for one year with Casaubon in Geneva in 1593, and became acquainted with the aged Beza.

After James I became king of England, he appointed Henry Ambassador to Venice. Wotton, together with his chaplain William Bedel, lived in Venice from 1604 to 1624, with the exceptions of 1612-1616 and 1619-1621. He was Sarpi's closest ally. From 1604-1608 Sarpi and Wotton met constantly with the Venetian Senate during the Interdict. The proceedings of these meetings were reported to James I by the Venetian Ambassador to England Gregory Justiniano. In 1607 Wotton proposed a league of Protestant states to oppose Rome and Spain. (There were numerous English volunteers in Venice during the Interdict). From 1606 to 1612 Wotton was under the personal protection of the Doge Leonardo Donato.

The Triumph of Death

In 1606 a Papal Bull, issued by Pope Paul V, excommunicated the Doge, the Senate and every inhabitant of Venice. Sarpi was excommunicated by name in a separate Bull issued later. Thus began the Venetian Interdict of 1606-1609. After the excommunications, Sarpi was named *Consultore* to the Venetian government. By 1608 he was the ONLY *Consultore*, having assumed the roles of the other three. Technically he advised the Doge and Senate on legal, religious, and political matters. In reality every important policy decision passed through his hands, and from 1608 to 1623 he directed all of Venice's affairs⁸.

The Venetian Interdict was the real beginning of the 30 years war. The Venetian leadership provoked the confrontation and then used it to set into motion a series of events leading to total war between Catholics and Protestants in 1618.

Sarpi's plan was to draw the Dutch, James I of England, and the German Protestant princes into war against Spain, the Holy Roman Emperor and the Papacy. The ensuing chaos could then be spun back into France, rekindling her religious wars after the 1610 assassination of Henry IV.

As news of the Interdict spread through Europe, the first government to publicly defend Venice was the Dutch Estates General which offered military aid. Stadholder Maurice of Nassau (the son of William the Silent) personally tendered his services to Venice. Earlier, in 1609 Venice had been the first nation to recognize Dutch independence and to exchange ambassadors. From 1610 to 1618 there existed a state of undeclared war between Venice and Spain, during which Venice and the Netherlands were in a defacto military alliance. During the 1615-1617 Venetian-Austrian war, 5,000 Dutch troops were sent to serve Venice, and 12 Dutch warships blockaded the Adriatic to prevent Spanish aid to Austria.

In 1618 Venice sprang the trap. In Venice Sarpi was personally corresponding and meeting with Christian, the Prince of Anhalt and his advisor Christoph von Dohna for the purpose of inducing Frederick V, the Elector of Palatine, to accept the throne of Bohemia. Meanwhile, Maurice of Nassau, from his court in the Hague, was prodding and financing both the Bohemians and the same Elector of Palatine into open revolt against the Hapsburgs. Maurice gave Frederick V 50,000 guilders per month, and an additional 50,000 per month to Frederick's Protestant League. In addition, weapons and ammunition were shipped from the United Provinces to Frederick's army in Bohemia.

At the same time, Sarpi dispatched his personal assistant Fulgenzio Micanzio to London to plead with King James to intervene militarily. From London, Micanzio wrote to Sarpi, "If from England there comes not some helpful resolutions and that well accomplished with deeds..., the Spaniards are conquerors of Germany and have Italy at their discretion, to proceed after as far as they can."

Sarpi's collaborator Henry Wotton went to Vienna, where he conducted secret communications with Elizabeth, the wife of the Elector of Palatine. She also happened to be the daughter of James I, and Sarpi and Wotton hoped that King James could be induced to enter the war in defense of his daughter.

The foolish Elector Frederick accepted the Bohemian throne, thus setting off the war which Sarpi and the Venetian leadership wanted. Frederick (known as the "Winter King") was quickly defeated by the Austrian army, and lost not only Bohemia but the Palatine as well. Ending as political refugees, Frederick and Elizabeth settled at

⁸ It is interesting to note that the legal defense which the government of Venice presented against the Pope's Interdict was taken almost entirely from the Justinian and Theodosian Codes.

the Orange Court in the Hague.⁹ Frederick's battle in Bohemia was lost, but Sarpi's design for a European-wide religious war was realized.

James of England declined to fight, proving himself a sorry disappointment. Sarpi, himself, was forced to admit, "Tis true that the present King is more inclined to Wars with his Pen, then with his Sword."¹⁰

In 1618 Sarpi personally directed the signing of the Dutch-Venetian alliance, which lasted until 1634. It included a mutual defense pack against the Hapsburgs. When the Dutch resumed war against the Spanish in 1621, the Venetians supplied more than 1 million ducats towards the war effort.

Spies and Assassins

In 1608 an anonymous pamphlet titled *The Triumph of War* was published in the Netherlands. The Calvinist author bitterly condemned earlier efforts by Erasmus to reach a reconciliation between Catholics and Protestants, and called for a policy of perpetual war (*bellum perpetuum*) against Spain and against all Catholics. The Venetian war policy meant that no efforts at reconciliation could be allowed to succeed. After the Giovanni takeover, there were two European leaders who possessed the disposition and capability to short-circuit Venice's war drive. One of these was William the Silent of the Netherlands. The other was Henry IV, the King of France.¹¹

Two Venetian agents were deployed to control Henry and William. They were Hubert Languet (1518-1581) and Philippe Duplessis-Mornay (1549-1623), both French Huguenots.

Languet was the patron, and some say homosexual lover, of Philip Sydney. He was educated at Bologna and Padua, and spent much of his life in Venice, including a trip there with Sidney in 1574. He fled France, barely escaping death, after St. Bartholomew's Day. From 1577 to 1582, he was an advisor to William the Silent. His role was to sabotage any possibility for a negotiated settlement in the Netherlands, and to push William in the direction of the radical Calvinists.

Mornay was an intimate associate of Paolo Sarpi. He visited him often in Venice, and was in constant contact with both Sarpi and William Bedell during the Interdict crisis. After the death of Henry Languet, Mornay replaced him as a personal advisor to William the Silent, remaining with William up to the time of his assassination.

Later, Sarpi and Mornay worked very closely to control France's Henry IV, and Mornay eventually became the most trusted of Henry IV's advisors, until Henry's conversion to Catholicism forced a break between them.

Writing after the assassination of Henry IV, Sarpi doesn't pretend to shed even crocodile tears for the King's murder: "Now let us come to France: ...The Succession of Henry the Fourth to the Crown, revived it, and at last gave it such vigour, that from deserving Compassion, it came to move Envy; and if a fatal blow of a mean hand had not cut off that Prince's Life and Designs, there would have been requisite great Dexterity, or great Force to defend the Republic from them... At present the constitution of France is such, that there is little danger from them."

Henry IV and William the Silent - these two objects of Venice's interest - both assassinated; their deaths leading to years more of destruction and war.

Plotting the Destruction of Europe

In 1693, a work entitled *Advice Given to the Republic of Venice: how they ought to govern themselves both at home and abroad, to have perpetual Dominion*, by Paolo Sarpi, was published in London, translated by a Dr. Aglionby, and dedicated to Henry, Viscount Sydney, Lord Lieutenant of Ireland, the nephew of Philip Sidney. It was republished in 1707, in a second, slightly different translation, and renamed *Maxims of the Government of Venice*, by Paolo Sarpi. There is a controversy surrounding this work, in that some historians and Sarpi enthusiasts claim that he did not write it. There are three reasons to question their objections: 1) the work was universally

⁹ Elizabeth did get the last laugh however, when her grandson, in 1714, became George I, founder of the Hanoverian dynasty.

¹⁰ In a letter to Micanzio

¹¹ See _____, *Fidelio*, Vol.

accepted as written by Sarpi at the time it was published, 2) a reading of the work shows it to be 100 percent coherent with Sarpi's views and political activity, and 3) those who make the objections are Sarpi sycophants, who view him as the saintly polymath of the Republic of Venice, the last great Renaissance figure. What they cannot stomach is the naked picture of Sarpi as the premier oligarchical schemer, which any reader must take away from reading the work. For the purpose of this report, I treat Sarpi's authorship as established.

What is most remarkable about the work is that Sarpi presents a comprehensive geopolitical picture of Europe, along with recommendations of how Venice should proceed to secure its interests. In addition, Sarpi's views on government and humanity in general are clearly distressing to his admirers. I include here selected quotes from these Maxims:

- On aristocracy and government -

"If a Nobleman do commit an Enormity towards a Subject, first let there be all the endeavor possible used to justify him; and if that cannot be, let the punishment be with more Noise than Harm; But if a Subject insults a Nobleman, let the Revenge be sharp and public, that the Subjects may not accustom themselves to lay hands upon the Nobility, but rather think them Venerable and Sacred."

"The Quarrels between the Plebeians may be judged according to the common course of Justice, there arising no Politick Grounds to disturb the Course of it; nay, rather their little Animosities are to be fomented as Cato used to do in his Family."

"I must own, that the Republic of Venice has likewise its Defects; and that the Chief one is, That the Body of the Nobility is too numerous to be Aristocratical; therefore it will always be expedient to contrive, by all Arts imaginable, that the Great Council do delegate the greatest Authority that may be to the Senate and the Council of Ten: But this must be done by secret imperceptible ways..."

"As for the People, let them always be provided for by plenty of things for sustenance, and as cheap as may be: For the Nature of the Rabble is so malicious, that even when scarcity of Provisions comes from the failing of the Crops, they nevertheless impute it to the Malice or Negligence of the 'Great ones': So there is no way to make them hold their peace, but to stop their Mouths."

"It is much better obeying a few Great Ones, than a Multitude of Inferiors."

- Geopolitical observations -

On Germany:

"I think, without hesitation, That it is in the Interest of the Republic that the Emperor should be kept low, both for General and Particular Reasons. In the present State of his Affairs, while the Faction of the Protestants is so Strong in Germany, I cannot think that he can quarrel with the Republic, which is as powerful in Money as he is in Men: For in length of time tis certain, that he who has Money may have Men, and they who have many Men must consume much Money."

"With the Princes of Germany of a different Religion, there can hardly be any Concerns. As the World stands now, if it be not well, they should grow greater, at least tis not amiss, because they are a Check upon the Emperor, who else would be a most formidable Potentate to all Princes, but more particularly to the Italians, and more to the Republic; but now by their means his Power is not only balanced, but almost quite oppressed. With these Princes it will be easy for the Republic to have an Engagement... upon all Occurrences, it will do well to shew an Inclination to Friendship with them."

"The Duke of Bavaria, being so much a dependant of the Emperor, from whom he has received the Electoral Dignity, upon the Exclusion of the Elector of Palatine... no good Corrispondency can be between him and the

Republic."

On Spain:

"Now let us turn to Spain: ...The Greatness of Spain is to be suspected; it has Two Wild Beasts that follow it always close, one on one side, and the other on the other, which is the Turk by Sea, and France by Land; and besides that it has the issue of Holland."

"The Republic's Money, joined to the Forces of another Prince, can give check to almost any great Power, particularly to that of Spain..."

On England:

"If this King could grow greater, it would be advantageous to the Republic, ...tis a Power to be courted, because the Nation having an ancient Antipathy to France, and a modern one to Spain, it cannot but have a good inclination to the Republic.

On the Netherlands:

"With the Seven United Provinces twill be good to cultivate Friendship, and increase it with a mutual defensive League."

"Tis feasible likewise to procure something more of Trade with the Hollanders, because they are extremely ingenious, and addicted that way; and moreover, since both Republics stand in awe of the same Power, it will not be difficult to unite their inclinations; and they have made on their side a sufficient Advance, by sending an Embassy to the Republic, which... has shewed a great esteem and inclination to an Union."

A Brief Note on Sarpi and Locke

Of even greater historical importance than his political activities, Sarpi's paramount influence lies in his founding of modern empiricism, and the materialist outlook contained therein. Even if we do not here examine the full scope of Sarpi's philosophical views, it is important to acknowledge that it is Sarpi's bestial view of the human species which lies at the heart of the world order for which he yearns. Hobbes, Newton, and of course Locke all owe their anti-human mechanistic views to the Calmodese monk.

In his *Pensieri*, Sarpi says that man is the most imperfect creature among all animals, that his reasoning capacity has alienated him from the original naturalness of his existence. According to Sarpi, everything that happens stems from the laws of nature. Once again, this is Roman thinking, not to mention the basis for modern existentialism.

The Venetian Doge Marco Foscarini, who had read Sarpi's private manuscripts, had this to say, concerning a section entitled "The origin and decline of the opinions of men":

"He proceeds to say that the sense is never at fault, as it conveys simply the sensation it has received from a sensible object... As the senses do not inform the intellect what really exists in the sensible object, but only that as to that which is apparent, therefore we cannot always reach truth by these means... The observation that sensations do not exist in objects, but in our intellect, Sarpi demonstrates in a series of arguments which fully convince without other proofs; holding with Aristotle, that all we have in the intellect comes from or through the senses, in fact he brings into the field the principle of reflection which has done so much honor to Locke... He also shows the mode in which genera and species are formed in the mind, on which Locke enlarges so much, particularly in the first chapters of his work *On Human Understanding*.

"What he says of axioms he says also of first truths and of syllogisms, and this appears to be the source from whence Locke has copied or amplified his ideas... "In fine, our author does not take for granted, but deduces from true principles the Aristotelian system, and anticipates Locke by many years..."

There is nothing in this view which allows for the distinction between the mind of a human being from the mind of a dog, pig, or cow.

PART IV - FROM THE "RIGHT OF RESISTENCE" TO JOHN LOCKE

"*Sic semper tyrannis*" - John Wilkes Booth, April 14, 1865

The massacre of the French Huguenots began in Paris on August 24, 1572 - St. Bartholomew's Day - lasting until September 17. The killing spread to the provinces, where it continued until October 3rd. In all of France about 50,000 people were butchered, more than double the number killed by the Jacobins during the French revolution. The assassins and the mobs were deployed by the French Regent Catherine de' Medici and the leader of the oligarchical Catholic party the Duke of Guise.

An eyewitness described the Parisian scene:

"...the streets and ways did resound with the noise of those that flocked to the slaughter and plunder, and the complaints and doleful out-cries of dying men, and those that were nigh to danger were every where heard. The carcasses of the slain were thrown down from the windows, the Courts & chambers of houses were full of dead men, their dead bodies rolled in dirt were dragged through the streets, blood did flow in such abundance through the chanel of the streets, that full streams of blood did run down into the River: the number of the slain men, women, even those that were great with child, and children also, was innumerable."

Admiral Coligny, the leader of the Huguenot party, was seized, killed, beheaded and his torso hung out to be displayed. Henry of Navarre's new wife had to be rescued from the mob by her guard. Throughout Paris Huguenots were hunted down and killed.

When news of this holocaust of the French Protestants reached Rome, Pope Gregory XIII ordered bonfires lighted and the singing of the Te Deum. The Pope's joy was so great that he commanded a gold medal to be minted, with the inscription, "Slaughter of the Huguenots." He then had Giorgio Vasari paint pictures in the Vatican of "the glorious triumph over a perfidious race."

The Right of Resistance

In the wake of the French massacres, a new political theory was pronounced by a number of (mainly Calvinist) writers. This theory came to be known as the "Right of Resistance," and its proponents were sometimes denounced as "monarchomachs" (king killers). The one common thread in all of these writers is that societies have a natural law right to resist monarchical tyranny, even by means of tyrannicide. Between 1573 and 1579, a series of books were published which elaborated this idea. These included: Francois Hotman's *Francogallia* (1573); Theodore Beza's *De jure magistratuum* (1574); the anonymous (probably by Phillippe du Plessis-Mornay) *Vindiciae contra tyrannos* (1579); and George Buchanan's *De Jure Regni apud Scotos* (1579).

At first blush, the naive reader may be tempted to sympathize with the sentiments of these writings. Parts of the *Vindiciae contra tyrannos* (A Defense of Liberty Against Tyrants) are soul-stirring. But such inclinations would be badly in error. A number of the key players in this field were agents of Venice, some even of Sarpi personally. Their assigned role was to inflame passions among the Protestants, while the likes of the Duke of Guise, the Spanish Inquisition, and the Jesuit theologians did likewise among the Catholics. They needed each other just as Sharon and Hamas do today. At the same time, the political theories developed by these writers contain the embryo of the modern oligarchical parliamentary system, and the social contract theory of John Locke.

A few of the key individuals associated with Calvinist Resistance theory:

George Buchanan (1506-1582) - From Scotland. Studied in Paris. Taught at Bordeaux (where he was the tutor to Michel de Montaigne), and then at the Jesuit's Coimbra University in Portugal. Returned to Scotland in 1561 and declared himself a Protestant. Later he was the chief prosecutor of Mary Queen of Scots at her trial. Tutor to the future James I. Buchanan justified the overthrow of a corrupt monarch in his work *De Jure Regni apud Scotos*. He said that kings were created by and were accountable to the people, and that they become tyrants if they infringe on the rights of the people.

Hubert Languet (1518-1581) - French Huguenot. Credited by some with writing the *Vindiciae Contra Tyrannos*. Studied law at Poitiers, and then attended the universities of Bologna and Padua, receiving from the latter a doctorate in 1548. In 1549 he was recruited to Protestantism by Melanchthons at Wittenberg. Represented the Elector of Saxony at the French court from 1560 to 1572. Fled France after St. Bartholomew's Day. In Venice in 1574 with Philip Sidney, one of many trips he made there. Participant in several Venetian salons. Spent his last years in Flanders as a close advisor to William the Silent. Some sources attribute the authorship of William's famous *Apology*, which appeared in 1580, to Languet. Although this is uncertain, the influence of the Calvinist Resistance writers upon William is clear from the text of that document. Died at Antwerp in 1581.

Theodore Beza - Calvin's successor in Geneva. Earlier Beza had founded and was the first rector of the Geneva Academy. Together with Languet, Beza argued the Huguenot cause before the French King Charles IX in 1571. Wrote *De Jure Magisterium* (On the Rights of Magistrates) in 1574. This work is very similar to the *Vindiciae contra tyrannos*. Both insist that political power flows from God to the people. Kings are established by the people to protect property and maintain peace. Beza says, "the Orders or Estates, established to curb the supreme magistrates, can and should in every way offer resistance to them when they degenerate into tyrants" The *Vindiciae* says, "No man can be a king by himself, nor reign without a people, whereas on the contrary, the people may subsist of themselves, and were, long before they had any kings, it must necessarily follow, that kings were at the first constituted by the people." However both Beza and the *Vindiciae* state forcefully that the Right of Resistance is limited to "Magistrates" (i.e., the nobility and local dignitaries).

Francois Hotman (1524-1590) - a French civil lawyer. Appointed lecturer on Roman Law at the University of Paris in 1546. Converted to Calvinism and lived in Geneva from 1547 to 1556, working as Calvin's secretary. He accompanied Calvin to the Diet of Worms. Hotman was one of the principal organizers, in 1560, of the Amboise conspiracy (a Huguenot plot to overthrow the Guise family, along with the young Francis II, and put Louis I Bourbon, the Prince of Conde, on the throne). The plot failed and hundreds of Huguenots were executed. From 1560 to 1572 Hotman was a principal leader of the Huguenots. In 1572 he published his major work *Franco-Gallia*, in which he supported elective government and a constitutional monarchy. After St. Bartholomew, he moved to Geneva, and became a professor of Roman Law. Corresponded with Alberico Gentili at Oxford.

Denis Godefroy (1549-1622) - A Calvinist who fled to Geneva, and there rose to a position of political influence. In 1591 he became professor of Roman law at Strasbourg, where he remained until April 1600, when in response to an invitation from Frederick IV., Elector Palatine, he moved to Heidelberg. He corresponded with Sarpi's ally Isaac Casaubon. He also compiled an edition of the *Corpus Juris Civilis*, which many call the first modern edition. His son Jacques Godefroy was professor of law at Geneva. His edition of the Theodosian Code is considered by academics one of the masterpieces of legal scholarship.

Phillipe du Plessis-Mornay (1549-1623) - An intimate associate of Paolo Sarpi, with whom he was in constant contact during the Interdict crisis. Generally considered the author of the *Vindiciae contra Tyrannos*. Studied law at the University of Heidelberg, and received a doctorate from the University of Padua. Narrowly escaped death in the St. Bartholomew Massacre. Joined the military campaigns of Henry of Navarre. Mornay was gradually recognized as Henry's right-hand man, representing him in England and in the Low Countries. After the death of the Prince of Condé in 1588 his influence became so great that he was popularly styled the "Huguenot pope." After the conversion of Henry IV to Catholicism (1593), Mornay gradually retired from the Court. He established the major Huguenot University at Saumur which became his base of operations for the remainder of his life.

Alberico Gentili (1552-1608) - Italian Protestant. Received the degree of Doctor of Civil Law from the University of Perugia. Fled Italy in 1575, and arrived at Oxford in 1580, with a letter of recommendation from Robert Dudley, the Earl of Leicester. In 1587 he became Oxford's Regius Professor of Civil Law. Intensely Aristotelian. At Oxford, his lectures on Roman Law were famous. Close friend of Sarpi's confidant Sir Henry Wotton. Also close to Leicester and Philip Sidney. It was the Gentili-Wotton-John Donne clique at Oxford that sponsored Giordano Bruno's visit in 1583. He authored several books on Roman Law. Strongly influenced by both

Vitoria and Covarruvias. Gentili & Grotius both supported Spain's war against the American Indians, and they both supported Vitoria's assertion that a refusal by a native people to engage in commerce was justification for war. Gentili's major work was *De Juri Belli Libri Ires*. He also wrote *Regales Disputationes*, which postulates that the absolute Prince is under the law of nations. Grotius publicly acknowledges Gentili as one of the two main influences in shaping his view of natural law and jurisprudence (the other being Althusius).

Johannes Althusius (1557-1638) - Studied at Paris, and Basel (where he met Francois Hotman). Became an expert on Aristotle. 1586 - moved to Geneva, and studied under Denis Godefroy, an expert on logic and Roman Law. 1603 - moved to Emden (sometimes described as the "Geneva of the north"), and entered politics. Strongly influenced by Vitoria, and also by the Jesuit Francisco Suarez. Sometimes called the "last of the monarchomachs." Said that public authority exists for the benefit of private activity. His major work, *Politica Methodice Digesta* (Digest of Politics Methodically Explained), is modeled explicitly on Aristotle. Althusius references, and was influenced by: Fernando Vasquez, Diego Covarruvias, & Juan Mariana (all Salamancans); He also repeatedly cites both the "Defense of Liberty Against Tyrants," and various parts of the Corpus Juris Civilis, including the Digest and the Code. He criticizes Thomas Moore and Plato as utopians. In the *Politics*, Althusius proposes a state based on successive, more exclusive, representative bodies. Althusius supported Vitoria's views on just war, and open borders. He was also a Professor of Roman Law. Pufendorf acknowledges his debt to Althusius, and in the 20th century, Martin Buber paid homage to him.

A couple of things jump out about these individuals and their works. First is the remarkable percentage of them who were professors of Roman Law. Second, I have read several of their offerings, and without question the most frequently quoted non-religious text is Aristotle's *Politics*. Third is the fact that many of them, Calvinists all, are completely open on their intellectual debt to Francisco Vitoria and the other Dominican and Jesuit Salamancans. Their only major complaint with the Spaniards, is on the temporal power of the Pope. This is also true, somewhat later, of Grotius.

Vindiciae Contra Tyrannos

The greatest and most influential of the monarchomach works. Published anonymously under the name Stephanus Junius Brutus, its authorship has been attributed to Mornay, Languet, Beza, Hotman, and others. Grotius claims it was written by Mornay, and we will accept his judgement here.

The *Vindiciae* begins with a quote from the Roman Theodosian Code: "It is a Thing well becoming the Majesty of an Emperor, to acknowledge Himself bound to obey the Laws. Our Authority depending on the Authority of the Laws, and in very Deed to submit the Principality to Law, is a greater thing than to bear Rule. We therefore make it known unto all Men, by the Declaration of this our Edict, that We do not allow Ourselves, or repute it Lawful, to do anything contrary to this."

This quote is immediately followed by a paean to Lycurgis of Sparta: "Justin in the Second Book, speaks thus of Lycurgis, Law-giver to the Lacedemonians, He gave Laws to the Spartans which had not any; and was as much renowned for his diligent Observing of them Himself, as for his discreet Inventing of them. For he made no Laws for Others, to the Obedience whereof he did not first submit Himself: Fashioning the People to obey willingly, and the Prince to Govern uprightly."

Mornay, Althusias, and Grotius are all effusive in their praise of Sparta, at times going so far as to idealize it as the model state.

The *Vindiciae* is divided into four sections, each of which asks a question: 1) Whether subjects are bound and ought to obey princes, if they command that which is against the law of God; 2) Whether it be lawful to resist a prince who doth infringe the law of God, or ruin His Church; 3) Whether it be lawful to resist a prince who doth oppress or ruin a public state, and how far such resistance may be extended; 4) Whether neighbor princes may, or are bound by law to aid the subjects of other princes, persecuted for true religion, or oppressed by manifest tyranny.

On the first two questions, which deal with religious oppression, Mornay's answer is straightforward: The

worldly authority of kings is subservient to the rule of God, and men are obliged to resist rulers who go against God. He says, "'God must rather be obeyed than men,... although the crime of high treason be very heinous, yet, according to the civilians, it always follows after sacrilege.'" [NOTE - a very close paraphrase of this last is included in William the Silent's Apology, justifying his revolt against Philip II].

Mornay's third question is the key, because here is not religious repression, but the issue of a king who "doth oppress or ruin a public state." How does one define non-religious oppression, and how grievous must that oppression be to justify revolt, even tyrannicide?

Mornay answers by asserting the concept of popular sovereignty, that God's covenant is with the people and that the kings serve at the discretion of the people. Mornay says, "The people establish kings, puts the sceptre into their hands, and who with their suffrages, approves the election... Now, seeing that the people choose and establish their kings, it follows that the whole body of the people is above the king." The king rules only as long as he obeys this role: "Kings were created for the good and profit of the people, and that these (as Aristotle says) who endeavour and seek the commodity of the people, are truly kings: whereas those who make their own private ends and pleasures the only butt and aim of their desires, are truly tyrants."

The private property of the people is a fundamental part of their covenant with God, and beyond the reach of a monarch: "It being then so that every one loves that which is his own,...in the creation of kings, men gave not their own proper goods unto them." And: "A king may challenge and gain right to the kingdom of Germany, France and England: and yet, notwithstanding, he may not lawfully take any honest man's estate from him." The king is not even the proprietor of the government's revenue: "We must consider that the revenue of the public exchequer is one thing, and the proper patrimony of the prince another." And also, "The treasury of Caesar is one thing, and the exchequer of the commonwealth another."

Thus, Mornay's only non-religious justification for resistance is if the monarch threatens the life or the property of the populace. However, in Mornay's schema, it is only the aristocracy which has the right to resist. The "people" as a whole are powerless: "Now private persons, they have no power; they have no public command, nor any calling to unsheathe the sword of authority; and therefore as God has not put the sword into the hands of private men." The "people" do not exercise sovereignty directly, but delegate (surrender) it to the better elements of society, "When we speak of all the people, we understand by that, only those who hold their authority from the people, to wit, the magistrates, whom the people have substituted, or established, as it were, consorts in the empire, and with a kind of tribunitial authority, to restrain the encroachments of sovereignty, and to represent the whole body of the people."

In all of the so-called "proto-republican" resistance writers, there is complete disdain, even outright contempt, for the general population. The ideal model is the oligarchical state. Mornay says: "In the kingdom of Sparta there were the ephori, to whom an appeal lay from the judgment of the king, and who, as Aristotle says, had authority also to judge the kings themselves."

In addition, Mornay's justification for resistance is taken directly from the bestial views of Roman Law.: Mornay says, "The law of nature teaches and commands us to maintain and defend our lives and liberties, without which life is scant worth the enjoying, against all injury and violence. Nature has imprinted this by instinct in dogs against wolves, in bulls against lions, betwixt pigeons and sparrow-hawks, betwixt pullen and kites, and yet much more in man against man himself, if man become a beast: and therefore he who questions the lawfulness of defending oneself, does, as much as in him lies, question the law of nature."

Sometimes resistance is not enough, "To this has proper relation the law of tyrannicide, which honours the living with great and memorable recompenses, and the dead with worthy epitaphs, and glorious statues," and "Furthermore, no man can justly reprehend Brutus, Cassius, and the rest who killed Caesar before his tyrannical authority had taken any firm rooting."

In Mornay's world there is no concept of national sovereignty. It is the interests of individuals - not the states - which are sovereign. This comes directly from the Salamanca school.

The Politics of Johannes Althusius

Althusius' Politics is an amalgam of Mornay, the Salamancans, and Roman Law. Where it adds something new

is in his detailed proposal for representative government, and the way in which he situates this within the idea of a social contract. As noted earlier, Grotius cites this work as a major influence, as also Pufendorf does later. Parts of Locke's *Two Treatises* read as a plagiarized paraphrase. Althusius argument follows:

Man separates himself from a state of nature by agreement to live together within certain accepted agreements, "Politics is the art of associating men for the purpose of establishing, cultivating, and conserving social life among them.... in which the symbiotes pledge themselves each to the other, by explicit or tacit agreement, to mutual communication of whatever is useful and necessary for the harmonious exercise of social life... This mutual communication, or common enterprise, involves (1) things, (2) services, and (3) common rights (jura) by which the numerous and various needs of each and every symbiote are supplied." He adds, "Aristotle teaches that man by his nature is brought to this social life and mutual sharing."

The sovereign nation does not exist, only a contract among heteronomic private interests, "The public association exists when many private associations are linked together for the purpose of establishing an inclusive political order. It can be called a community, an associated body, or the pre-eminent political association. It is permitted and approved by the law of nations (*jus gentium*)."

Individual property rights are paramount, "A man has external goods that he uses and enjoys, opposed to which are the corruption, damage, and impairing of his goods in any form, as well as their plundering or robbery, and any violation of their possession or artificial impediment to their use," and "His goods and their possession, use, and ownership are to be conserved, and they may not be injured, diminished, or taken away."

Althusius state is one of rule by an elite, "In every association and type of symbiosis some persons are rulers (heads, overseers, prefects) or superiors, others are subjects or inferiors, for all government is held together by imperium and subjection; in fact, the human race started straightway from the beginning with imperium and subjection. God made Adam master and monarch of his wife, and of all creatures born or descendant from her... Therefore, 'to rule, to direct, to be subjected, to be ruled, to be governed are agreeable to the natural, divine, and human law'... if all were truly equal, and each wished to rule others according to his own will, discord would easily arise... I add to this that it is inborn to the more powerful and prudent to dominate and rule weaker men, just as it is also considered inborn for inferiors to submit."

Althusius calls his ruling class the Ephors." This name is taken directly from the ruling elite - the *ephoroi* - of Sparta: "These ephors, by reason of their excellence and the office entrusted to them, are called by others patricians, elders, princes, estates, first citizens of the realm, officials of the realm, protectors of the covenant entered into between the supreme magistrate and the people, custodians and defenders of justice and law (*jus*) to which they subject the supreme magistrate and compel him to obey, censors of the supreme magistrate, inspectors, counsellors of the realm, censors of royal honour, and brothers of the supreme magistrate... Those persons should be elected ephors who have great might and wealth, because it is in their interest that the commonwealth be healthy... A few should be elected from the many."

Grotius

More will be said about the political career of Hugo Grotius (Huigh De Groot) in the next report. Here we will look at several of his writings.

Grotius (1583-1645) himself names some of those who influenced him most. These include Francisco de Vitoria, Alberico Gentili (whose work he largely incorporates), Francois Hotman, and a number of Salamancans (including Covarruvias, Suarez & Vasquez). He also praises the jurists who made a study of Roman law, including "Inerius and his successors." He explicitly cites Vitoria as the source of his views on Just War.

Grotius' ideas are an elaborated Aristotelian version of a social contract. He refers repeatedly to "natural law," but his ideas of natural law come directly from classical Roman law. He repeatedly references Justinian's Digest.

Grotius' major writings include: *De Jure Praedae Commentaris* (Commentary on the Law of Prize and Booty); *Mare Liberum* (The freedom of the seas or the right which belongs to the Dutch to take part in the East Indian trade); *The Antiquity of the Ancient Batavians*; *The Prologue to The Law of War and Peace*; and *De Jure Belli ac Pacis* (The Law of War and Peace).

The *De Jure Praedae Commentaris* was written for the directors of the Dutch East India Company, to defend

their right to seize Spanish and Portuguese ships and colonies. Grotius bases this on the Law of Nations (*jus gentium*), as put forth by the Salamancans. Here Grotius also defends the Aristotelian notion of "natural slavery."

Chapter 12 of the *De Jure Praedae Commentaris* was published separately as the *Mare Liberum* (Of the Freedom of the Seas), and contains a blatant Roman Law argument that freedom of trade is guaranteed by the Law of Nature and cannot be interfered with by any government. Grotius says "Freedom of trade, then, springs from the primary law of nations, which has a natural and permanent cause, so that it cannot be abrogated." He also says, "I shall base my argument on the following most specific and unimpeachable axiom of the Law of Nations, called a primary rule of first principle: Every nation is free to travel to every other nation, and to trade with it," and "'By the law of nations the principle was introduced that the opportunity to engage in trade, of which, no one can be deprived, should be free to all men... Aristotle, in a very clever phrase in his work entitled *Politics*, has said that the art of exchange is a completion of the independence which Nature requires." His defense of Spanish plundering is taken from Vitoria, "The Spaniards could have shown just reasons for making war upon the Aztecs and the Indians in America..., if they were prevented from traveling among those peoples, and were denied the right to share in those things which by the Law of Nations or by Custom are common to all, and finally if they were debarred by trade."¹²

In *The Antiquity of the Ancient Batavians* Grotius puts forward his notion of a "republic." He says that the best type is an aristocratic republic, e.g. Sparta ("a shining example") or Venice. There is to be no toleration of absolute sovereigns. Grotius defends oligarchical rule as part of the Batavian tradition, saying that the Dutch had always been ruled by the "most substantial and most pious families." This idea comes from Francois Hotman, i.e. government by "the best," rooted in antiquity.

In Grotius' schema the Estates will control taxes and levies, all acts of war, and the minting of coinage. Princes rule only with the permission and consultation of the nobles: "If a foreign parallel of this is required, I find nothing more similar than the Spartan state, which is praised above all others..."Grotius also says, "If we apply reason, it persuades us that power in the state should best be entrusted to the best, or if we accept the authority of respected writers, we find that the government of the best was praised by the wisest men of antiquity; or if we look for parallel cases, the very celebrated examples of Crete, Sparta, Carthage, Rhodes..., and as many believe, Rome itself, immediately present themselves... Nor is there a lack of recent examples: Lucca, Geneva, Genoa and the famous city of Venice, which has proved its stability by its continuity over a thousand years."

The so-called "republican" institutions of the United Provinces were entirely oligarchical. The Provincial Estates (*Staten*) were made up of Regents from the local city councils. The Regents were drawn from the local burgher class. Each Town Council was comprised of 20 to 40 of the "richest and most honorable citizens," elected from and by the "wise and rich" burghers of each town. Tenure was for life. Vacancies filled by the Council itself. After 1585, the governing of the nation passed from the hands of the landed burgher class in those of the ever-more-wealthy merchant elite.

The *De Jure Belli ac Pacis* is Grotius' premier work on the subject of international law. In the *Prolegomena* to that work he cites three causes for just war: 1)self-defense, 2)defense of property, 3) serious offenses. Wars over religion are not justified, including wars against "infidel" nations (this is identical to Vitoria). Grotius condemns Alexander the Great for his invasion of Persia. Says that the end justifies the means in a just war. Says the law of nations justifies the enslavement of captured enemies.

Again, his concern is for the interests of private individuals, "This concern for society... is the source of law of which we are speaking. It is the law that determines the abstention from another's property; the restitution for another's goods which we have in our possession; the reparation for damage wrongfully done; and the retribution of punishments." This work also contains a chapter on contracts and contract law, in which Grotius refers repeatedly to the Salamancans Navarro, Covarrubias, Vasquez, and Lessius.

John Locke

¹² In 1615 Paolo Sarpi wrote a book entitled *The sovereignty of Venice in the Adriatic*, in which he cites Grotius' *Mare Liberum*, to justify his (Sarpi's) claim that Venetian free trade is legal and that the Adriatic Sea belongs solely to Venice because it is an "inland sea." Grotius corresponded with Sarpi and called him "Paolo the Great."

Although Locke appears to be a world-class plagiarizer of Sarpi, the Salamancans, Althusias, Grotius, et al, nevertheless, with Locke there is, if not a new idea, at least a new satanic twist. In Locke all restraints are gone. There is no theological gloss. What Locke presents is the naked face of oligarchical greed and evil, without apologies.

It is in his "philosophical" works, particularly the *Essay Concerning Human Understanding*, that Locke espouses his bestial view of humanity and his embrace of Sarpi's empiricism. Man has no innate knowledge. At birth, the human mind is a blank slate (tabula rasa). All basic (simple) ideas come from sense experience. There is nothing in the intellect that does not derive from the senses. Man is only capable of combining multiple simple ideas into more complex ones (an atomistic or corpuscular theory of ideas).

In his *Two Treatises of Government*, Locke applies this evil outlook to the subject of human society and government. Of course this is no academic exercise. Locke was intimately involved in the project to bring the Venetian system into England, from his long involvement with Anthony Ashley Cooper (Shaftesbury), to his own five year exile in the Netherlands, participation in the plan for a Dutch invasion, and subsequent role in the government of William III.

A true irony is that, in Locke - the supposed inspiration for the American Revolution - the notion of freedom he propounds is lifted directly from the theories of Roman Law. Locke states that man's natural freedom derives from his original existence in a state of nature, a state of perfect freedom. Locke's notion of "all men created equal" is nothing but the Roman idea that all beasts are created free and equal in a state of nature. In this state, man - the beast - has the right to defend his life, liberty and possessions. Men have the right to kill those who would violate this law of nature (argument lifted from Grotius). This state of nature still exists between nations (again Grotius). Man surrenders some of his rights to enter society and to establish laws and courts (again Grotius), but the fundamental law of nature prevails, and individual man retains his sovereignty. Created governments function only as arbiters (umpires) between sovereign individuals. Man enters into society only for the purpose of "the preservation of property of all the members of society, as far as possible." Private property rights existed BEFORE the creation of the state, and the role of the state is to protect this property. Assemblies or Estates are preferable to Monarchies because of the absolutism inherent in individual monarchs. Civil Government must be based on the will of the majority of the individual sovereign citizens. Supreme power must be vested in the Legislative branch. No one's property can be taken from him without his consent. On war, Locke defends only "just war," and says that the conqueror gains absolute despotic control over the vanquished.

Locke's idea of the "accession" of property is based on Justinian's Digest. God granted things for use. Through labor man appropriates. Locke's argument entails a bizarre interpretation of the Book of Genesis: "At the beginning of mankind's existence, the Law man was under, was rather for APPROPRIATING. God Commanded, and his wants forced him to LABOUR. That was his PROPERTY which could not be taken from him where-ever he had fixed it. And hence subduing or cultivating the Earth, and having Dominion, we see are joined together. The one gave Title to the other. So that God, by commanding to subdue, gave Authority so far to APPROPRIATE... (which) necessarily introduces PRIVATE POSSESSIONS."

The *Two Treatises* reads like a hymn to private property. Some quotes:

"Man has individual property in his own person. The labor of HIS body and the work of HIS hands allows him to remove from nature things which he can join to his own and make HIS property."

"This the taking of any part of what is common, and removing it out of the state Nature leaves it in, which BEGINS THE PROPERTY; without which, the Common is of no use. And the taking of this or that part does not depend on the express consent of all the Commoners."

"The great and CHIEF END therefore, of Mens uniting into Commonwealths, and putting themselves under Government, IS THE PRESERVATION OF THEIR PROPERTY."

"PERSONS are FREE by a Native Right, and their PROPERTIES are THEIR OWN, AND AT THEIR OWN DISPOSE... Can (the King) take away the Goods or Money they have got upon the Land, at his pleasure? If he can, then all free and voluntary CONTRACTS cease, and are void, in the world."

Perhaps the most rabid quote is the following: "The Reason why Men enter into Society, is the preservation of their Property; and the end why they chuse and authorize a Legislative, is, that there may be Laws made, and Rules set as Guards and Fences to the Properties of all Members of Society, to limit the Power and

moderate the Dominion of every Part and Member of Society. For since it can never be supposed to be the Will of the Society, that the Legislative should have the Power to destroy that, which everyone designs to secure, by entering into Society, and for which the People submitted themselves to the Legislators of their own making; whenever the Legislators ENDEAVOR TO TAKE AWAY, AND DESTROY THE PROPERTY OF THE PEOPLE, or to reduce them to Slavery under Arbitrary Power, they put themselves into a State of War with the People, who are thereupon absolved from any further Obedience."

Slavery is merely the epitome of property rights, "There is another sort of Servants, which by a peculiar Name, we call SLAVES, who being Captives taken in a Just War, are by the Right of Nature subjugated to the Absolute Dominion and Arbitrary Power of their Masters. These Men having, as I say, forfeited their Lives, and with it their Liberties, and lost their Estates; and being in the STATE OF SLAVERY, not capable of any property, cannot in that state be considered as any part of CIVIL SOCIETY; the chief end whereof is the preservation of PROPERTY."

In his *Fundamental Constitution of Carolina*, Locke wrote, "Every freeman shall have absolute power and authority over his negro slaves," and in his 1698 Instructions to Governor Nicholson of Virginia, Locke defended the African slave raids of the Royal Africa Company as "just wars."

In his work *Some Considerations of the Consequences of the Lowering of Interest and Raising the Value of Money*, Locke goes beyond simple property rights and raises the issue of money, itself, as a "special" kind of property, one imbued with almost magical powers. In arguing for what he calls "the natural interest of money," he says that money "turns the wheels of trade," therefore its course should not be stopped. Riches consist in plenty of gold and silver, for these command all the conveniences of life. Again, Locke is the cheap knock-off copy, not the original. This rabid empiricist monetarism, is earlier found in Navarrus and several other of the Salamancans.

Finally, given his role in the "Glorious Revolution," it is certainly not surprising to find Locke posturing as the champion of Parliamentary government. Locke states, "The first and fundamental Positive Law of all Commonwealths, is the establishing of the Legislative Power; as the First and Fundamental Natural Law... is the Preservation of the Society, and of every person in it. This Legislative is not only the Supreme Power of the Commonwealth, but sacred and unalterable in the hands where the Community have placed it." However, Locke adds, "The Supreme Power cannot take from any Man any part of his Property without his own consent. For the preservation of Property being the end of Government." In other words, it is not just monarchies that need to be restrained, the power of central government itself must be restrained to protect the private interests of the new financial/maritime oligarchy. It is just easier to control parliaments than willful monarchs.

After 1688, and particularly after the establishment of the Hanoverians, the new Venice, centered in London, began to spread its tentacles throughout the world. Locke's *Two Treatises* was translated into French by the Dutch Huguenot David Mazel in 1691. That French edition was widely circulated on the continent.

Addendum

A final brief note on Thomas Hobbes. During the 1640's Hobbes spent several years in Paris where he was a friend and companion of Grotius. It was there he wrote *De Cive* (1642). Hobbes carried Grotius, social contract theory and Descartes' atomistic-mechanistic view to their natural conclusion of "each in a war against all," the supreme self-interest of the individual. Hobbes writings were burned in England and condemned through most of Europe. The only place they were freely published and widely read was in the Netherlands, particularly during the period of "True Freedom"

In Hobbes view - actually in the view of everyone mentioned in this report - Man exists in an atomistic universe of individual material objects, and he defines himself by his possession of those objects. This is a remarkable, if not surprising synthesis between Sarpi's philosophical empiricism, and the development of a social theory based on individual heteronomic property rights.

PART V - THE DUTCH TRAGEDY

"Two poor creatures have been burnt, and the whole city has turned Lutheran. (from a letter written by Erasmus on the first execution of Lutheran heretics in Antwerp in 1523)

The Spanish Netherlands were Venice's chosen northern flank in their plans for European-wide war. An area with a rich Renaissance heritage - the home of Jan Van Eyck and the Brethren of the Common Life - the people of the Low Countries were subjected to more than 100 years of war, inquisition, and barbarism very difficult for someone today to imagine. Out of the corpses and ashes of that carnage, the Venetians, led by Sarpi, erected a new clone of the Venetian system on the northern shores of Europe.

The subject of this report is the creation of a new Venice in Amsterdam. First, however, I shall present an abbreviated picture of the horrors that were inflicted on the Netherlands between 1520 and 1608. History is too often presented as if it did not contain human beings or human culture. To understand what happened in the Netherlands, one must first look at what was done to the Dutch and Flemish people.

In 1520 the first edict condemning heretical works in Flanders was issued by the Holy Roman Emperor and King of Spain Charles V. The next year Luther was placed under the Empire's ban. In 1523 the first public burning of heretics occurred in Antwerp. In 1529 The Netherlands was removed from the Empire and made part of Spanish hereditary possessions, giving Charles greater power to crack down on Protestants. Many offences were punishable by burning or beheading and the confiscation of property. In 1531 the Dutch Regent Margaret died and was replaced by Mary, the sister of Charles V, resulting in even tighter Spanish control. 1535-1540 witnessed mass executions of Anabaptists, and even more repression continued through the 1540s.

In 1550 Charles V officially established a branch of the Spanish Inquisition in the Netherlands [the Spanish Inquisition was only legal on lands belonging to the Spanish crown]. The Inquisitors initiated a frenzy of executions, which continued under the new King Philip II.

In 1567 the Duke of Alva arrived from Spain with 10,000 Spanish and Neopolitan troops. He established a religious tribunal, the "Council of Blood," which, in a span of 6 years, condemned 12,000 persons. In 1568 the Dutch nobles Egmont and Hoorn were brought before the Council in Brussels, condemned, and executed. Alva's military campaign of 1572 characterizes this period. In the summer of that year, the City of Mechlin was captured and its people were delivered over to torture, rape, and plunder. Alva's army then moved on to Zutphen, where the same horror was repeated. Next came the city of Naarden, where the massacres were even more horrible and more systematic than at Zutphen. The population was exterminated and the city burnt to the ground. The next victim was the city of Haarlem, where after a seven month siege, the city was starved into surrender, and Alva celebrated the victory by ordering a general massacre of the population. Alva commanded King Philip's forces in the Netherlands for five years.

After Alva's departure, the butchery continued. The "Spanish Fury" at Antwerp occurred in 1576, when the Spanish soldiers occupying that city mutinied and, over three days slaughtered 8,000 civilians, leaving hacked, mutilated, naked, and burnt bodies lying in the streets. One historian described those years in the Netherlands in the following way:

"The whole country became a charnel-house; the death-bell tolled hourly in every village; not a family but was called to mourn for its dearest relatives, while the survivors stalked listlessly about, the ghosts of their former selves, among the wrecks of their former homes. The spirit of the nation, within a few months after the arrival of Alva, seemed hopelessly broken. The blood of its best and bravest had already stained the scaffold; the men to whom it had been accustomed to look for guidance and protection were dead, in prison, or in exile. Submission had ceased to be of any avail, flight was impossible, and the spirit of vengeance had alighted at every fireside. The mourners went daily about the street, for there was hardly a house that had not been made desolate. The scaffolds, the gallows, the funeral piles, which had been sufficient in ordinary times, furnished now an entirely inadequate machinery for the incessant executions. Columns and stakes in every street, the door-posts of private houses, the fences in the fields, were laden with human carcasses, strangled, burned, beheaded. The orchards in the country bore on many a tree the hideous fruit of human bodies. Thus the Netherlands were crushed, and but for the stringency of the tyranny which had now closed their gates, would have been depopulated. The grass began to grow in the streets of those cities which had recently nourished so many artisans. In all those great manufacturing

and industrial marts, where the tide of human life had throbbed so vigorously, there now reigned the silence and the darkness of midnight."

The Transition

There were two separate driving forces behind the events in the Netherlands. On the one hand was Venice's incitement of religious wars and fanaticism. Bear in mind, however, that in 1550 the Netherlands was still overwhelmingly Catholic, and the Calvinists had yet to appear on the scene. Even as late as 1600, only 15 percent of the Dutch and Flemish populations were Calvinist. The policy of William the Silent was one of religious toleration. He was the author of Article XII of the 1579 Union of Utrecht (when the 7 northern provinces declared independence), which states that no one is to be persecuted for religious reasons. It was only after William's death that the Calvinists attempted to establish a Geneva-style theocratic state.

In Madrid, what drove the policies of Charles, and later Philip, was that the fact that the Spanish Crown was bankrupt. The fool Charles V borrowed so heavily during the 1540s and 1550s, that by 1553 the entire national income of Spain was pledged to Antwerp and Genoese bankers. By 1555 he was borrowing at 25 percent interest just to pay the expenses of his household. This crisis culminated in 1557 with the declaration of Spanish State bankruptcy.

Beginning in the 1530s, the Spanish began to squeeze the Dutch population with a series of onerous taxes. Dutch cities and provinces were forced to issue interest bearing bonds to pay the new taxes, and as a result, by 1577 the unsecured debt of the provinces reached 7 times its total in 1540. In 1558 Philip II attempted to impose forced loans on the Antwerp merchants. By the end of the year, Philip owed the House of Fugger 3 million ducats (4 million gulden). That same year William of Orange visited Antwerp, trying to borrow money on the security of the Dutch nobles in order to meet the Spanish demands.

The Duke of Alva's mandate from Philip II included the command to crush all Dutch resistance to a new round of Spanish looting. In 1569 he instituted a new system of taxation, which aroused fierce hostility: one per cent on all property, fixed or moveable, 5 per cent on every transfer of fixed property, and 10 per cent on every sale of goods (the "Tenth Penny"). The opposition was so fierce that even Alva was forced to compromise, and at last agreed to accept two millions of florins annually for the two years ending August 1571. At that date he again began to insist on his Tenth Penny.

During the war, William the Silent made several attempts at a negotiated peace. Two developments ensured that this would not happen. In January of 1578 Alexander Farnese, Prince of Parma and a young hero of Lepanto, arrived as the new Spanish commander, with an army of 20,000 veteran troops. If not more brutal than Alva, he possessed a far more daunting military force. Then, in 1584 William was assassinated by Balthazar Gerards, a deranged fanatic who was deployed by the Dutch Regent of the Jesuit Order. William's death resulted in the rapid ascendancy of the most rabid of the Calvinists, including his son Maurice of Nassau. Peace became impossible.

From the beginning, the radical Calvinists had been the perfect cats-paw for the Spanish Inquisitors. The first Dutch Calvinist congregation had appeared in 1554, and a short 12 years later it was the Calvinist preachers who led the armed assaults on the Catholic Churches (the "Beeldenstorm"). After William's murder the cause of the Calvinists and the House of Orange merged, and their rallying cry became the Union of "Kerk en Oranje" (Church and Orange).

One year after William's death, Robert Dudley (the Earl of Leicester) arrived with 7,400 English troops, declared himself Governor-General, allied with the Calvinist leadership, and waged a four year military campaign against the Spanish.

In all the horrors that were inflicted on the Dutch people during their 80 year war with Spain, it was the humanist culture of Flanders and the Lowlands that was the victim -- as was intended from the beginning. Erasmus saw this as early as a letter he wrote on March 21, 1519: "I know quite well that the barbarians on all sides have conspired to leave no stone unturned till they have suppressed "bonae literae... Either I am blind or they aim at something else than Luther. They are preparing to conquer the phalanx of the muses."

Venice of the North

Venetian commercial activity in the Netherlands began in the 12th century with the voyages of the Venetian "Flanders Galleys." By 1318 the Venetians were operating in Bruges, Ghent, and Antwerp. By the early 16th century Antwerp was the financial/banking and commercial center of the north, and even rivaled Venice, Genoa, Augsburg and Florence as the pre-eminent financial center in Europe. By 1550, yearly transactions on the Antwerp Bourse averaged 40 million ducats. Antwerp was the "money market of the world" - "the "Venice of the North" - and 5000 merchants from every nation had their representatives at the Bourse. The German House of Fugger and the Genoese banks were the dominant foreign financial interests in the city, and Antwerp was one of the main centers of lending to foreign kings and princes.

Many of the financial practices and institutions which were later fine-tuned in Amsterdam and London were developed first in Antwerp, and emigres from Antwerp were to make up a significant portion of the later Amsterdam financial elite.

Like Venice, the Netherlands was a maritime power. By the 1550s the Dutch merchant marine was the largest in Europe, operating from the Azores to the Baltic to the Levant. The Amsterdam carrying trade increased ten-fold from 1537 to 1547. In 1550, on any given day, there were 2500 ships in the river Scheldt, off Antwerp, with 500 new ships arriving each day.

A major catalyst for the emergence of Amsterdam as the financial capital was the 1585 capture of Antwerp by the Duke of Parma's army. This engendered the "great exodus" from the southern provinces, where the Calvinists were most numerous. Over 150,000 fled, and both Antwerp and Ghent lost more than half of their populations. More than 19,000 merchants, including many key bankers and Bourse speculators left Antwerp, with most settling in Amsterdam.

After 1588 Dutch financial and commercial expansion exploded:

1588 - 2,000 Dutch merchant vessels.

1588 - Anglo-Dutch defeat of Spanish Armada

1590-1600 - massive expansion of Dutch seaborne trade

1594 - founding of Dutch "Long Distance Company" (Company of the Far Countries). Beginning of serious trade with east. First voyage of 4 ships to Asia sent out in 1595

1598 - first marine insurance; Dutch dominated insurance markets into the 18th century

1600 - first Dutch ship reaches Japan

1600-1620 - flourishing Dutch Levant trade.

1600-1635 - undeclared war with Portugal

1601 - chartering of the East India Company (the VOC - Verenigde Oostindische Compagnie), dominated by Amsterdam. Oldenbarneveldt said: "The great East India Company, with 4 years of hard work public and private, I have helped establish, in order to inflict damage on the Spanish and Portuguese."

1605 - first Dutch colony in Indonesia, following defeat of Portugal at Molucca

1606 - first Dutch slave ships.

1606 - control over coinage & monetary affairs shifts from provinces to States General "Mint Chamber"

1607 - Dutch destroy a Spanish fleet off Gibraltar

1608 - Opening of the New Bourse building in Amsterdam

1609 - Bank of Amsterdam founded

1609 - Treaty of Antwerp. 12 year truce with Spain, negotiated by Oldenbarnevelt. Venice the first government to recognize Dutch independence. Oldenbarnevelt's son Van der Myle becomes Ambassador to Venice, at the request of the Venetian Ambassador in Paris, Antonio Foscarini.

1610-1612 - first Dutch colonies in Brazil

1618 - Venice signs defensive alliance with Netherlands against Hapsburgs

1619 - Founding of Batavia, capital of the Dutch East Indies

1621 - Extermination of the natives of the island of Band by the VOC. Gov-Gen. Jan Pieterszoon gave orders to kill the entire native population because they refused to give the Dutch a nutmeg monopoly. Slaves brought in to work Dutch plantations.

1621 - founding of Dutch West Indies Company

1621-1648 - Continual (primarily naval) war with Spain and Portugal
1624 - founding of New Amsterdam
1625 - Establishment of the Levantine Trading Company
1630 - almost all of the wealthier classes involved in the East India trade, or finance, or both.

VOC - United East India Company

The VOC was chartered by States General in 1602 with an initial issue of 2,167 shares at 3,000 florins each (10 times the initial capital of the British East India Company). The primary founder was Oldenbarnevelt, and it was dominated by the financial interests of Amsterdam. It was run by 17 directors (the Heeren XVII), and granted a monopoly on trade east of the Cape of Good Hope and west of the Straits of Magellan. It had independent authority to wage war, conclude treaties, build fortresses, and enlist naval and military personal. All employees pledged an oath of allegiance to the company.

Prominent among the early investors were refugees from Antwerp, including Jan de Wael, Jacob Poppin, and Isaac Le Maire (the single largest stockholder). Originally, the shareholders could liquidate after 10 years. This was revoked in 1612, and a secondary market was created, for shares and futures, on the Amsterdam Bourse, the world's first modern securities market. Capitalization of the company became permanent, and the company issued dividend-payable tradable shares. After 1634 yearly dividends ranged from 16 to 50 percent.

The first VOC colonies were captured from the Portuguese in Indonesia. The Dutch (and later English) colonial factories were modeled on the earlier Portuguese *feitoria*, which in turn, were modeled on the Venetian and Genoese *fondachi*.

The VOC dominated Asia trade for almost 2 centuries. From 1602 to 1795, the VOC sent 4,785 ships to Asia, and carried more than 2.5 million tons of Asian goods. In comparison, during the same period, the British East India Company sent 2,650 ships, and carried only 500,000 tons of goods.

1609 - Creation of an autonomous central authority in Batavia, headed by a Governor-General and assisted by a "Council of the Indies." All of the Dutch eastern colonies were ruled from Batavia by VOC personal, except for those in Persia, India, Ceylon, and South Africa, which received orders directly from the VOC in Amsterdam.

1623 - Protests against secrecy and lack of democratization of VOC declared treasonable.

1644 - Proclamation of VOC Heeren XVII: "The places and strongholds which they (the VOC) have captured in the East Indies should not be regarded as national conquests, but as the property of private merchants, who were entitled to sell these places to whomsoever they wished, even if it was the King of Spain."

1644 - Proclamation of the directors of the Delft chamber of the VOC: "A merchant would do better honorably to increase his talent and send rich cargoes from Asia to the Netherlands, instead of carrying out costly territorial conquests, which are more suitable for crowned heads and mighty monarchs than for merchants greedy for gain."

1649 - VOC has 150 merchant ships, 40 warships, 10,000 soldiers, and pays a dividend of 40 percent.

The West India Company

Both trading companies, but particularly the WIC began as little more than organized piracy against Spanish and Portuguese shipping. Between 1623 and 1636, the WIC equipped 800 ships, which captured a total of 540 Spanish and Portuguese ships, carrying cargoes totaling an estimated 72 million guilders. In addition, it was common for VOC and WIC expeditions to raid Portuguese colonies. In 1627, the Dutch buccaneer Piet Hein captured the Spanish silver fleet, seizing 22 of the 30 ships, with a cargo worth 13 million guilders.

1621 - founding of Dutch West Indies Company. Two initial objectives: to take over Spanish and Portuguese trading and colonies in the Americas, and secondly, to take over the dominant role in the African slave trade. A significant percentage of the original financing of the WIC came from Geneva banks (who later helped fund the founding of the Bank of England). The radical Calvinists had a more dominant role in the WIC, then in the VOC.

1630-1654 - Dutch attempt to conquer Brazil from Portugal. For about 15 years the WIC controlled most of northeastern Brazil, naming it New Holland. The expansion of territory continued until 1642, but by 1654 they had

been driven out. That defeat marked the decline, and later collapse of the WIC.

The Bank, the Bourse, and the Financial Markets

The New Bourse (exchange) building opened in Amsterdam in 1608, and the Bank of Amsterdam (Wisselbank) was founded the following year in 1609. The Wisselbank was a public bank, modeled on Venice's Banco della Piazza di Rialto. It had a monopoly on all exchange of species, and trade in precious metals. It was a clearinghouse for bills of exchange, but it was NOT a commercial lending bank, except for loans to the government and the VOC. More advanced usage of bills of exchange than earlier in Venice and Antwerp. Even before independence, the Dutch provinces created a permanent debt market (world's first "consolidated public debt") to finance the war, and in Antwerp, bankers perfected a continuing market in negotiable international bills of exchange.

The trading in financial securities, which took place at the Bourse, created the first modern stock exchange, and by the mid-1600s, the Amsterdam Bourse was described as the "place where the whole world trades." During the 17th century there was a famous boast about the Amsterdam Bourse which was printed on plaques, posters, and medallions:

*Ephesus fame was her temple
Tyre her market and port
Babylon her masonry walls
Memphis her pyramids
Rome her empire
All the world praises me*

The new bank - the Wisselbank - was "public" in the sense that, like the Venetian creations of the *Giovani*, and the later Bank of England, it was entirely privately owned but completely merged with the oligarchical institutions of the state. As such, it assumed sovereign powers to the point that it dictated financial policies, and those policies became the Nation's policies. This paradigm was later to be greatly fine-tuned in England. The Bank's directors had offices in City hall, and its money was kept in the city vault. It was politically backed by the city's fathers. The security of its holdings established the new "bank money" as the center of the city's securities trading. This, combined with the international trade in hard currency (specie), in which the bank played a major role, made Amsterdam the world's largest international securities market (including VOC company paper and municipal bonds). The most popular of the securities investments was the national debt.

If you look at the scope of what was created between 1594 and 1621, in terms of the institutions, the accumulation of capital, and the centralized way that capital could be deployed, this was all obviously Venetian; but in some ways it went further, in the sheer size and power of the financial/political capabilities involved. One of the Bourse speculators of the time, a Sephardic Jew named Jossef de la Vega, authored a work describing in detail how the Dutch markets could be used to mobilize capital in ways not previously done. This book was translated into English by John Houghton and used by William III's English advisors in financing his wars against Louis XIV.

Oldenbarnevelt & Grotius

Johan van Oldenbarnevelt was the Advocate of Holland from 1587 to 1618, and as such he was the most powerful political figure in the Netherlands for more than 30 years. In 1613 his protegee Hugo Grotius was named Pensionary of Holland, the second most powerful political post in the government, and together they dominated the civilian government of the Netherlands.

It is a mistake to sympathize with Oldenbarnevelt and Grotius in their fight with Maurice of Nassau and the radical Calvinists. Oldenbarnevelt was the organizer and founder of the Dutch East India Company. Under his leadership all of the Venetian financial institutions were put into place in Amsterdam (his political base), and by the time of his death the Dutch empire was well established. Grotius was a paid employee of the East India

Company, and his 1604 work, *De Jure Praeda* (Law of Prize & Booty), was commissioned and paid for by the Company. Grotius headed two separate East India Company delegations to London. In 1613 he headed the delegation to a conference on Navigation and Commerce, and in 1615, at the Anglo-Dutch Colonial Conference, Grotius defended the East India Company monopoly on East Indies spice trading (a direct contradiction of his views in *Mare Liberum*). At that conference, according to the Venetian ambassador, he offered the English 4 million pounds of gold if they would join a military effort to drive the Portuguese and Spanish out of the East Indies.

Grotius was trained at Leyden University by Joseph Justus Scaliger. Scaliger had been the premier lecturer on Aristotle at Calvin's Geneva Academy in the 1570s, and was appointed head of Leyden University in 1593. He collaborated for years with Sarpi's Geneva ally Causabon, and he wrote several bitter attacks on Erasmus.

In 1618 Oldenbarnevelt and Grotius were arrested by agents of the Stadtholder Maurice and charged with treason. Oldenbarnevelt was executed. After a craven court performance, Grotius's sentence was reduced to life imprisonment (he escaped after two years and fled to France). Standard histories attribute the downfall of Oldenbarnevelt and Grotius to their opposition to the radical Calvinists. This is known as the Remonstrant controversy (the Arminius vs. Gomarus theological conflict). Their ouster, however, was indispensable if Venice's plans for the 30 Years War were to proceed. In 1608 Oldenbarnevelt had signed a 12 year truce with Spain, and he initiated a de-facto alliance with France's Henry IV, who was attempting to stave off a new European land war. This policy was fiercely opposed by the House of Orange and the Calvinist leadership. In 1618 Oldenbarnevelt wanted to extend the truce. (a move that was strongly supported by the directors of the East India Company, who wanted war with Portugal in Asia, but not a European land war with Spain). After Oldenbarnevelt's arrest and execution, Maurice seized power, signed a military alliance with Venice and reopened the war with Spain. In 1621 the West Indies Company was founded and began to initiate attacks on the Spanish in the Atlantic.

An interpolation - the Arminians

The Arminian party (with which Oldenbarnevelt and Grotius were associated) derived its name from the Dutch theologian Arminius. Although there were certain disagreements between the Arminians and the fundamentalist Calvinists on theological matters - particularly on Arminius' opposition to the rigid doctrine of pre-destination - as the controversy evolved, the key POLITICAL issue became the Arminians insistence on the subordination of the church to the institutions of state. This clashed with the theocratic aspirations of the Calvinists. Not surprisingly, the Arminians were strongest in the province of Holland, particularly in Amsterdam.

During the controversy, Paolo Sarpi strongly - and publicly - backed the radical Calvinists, which at first seems surprising; but remember that it was the Calvinists, grouped around the House of Orange, who led the War Party in the Netherlands. The Arminians were finally crushed at the Synod of Dort in 1618, just in time for the 30 Years War. Sarpi, in a letter to his friend Causobon in Geneva, heaped praise on the outcome of the Synod.

Later this same issue arose in England, and there have been books written about the "English Arminians." There was no organized "Arminian Party" in Britain, but there was a faction which not only wanted to subordinate the Church to the state, but to go one step farther and make the Church of England a key pillar of Leviathan oligarchic rule in England. Among those usually named as associated with this effort were the Archbishop of Canterbury William Laud (a close friend of Grotius), members of the "Great Tew Circle" (including Thomas Hobbes and Lucius Cary) and Samuel Clarke (of Leibniz vs. Clarke fame). A number of the more influential English Arminians were active members of the Star Chamber, which they used to prosecute and murder their opponents.

Science & Culture

The Frenchman Rene Descartes went to the Netherlands at the age of 21 and joined the army of Maurice of Nassau. In 1628 he settled permanently in the Netherlands, remaining until his death in 1650. Almost all of his famous works were written and originally published in the Netherlands. During those years he was continually under the protection of the House of Orange. The Netherlands was also a center of Newtonianism. The Dutch

disciples of Newton, included Gravesande, Boerhaave, and Musschenbroek. They functioned as a transmission belt of Newtonianism into the continent. Disciples of Descartes included Lodewijk Meyer and Balthasar Bekker, a Calvinist minister who published "World Bewitched" in 1691.

One collaborator of Descartes was the mathematician Isaac Beeckman, who met him in 1618 in Breda and maintained a close friendship with him. Beeckman studied at Leyden, and was, supposedly, an early proponent for the application of mathematics in physics.

The Athenaeum, an Amsterdam school for the sons of the new elite, was established in 1632, and quickly became a center for the study of Descartes. A certain professor de Raey tried to make a synthesis of Aristotle and Descartes in 1639, and in 1694 supporters of Descartes at the Athenaeum published a complete edition of his works.

Another, somewhat earlier, figure was Simon Stevin (1548-1620), known today largely for his work on the decimal system. Stevens authored a wide range of books on geometry, trigonometry, algebraic equations, mechanics, music, fortifications, and navigation. The content of his scientific work is unknown to me, but he was an influential figure. At Leyden in the 1580s, he developed a lifelong friendship with Maurice, Prince of Nassau, and after 1600 he became an employee of the House of Orange, eventually being appointed the quartermaster-general of Maurice's army.

I can not offer a competent analysis of these individuals or their works. Obviously, considering the role of Christian Huygens, Snell, and others, there was a positive scientific current in the Netherlands. What is clear, however, is that, through the influence of Descartes and others, the Netherlands became a center of what one might call a Mechanistic-Atomistic school of science. Whether there was a direct personal connection to Paolo Sarpi, as is known to be the case in English "science," is unknown to me. Stevin was almost exactly contemporary with Sarpi, but I know of no link between them.

Given that the new Dutch society and Dutch government institutions were based on the Venetian model, it is not surprising that after 1600, there arose a hideous oligarchical culture. One aspect of this was the proliferation of rich country mansions and stunning villas on the river Vecht, between Amsterdam and Utrecht, the homes of the new Dutch elite. The Dutch-born Bernard de Mandeville, writing in the *Fable of the Bees*, said: "What made that contemptible spot of earth so considerable among the powers of Europe has been their political wisdom in postponing everything to merchandise and navigation... In pictures and marble they are profuse; in their buildings and gardens they are extravagant to folly. In other countries you meet with stately courts and palaces which nobody can expect in a commonwealth, but in all Europe you shall find no private buildings so sumptuously magnificent as a great many of the merchants' and other gentlemen's houses are in Amsterdam and in some of the great cities of that small province."

Of the 10 wealthiest families in Amsterdam in 1550, none remained among the 10 wealthiest by 1600. By 1650 almost all of the wealthy as well as the governing Regents were involved in rentier activity, not trade.

Around 1600 a school of literature emerged. It was organized around a group of salons, the most important being that run by the daughters of Roemer Visscher, Anna and Tesselschade. Known as the Muiderkring (or the Muinden Circle), this group included Pieer Cornelissen Hooft, Joost Van Den Vondel, Jacob Cats, and Constantijn Huygens. Tesselschade was famous for her translation of Torquato Tasso's epic *Gerusalemme Liberata*.

Constantijn Huygens, the father of the scientist Christian Huygens, was born in The Hague, and studied at both Oxford and Cambridge, where he developed a close friendship with John Donne. Later he was the chief Dutch translator of Donne's works. From 1619 to 1620 he served on a diplomatic mission to Venice. He made two more trips to London, and in 1622 he was knighted by James I. In 1625 he was appointed private secretary to Stadtholder Frederick Henry, the Orange successor of Maurice. Later he became the confidential advisor to Frederick Henry's successors William II, and William III, and altogether he was in service to the House of Orange for 62 years. Between 1639 and 1641 he built one of the most magnificent of the Dutch mansions, which he described in detail in a lengthy piece he authored in 1654. His most famous poem, *Batava Tempe*, was in praise of the court at The Hague. After 1642, he was involved in the persecution of Rembrandt.

Whatever the pedigrees of all of the individuals named above might be, what is clear is that Dutch culture of the mid-17th century would have fit in nicely with the American southern plantation life immortalized by Margaret Mitchell. The Netherlands of the 17th century was run by a decadent clique of robbers (VOC), speculators

(Bourse/Wisselbank), and slave herders (WIC). Anyone who has visited the Rijksmuseum, cannot help but be struck by the observation that most of the paintings that are contemporary with Rembrandt are horrible - romantic/stoic cartoons of petty oligarches and Regents. Amid the ruin of 17th century Dutch oligarchical culture, Rembrandt was a beacon. Constantijn Huygens tried to recruit Rembrandt early in his career, offering him money and petty contracts, but sometime after 1640 - some say after the painting of the Nightwatch in 1642 - Rembrandt was recognized as an enemy. In 1647 Huygens personally intervened to exclude Rembrandt from a government contract. The oligarches ostracized Rembrandt, forcing him into bankruptcy in 1657. When, in 1660, his Oath of Claudius Civilis was rejected and he was excluded from all contracts at the new Town Hall, Rembrandt's public career was over.

John Locke's *Letter on Toleration* was written in close collaboration with Dutch Arminian Philippus van Limborch, and his *Essays Concerning Human Understanding* was written during his exile in the Netherlands. The most widely circulated French-language edition of his *Two Treatises* was prepared and published by the Amsterdam publisher Johannes Schreuder. And as is well known, Locke returned to England in 1688 aboard the royal yacht of Queen Mary, the wife of William of Orange.

Voltaire stayed in Holland from 1736 to 1737, and during the 18th century, the Netherlands became a key publishing center for enlightenment figures, including Voltaire, Rousseau, Locke, Hume, Montesquieu, etc.

Hobbesian Freedom

In 1650 the Stadtholder William II died at a young age, with no adult successors. In 1651 the office of Stadtholder was abolished, initiating a 21 year period of civilian rule that came to be known as "True Freedom." This period is synonymous with the name Johan de Witt, who from 1653 to 1672 served as the Grand Pensionary of Holland (Oldenbarnevelt's old position), and who, together with his brother Cornelis, acted defacto as the head of the Dutch government.

The guiding advisors behind de Witt were the de la Court brothers, Johan and Pieter. They authored numerous works, including *Interest of Holland*, *Political Balance*, and *Political Discourses*. When Johan died in 1660, Pieter became the leading influence in de Witt's government.

In *Political Balance* the de la Court brothers write, "Descartes and Hobbes show the way to the theory that should occupy mankind, as he was and not as the old-fashioned professors chose to see him." The brothers envisioned a "civic republic" based on the extreme Hobbesian view of individual passions. As each individual is an atom impelled by passion through the flux of society, order might be achieved through their continual collisions in a controlled environment. The state provides that environment.

What is remarkable, if not surprising is the coherence between Sarpi's philosophical empiricism, and the development of a Hobbesian social theory based on individual heterenomic property rights. Man exists in an atomistic universe of material objects, and he defines himself by his possession of those objects.

In the *Political Discourses*, Pieter de la Court says "The natural state is the Hobbesian unrestrained state of nature; the best state exists where the unreasonable passions are most restrained. That is the democratic republic." That pessimistic view of the human condition is further underscored by Johan, who wrote, "Only in the private, inner, domestic circle can one rest from the struggle of an antagonistic world." Johan was a passionate admirer of both Venice and Genoa, but concluded that their aristocratic social order was too rigid for the Netherlands. Nevertheless, he was a lifelong defender of the Dutch Regent class: "Unqualified and mean persons should have nothing to do with government and administration which must be reserved for qualified people alone."

Another influential during the "True Freedom" period was Peter de Groot, the son of Hugo Grotius. In 1673 he wrote: "What constitutes the wealth of the Republic? The opulence of its trade. And what is the source of its trade? Good government... It is impossible that this freedom and this security of possessions would survive the government of a monarch."

The era of "True Freedom" coincides almost exactly with the zenith years of the Dutch Empire, and the takeover by the Netherlands of the dominant role in the global slave trade. Despite the violent end of Johan and Pieter de Witt at the hands of the House of Orange, any attempt to portray this period in a positive "republican" light is absurd.

The Rise and Fall of the Dutch Empire.

When the Treaty of Westphalia was signed in 1648, the Dutch Empire was the greatest power in the world, and Amsterdam was the financial capital of Europe. The Dutch dominated the African slave trade. They had a stranglehold on international trade in specie, sugar, spices, and furs. In the 1640s and 1650s, the Dutch finished off the Portuguese in Asia, taking Malacca in 1641 and Ceylon in 1658. In 1641 the Dutch established a monopoly on trade with Japan which lasted until 1853, and in 1661 Portugal submitted to a treaty granting the Dutch complete free trade, and the right of Dutch citizens to settle in any Portuguese territory.

The imperial apex came with the Second Anglo-Dutch War (1665-1667), which ended in the defeat of England, and with the Dutch fleet sailing up the Thames. From the flagship of that fleet, the Dutch dictated the terms of the peace treaty.

A short five years later, in 1672 the combined forces of Louis XIV of France, the English navy and army, and the city-state of Cologne attacked the Netherlands. Under the blows of (particularly) the French army, the Dutch suffered a devastating and total defeat. Dutch historians refer to 1672 as the "Year of Disaster." The war exposed the key vulnerability of the Netherlands, a weakness that was shared by Venice. The United Provinces was a small country, and completely open to a military attack by land. This was a vulnerability which England did not share, as noted by Paolo Sarpi, in his *Maxims to the Government of Venice*, "England is a Kingdom of great strength, particularly since the Union of Scotland. All that Island has the Sea for a Wall: So that if England be not disunited within it self, there is no power to overcome it."

The de Witt brothers were murdered when it appeared that the French Army might occupy Amsterdam, and after a short period the Stadtholdership was reestablished under William of Orange, the future King William III of England. In 1678 William married Mary, the daughter of King James II, and the first in line of succession to the English throne. The stage was set for the Dutch invasion of England 10 years later

England's "Glorious Revolution" of 1688 was effected by the Venetian parties of both countries, resulting in the Anglo-Dutch combination which lasts until the present day. Initially, the Netherlands was the greater of the two commercially and financially (in 1690, the VOC had 20,000 men in Asia, and the British East India Company only 1,000), and the resources of the Bank of Amsterdam and the Dutch financial markets was the base on which the Bank of England was built. Late into the 18th century, Dutch capital sustained England. In 1737 the Dutch held 23 percent of England's public debt, and by 1758 Dutch investors held 33 percent of the stock of both British East India Co, and the Bank of England. As late as 1762 the Dutch held 26 percent of England's public debt.

England and the Netherlands allied together in war against France in the League of Augsburg in 1688, and again in the War of Spanish Succession in 1702, the first two of the four wars England fought against France, through 1763.

During the 18th century there was a drastic decline in Dutch overseas trade, as the United Provinces became largely a speculative economy. The activity of Amsterdam exchange focused increasingly on the trade in securities of foreign nations. During this period, the geopolitical and military leadership of the Anglo-Dutch combination passed over to England. The dual blows of the Fourth Anglo-Dutch War in 1780 (which ended in Dutch capitulation), followed by the later military occupation under Napoleon, reduced the nation of the Netherlands to minor party status. Henceforth, the imperial seat of the new Venice would be in London.

PART VI - ENGLAND: VENICE TRIUMPHANT

"If the circumstances stand so with your Highness that you believe you can get here time enough, in a condition to give assistances this year sufficient for a relief under these circumstances which have been now represented, we who subscribe this will not fail to attend your Highness upon your landing and to do all that lies in our power to prepare others to be in as much readiness as such an action is capable of..."

From the "Letter of Invitation to William Orange" (1688), a secret communication sent by Venice's fifth column in England, urging William, the Stadtholder of the Netherlands, to launch his invasion of England.

Preparations for a Dutch invasion were underway throughout the spring and summer of 1688. A steady (and covert) communication was maintained from the Orange Court at The Hague with the English conspirators. Henry Sidney, the grand-nephew of Philip Sidney, played a key intermediary role.¹³ Sidney served as England's Ambassador to The Hague from 1679 to 1681, and he returned to the Netherlands in 1688 on a secret mission to organize William's invasion.

The leadership of the 1688 English conspirators initially included Lord Shrewsbury, Edward Russell, Henry Sidney, and Bishop Compton. After William landed in England, others joined his side including Churchill (Marlborough), Portland, and Halifax. When William invaded England, the Dutch invasion fleet consisted of 21,000 troops, massive artillery, and 500 ships. This force was 4 times larger than the famous invasion fleet of the Spanish Armada, a century earlier. On December 18, 1688 Dutch troops, under William's command, occupied London.

Five years later the English translation of Paolo Sarpi's *Maxims of the Government of Venice* was published in London, with a dedication to the very Henry Sidney who had negotiated the Dutch invasion.

Step back a century

Before we proceed with the chronology of our story, let us look briefly at a few of the earlier Venetian operations in England during the lifetime of Paolo Sarpi. Much has been written in our publications on the Venetian takeover of England, and I will not rehash that material here. However, the events surrounding the takeover by James I, have a direct bearing on the subject matter of this report, so a few observations are useful.

It is certain that the plot to bring James to the English throne was orchestrated from Venice. After the death of Queen Elizabeth in 1603, three members of her Privy Council - Robert Cecil, Edward Wotton, and Robert Sidney - offered the crown to James Stuart, and rammed through a proclamation declaring James the new king. The Cecil family, along with the Walsinghams, were leaders of a continuing Venetian faction in the British Court going back to Francesco Zorzi under Henry VIII, and Robert Cecil had visited Paolo Sarpi in Venice in 1600. Robert Sidney, the younger brother of Philip Sidney, was the son-in-law of the pro-Venetian Robert Dudley. Edward Wotton, a frequent visitor to Venice was on intimate terms with many of Sarpi's agents.

A rather bizarre part in the Stuart takeover was played by Edward Wotton's younger brother Henry. In 1602 Henry Wotton was in Florence, where supposedly he was given mysterious letters by a Venetian named Vietta, warning of an assassination plot against James of Scotland. He traveled incognito to Scotland to deliver the letters, and then accompanied James on his march to London. There is undoubtedly more to this story than is publicly known. After James coronation as the King of England, he knighted Wotton and appointed him ambassador to Venice. Wotton became Paolo Sarpi's closest ally during the Interdict crisis, and from Venice he maintained a constant communication with the Court of King James, including shipments to the King of Sarpi's *History of the Council of Trent*, chapter by chapter, as they were written.

In the 1580s, Wotton had been a member of the tight-knit Venetian circle at Oxford. The doyen of this circle was the "grandfather of international law," Alberico Gentili (see Report #4), a close friend of the Cecils and the

¹³ Henry's brother Algernon had been a leader in the 1683 Rye House plot to assassinate Charles II and his brother, the future James II. When the plot failed, Algernon and Lord William Russell were both arrested, convicted, and beheaded.

Walsinghams. This very curious group included the Earl of Leicester Robert Dudley (the Dean of Oxford and the uncle of Philip Sidney); Gentili himself (Henry Wotten's teacher and patron from 1586 to 1590); John Donne; Thomas Walsingham (the cousin of the royal spymaster Francis Walsingham); both Henry and Edward Wotten; and John Florio.

Florio was a protege of Lord Burghley (William Cecil), and a close friend of Philip Sidney. He published the first English translation of Montaigne's *Essays* (dedicated to Sidney's daughter), and he, together with Gentili, hosted Sarpi's ally Giordano Bruno during Bruno's visit from 1583 to 1585. Bruno dedicated two of the works he wrote while in England to Philip Sidney, including the *Heroic Frenzies*.

Another occasional member of the group was Alberico Gentili's brother, Scipio. A poet, he published the first English translation of Torquato Tasso's *Gerusalemme Liberata* (Jerusalem Delivered).¹⁴ John Donne cites this translation as a major influence. Scipio dedicated the translation to Philip Sidney. Scipio also wrote a long poem *Nereus* celebrating England's imperial, oceanic destiny, which he dedicated to Sidney's daughter.

Robert Dudley (1532-1588) was the long time favorite and rumored lover of Queen Elizabeth. Dean of Oxford, where he oversaw the Gentili circle, it was Dudley who brought Gentili to England. In 1581 he established the Turkey Company, with a monopoly on English trade with Venice and the Levant. In 1586 the Venice Company was founded, and in 1592 the two companies merged into the Levant Company, the predecessor of the East India Company. [this "old" East India Company was established in 1600, with Thomas Smythe, who studied law at the University of Padua, as its first Governor. Its founding was followed 8 years later with the opening of the New Exchange ("Britain's Bourse")] From 1584 to 1588, Dudley led the British military expedition to the Netherlands, where he was appointed Governor-General after the death of William the Silent. At the time of his death in 1588 he was in command of the troops in England, preparing for the invasion of the Spanish Armada. Dudley introduced his nephew Philip Sidney to the necromancer John Dee. Dudley was Dee's primary political and financial patron.

Henry Wotten's brother Edward was the Comptroller of the Royal Household and a member of the Privy Council under both Elizabeth and James I. Edward had been a regular visitor to Venice long before his younger brother became the Ambassador. Montaigne, in his *Essays*, praises Edward as a benefactor. In 1610 Edward rescued Sarpi's collaborator Isaac Casaubon from France and brought him over to England, where Casaubon served as an advisor to King James.

Another interesting character was Lewis Leuknor, who, according to some sources, produced several of Shakespeare's plays. In 1595 he published his own translation of Gasparo Contarini's *The Commonwealth and Government of Venice*. In 1603 he was appointed Master of Ceremonies by James I. It is possible that he was an agent (spy?) for Cecil. When Leuknor's translation of *The Commonwealth and Government of Venice* was published, it contained an introductory dedication by Edmund Spencer:

*The antique Babel, Empresse of the East,
Spread her buildinges to the threatened skie:
And Second Babell, tyrant of the West,
Her ayey Towers upraised much more high.
But, with the weight of their own surquedry,
They both are fallen, that all the earth did feare,
And buried now in their own ashes ly;
Yet shewing by their heapes, how great they were.
But in their place doth now a third appeare,
Fayre Venice, flower of the last worlds delight;
And next to them in beauty draweth neare,
But farre exceedes in policie of right.
Yet not so fayre her buildinges to behold
As Lewkenors stile that hath her beautie told.*

¹⁴ The hero of *Gerusalemme Liberata* was Godfrey of Bouillon, the leader of Venice's first crusade. Tasso, himself, suffered a mental breakdown, and was confined to an insane asylum for 7 years in 1579.

Philip Sidney

Sidney was the nephew of Robert Dudley and the son-in-law of Francis Walsingham. He was also a protege and collaborator of the Monarchomach Hubert Languet. He studied at Oxford from 1568 to 1571, traveled to Paris with Francis Walsingham in 1572, witnessed the St. Bartholomew's Day Massacre, and fled to Italy. Stayed for an extended period in Venice where he met Edward Wotton, with whom he developed a life-long friendship. He traveled to Poland with Languet and to Vienna with Wotton. During 1577 he was with William of Orange in Holland for over one year. There he was on intimate terms with Phillippe du Plessis Mornay. Mornay later visited Sidney at his home in Penshurst, and before his death Sidney was working on a translation of Mornay's *A Work Concerning the Trueness of the Christian Religion*. In 1579 Spenser dedicates *The Shepherds Calander* to Sidney. In 1584 Sidney is appointed Governor-General of Flushing in Netherlands, and seen as likely successor to Leicester as Governor-General of the Netherlands. In 1586 he dies of wounds suffered at the battle of Zutphen. After his death William of Orange sent a message to Queen Elizabeth: "Her Majesty had one of the ripest and greatest counselors of state in Philip Sidney that then lived in Europe."

After Sidney's death his sister, Mary Sidney Herbert, with the help of Edward Wotton, published *Arcadia* and Sidney's other works. This same Mary also published her own translation of another work by Mornay, *A Discourse of Life and Death*, as well as two original poems in praise of Mornay.

The New World or the New Atlantis

The comments on Sir Walter Raleigh by Stan Ezrol in his recent Fidelio article¹⁵ raise interesting questions concerning English colonization during this period. In 2001 a book was published by the title of *Solving the Mystery of the Lost Colony*, written by a woman named Lee Miller. Miller's contention is that Walter Raleigh's Roanoke colony, was deliberately marooned and ultimately destroyed by an oligarchic cabal headed by Francis Walsingham. Miller presents a case, based on original documents, that Walsingham secretly plotted to strand the members of the 1587 expedition and then conspired to delay any rescue attempts for three years. Raleigh (together with Christopher Marlowe) was charged with atheism in 1590, imprisoned in the Tower of London from 1603 to 1616 and eventually executed on order of James I in 1618.

With the destruction of Raleigh's colonization efforts, the settlement of Virginia came under the control of the London Virginia Company, founded in 1606. One year later, in 1607, the Virginia Company established the Jamestown colony. The Royal Charter for the Company was written by Sir Edward Coke, a Director of the Company, and the very man who had prosecuted Walter Raleigh in the trial that resulted in Raleigh's death sentence. Coke was England's Attorney General. In 1613 he became the Chief Justice of the King's Bench, and he was a longtime member of the Star Chamber. He was very close to Edwin Sandys, and he strongly defended the importation of slaves into the Virginia colony. He is credited with establishing the legal basis for slavery. He supported "Common Law" rights vs. the monarch, and in 1628, he was one of the drafters of the "Petition of Right," against Charles I, a precursor of the Whig struggle against James II in the 1680s.

Sandys role in the Virginia Company and his connections to Sarpi are covered in Report #3. From the first, the colony in Jamestown was based on slavery. This included the widespread use of indentured servants (a practice not adopted in the Plymouth colony), the forced conversion and enslavement of Indians (set forth as Company policy in the original letter to Sir Thomas Gates from the Company directors), and the introduction of black African slaves in 1618. In 1609 the Company was granted a charter giving them the private rights to land "from sea to sea," i.e. a good chunk of North America. In 1622, the Company launched a "perpetual war without peace or truce" against the Opchanacanough Indians, in order to "root out from being any longer a people, so cursed a nation." Officials of the Company also began selling indentured servants, as property, to the East India Company. It was Sandys who ultimately stabilized the Jamestown colony, by establishing the cultivation of Tobacco as a cash crop, and this became the foundation for the colony's plantation economy.

Recall Sarpi's comments in his *Maxims*, on how England, because of its geographic location, would one day

¹⁵ _____, by Stan Ezrol, Fidelio

rule over a great oceanic empire. By the late reign of Elizabeth this theme of England as the great new maritime power was being discussed, in different guises, in various works of fiction and non-fiction. Scipio Gentilis, with his long poem *Nereus*, Francis Bacon in the *New Atlantis*, and James Harrington in *Oceana*, all developed this theme in different ways. Harrington, a close friend of William Petty, believed that political power stems from economic riches, and "Oceana" describes an oligarchical society organized according to wealth. Harrington had spent many years in Venice, before returning to Britain to support Oliver Cromwell.

Perhaps the most explicit, non-allegorical, work on this topic was Nicholas Barbon's *A Discourse of Trade* (1690), which begins with the words, "The greatness and richness of the United Provinces and the States of Venice, considered, with the little tract of ground that belongs to either of their territories, sufficiently demonstrate the great advantage and profit that trade brings to a nation." This work, published two years after the "Glorious Revolution," is a rabid hymn to free trade, supply and demand, and open-market economics. Concerning the establishment of Britain as a maritime empire, Barbon says, "Those things that obstruct the growth of empire at land, do rather promote its growth at sea... The seat of such an empire must be an island, that their defense may be solely in shipping... That empire may be raised sooner at sea than at land... Observe the growth of the United Provinces within one hundred years last past, who have changed their style, from poor distressed, into high and mighty states of the United Provinces: and Amsterdam, that was not long since, a poor fishing town, is now one of the chief cities of Europe... and were their country separated from their troublesome neighbor the continent which would free them from that military charge in defending themselves, they might, in a short time, contend for the sovereignty of the seas. But England seems to be the proper seat for such an empire. It is an island, therefore requires no military force to defend it...The ships, excise and customs will in proportion increase, which may be so great in a short time, not only to preserve its ancient sovereignty over the narrow sea, but to extend its dominion over all the great ocean, an empire, not less glorious, and of a much larger extent, than either Alexander's or Ceasar's."¹⁶

At a much later date the same point regarding Dutch vulnerabilities is made by the British gadfly Walter Bagehot. Writing in his 1873 ode to London finance, *Lombard Street*, Bagehot says in Chapter 3, "The goodness of bank-notes depends on the solvency of the banker, and that solvency may be impaired if an invasion is not repelled, or a revolution resisted. Hardly any continental country has been till now exempt for long periods both from invasion and revolution. In Holland... there was never any security from foreign war."

The Takeover

England's new leaders after the 1688 coup were known as the Whig Junto. They included Charles Montague (Earl of Halifax), Robert Spencer (Lord Sunderland), Sidney Godolphin, Edward Russell (Lord Orford), Thomas Wharton, John Somers, and others. Their motto was "Liberty & Property." After 1688, crimes against property rose to great importance and many were punishable by death. England developed the bloodiest penal code in Europe. In 1689, Whig leader John Somers authored the *Declaration of Rights*, justifying William III's coup.

Many of these Whig leaders were proteges of Anthony Ashley Cooper (1st Earl of Shaftesbury) (1621-1683). Cooper was a member of the Commonwealth Council of State under Cromwell. In 1655 he broke with Cromwell and joined with General Monck to support the return of Charles II. After the restoration he was named Chancellor of the Exchequer, but in 1667 he became a leader of the anti-Stuart CABAL (sort of a forerunner of the Whig Junto). In 1667 he begins his sponsorship of John Locke, and in 1669 Locke writes the pro-slavery Constitution of Carolina for Shaftesbury. In 1672 he is named Lord Chancellor, and later helps organize the Monmouth Plot to stop the succession of James II. Leaders of the plot were arrested, charged with High Treason, and several executed, but Shaftesbury was acquitted, and he fled to the Netherlands. Died there in 1683.

Much of the subsequent events from 1688 to 1714 have been covered in Graham Lowry's "How the Nation Was

¹⁶ [In the same work Barbon makes an impassioned call for the creation of a national public bank: "In Cities of great Trade, there are public Banks of Credit, as at Amsterdam and Venice; Public Banks are of so great a Concern in Trade, that the Merchants of London, for want of such a Bank, have been forced to Carry their Cash to Goldsmiths." Barbon himself had studied at the Leyden University in the Netherlands, was one of the largest real estate holders in London, and is credited by some with founding the English insurance industry.]

Won." Suffice it to say, that the Dutch/Venetian crowd around William III, together with the Whig Junto oligarches, moved rapidly to transform Britain along Venetian lines:

- 1688 - first major permanent reduction of the royal revenues (making William III dependent on Parliament)
- 1689 - Declaration of Rights - reserves to Parliament the power to raise taxes, and limits the military authority of the king
- 1689 - British declaration of war against France, in alliance with the Netherlands.
- 1690 - Locke publishes the *Two Treatises on Government*
- 1694 - founding of Bank of England
- 1695 - Great Recoinage, led by John Locke
- 1696 - Isaac Newton appointed Warden of the Mint. For 3 years Newton managed the recoinage, personally prosecuting even the most petty counterfeiter and demanding the death penalty in many cases.
- 1697 - Establishment of the Board of Trade & Plantations
- 1698 - "New" East India Company founded (dominated by the Whig Junto); 2 million pounds loaned to the government

The founding of the Bank of England brought to fruition a project that began under James I. Throughout the 17th century, many different proposals for a central bank were put forward, all modeled explicitly on Venice and/or Amsterdam. Some of the proposals were:

- 1646 - proposal by Benbrigge for the creation of "a bank in the city of London as is at Amsterdam."
- 1651 - proposal by Sir Balthazer Gerbier, a friend of Benbrigge, for a "bank of payment in London after the style of either the bank of Amsterdam, or that of Venice."
- 1657 - proposal to Cromwell by Samuel Lambe for the creation of a central bank.
- 1676 - Robert Murray publishes *A proposal for a National Bank*, calling for a bank modeled on the Bank of Amsterdam, "incomparably the best bank in the world."
- 1678 - Dr. Mark Lewis publishes *Proposals to the King and Parliament*, where he insists that a national bank must be also a "bank of issuance," not just a clearing house. Praises the Bank of Venice as "the perfect credit bank."
- 1683 - publication of *Bank Credit; or the usefulness and security of the Bank of Credit examined*, proposing that the Bank would act as a great capitalist for the merchant. A Bank of Credit was established, but failed. Other attempts were made, including 2 Land Banks and a "London Bank."
- 1690 - Nicholas Barbon's call for the creation of a national public bank, modeled on Venice/Amsterdam.
- 1693 - William Patterson's proposal for the Bank of England
- 1694 - Bank of England established by Act of Parliament. Subscriptions were sold totaling 1.2 million pounds. 1,300 original investors. By law, the entire amount was to be loaned to the government at 8 percent, putting the finances of the Government in the hands of private oligarches. Founder was William Patterson who had been in Holland with William III. A key leader of the bank was Charles Montague, William III's Chancellor of the Exchequer, and later Ambassador to Venice.
- 1697 - publication of *A discourse concerning banks* by Sir Theodore Janssen, one of the directors of the BOE.

The Bank of England

From the first, the Bank was much more a "private" concern than the state banks of Venice or Amsterdam. In effect, the so-called British "financial revolution" of 1694-1698, effected a seizure of power within Britain by private oligarchical interests, and the diminution, and eventual subservience of the institutions of government to that oligarchy. There was a saying in the mid-18th century that the three pillars of British rule were "the Bank, the East India Company, and the Exchequer." Two of those three pillars were in private hands, and the Exchequer (together with the Treasury) was effectively a fifth column of the oligarchy within the state institutions.

The first Governor and the first Deputy Governor of the Bank were John Houblon (Huguenot) and Michael

Godfrey, both of whom had sat on the jury in 1681 which had acquitted Shaftesbury of high treason. The document creating the Bank of England was signed at the home of Junto leader Lord Somers. The key agent of the Bank in the government was Charles Montague. Montague (Lord Halifax) had attended Trinity College, where he formed a lifelong friendship with Isaac Newton. He was one of the signers of the letter urging William of Orange to invade England, and he had greeted William at the dock upon his arrival. Named Lord of the Treasury in 1692 and Lord of the Exchequer in 1694, it was Montague who arranged the large government loans, which became the basis for the permanent national debt. He organized new taxes (the Tonnage Bill) to secure interest payments on the debt. Together with Locke, Newton, Somers, and Halley, he carried out the Great Recoinage (1695-1699). From 1697 to 1699 he was First Lord of the Treasury for a second time, and in 1707 he became the British ambassador to Venice. He was an enemy of Jonathan Swift, and he fell out of favor under Queen Anne, but in 1714, he was reappointed by George I to head the Treasury for a third time.

The Bank of England was much closer to a modern central bank than the Bank of Amsterdam. The relationship between the Bank and the Treasury was more direct than in Amsterdam, and, unlike the Dutch Bank, the Bank of England adopted a fractional reserve policy, and became an issuer of credit, i.e., it was a bank of discount, deposit and note issue, backed by public debt. Between 1694 and 1705 5.4 million pounds more in stock were created by the government. In 1697 the first of a series of acts giving the Bank monopoly control over banking in England was adopted. The funded debt of the government hit 5 million pounds in 1700. In 1707 the Bank took over sole management of the national debt. The Bank Act of 1708 renewed the Bank's charter to 1732, and doubled the Bank's capital from 2.2 to 4.4 million pounds. This act also gave the Bank a monopoly on the issuance of bank notes, and its notes officially became "legal tender," i.e., it was allowed to print money "out of nothing," with the backing of the Treasury.

After 1690, and particularly after 1720, huge quantities of Dutch capital entered the English financial markets. By the 1730s about 25 percent of the stock of the Bank and the East India Company was held by foreigners, including 36 percent of the Bank of England stock. Over 80 percent of these foreign investors were Dutch, and about another 10 percent were Swiss. By 1750, foreigners owned 20 percent of the shares on the stock exchange and held 14 percent of the national debt. By the 1720s, if not earlier, the London market was operating symbiotically with the Amsterdam Bourse, as one combined financial monolith. By mid-century the Dutch and London financial markets were tightly integrated. The Dutch were key in organizing capital flight from the continent to London.

The British East India Company

The East India Company, which had been founded in 1601, remained through most of the 17th century a relatively small affair compared with the Dutch East India Company. It was merely one of several joint-stock companies (e.g., Virginia Company, Muscovy Company, etc.). In 1623 the Dutch drove the Company out of the East Indies, and by mid-century the British had only one outpost in India, compared to the extensive operations of the Dutch and Portuguese.

In 1657 a new charter for the Company was issued by Oliver Cromwell which drastically changed its character, transforming it from a loosely knit group of merchants, into a centralized corporation with a permanent capital of £370,000. This change was part of the first real British challenge to Dutch maritime supremacy, a challenge which included the Navigation Acts of 1651, 1660, and 1663, and the first Anglo-Dutch War in 1652.

In the 1670s and 1680s a major expansion of the East India Company in Asia, particularly in India, was spearheaded by Sir Josiah Child, who from 1677 to 1690 was either Governor or Deputy Governor of the Company every year. Child put much greater emphasis on militarization and colonization. Earlier, in 1668 he had authored "A New Discourse of Trade," which called for the use of Dutch financial and monetary methods in England.

Like the Bank of England, the ultimate emergence of the East India Company as a ruling pillar of the new British Empire, came after the takeover by William of Orange. In 1698, the "old" East India Company was dissolved and merged into the New East India Company. In 1708, under an agreement sponsored by Sidney Godolphin (an enemy of Swift's), the power of the Company was greatly enhanced. It not only was granted extensive trading "privileges" (which were renewed in 1712, 1730, 1742, 1766, and 1783), it also became a direct

partner of the Bank of England in controlling the finances of the British government, beginning with a 3.2 million pound loan to the government from the Company. The "new" East India Company immediately launched an aggressive colonization drive in India. This culminated in 1757, when Clives victory over the French at Plassey made the Company the ruling power in India. In Asia, unlike in North America, the affairs of the East India Company were always completely independent from the Crown.

At the same time, the creation of the modern British stock market was really a by-product of the expansion of the East India Company and the trading of Company shares. As the Exchange developed, it became a market in both private shares and public securities, but it was the securities of the big 3 (East India, South Sea, and the Bank of England) which dominated the market.

The House of Hanover - revenge of the Palatinate

Despite the coup of 1688, the Venetian hold in London was not yet complete. From the resistance of William of Orange, who proclaimed that he would not be made a figurehead "Doge" under Parliamentary control, to the far more serious threat from the republican circles around Jonathan Swift, the potential existed to defeat the Venetian party.

Led by Swift, the republican faction fought to abort the birth of the oligarchical monolith. This fight was later described in 1749, by Swift's sometimes ally, Bolingbroke, who said of the post-1688 financial revolution, "The method of funding and the trade of stock-jobbing began. Thus were the great companies created, the pretended servants, but in many respects the real masters of every administration." Three prominent works attacking the new financial oligarchy were Swift's *The History of the Last Four Years of the Queen* (1718), and two by Defoe: *An Essay upon Projects* (1697), and *The Villainy of Stock-Jobbers Detected* (1701).

The battle during the reign of Queen Anne is detailed by Graham Lowry. From 1702 to 1710 Sidney Godolphin (1st Lord of Treasury) & Churchill (Marlborough) ruled England under Anne. In 1710 they were dismissed, and Swift's faction, including Harley, Prior, Bolingbroke, and Ormond gained the upper hand. In 1711 this new grouping founded the South Sea Company as a rival to the Bank of England, and between 1711 and 1713, 9.4 million pounds of government debt were exchanged for South Sea stock, eliminating the floating debt and cutting deeply into the power of the Bank. During Harley's tenure at Exchequer, Amsterdam bankers organized massive capital flight out of London, in an attempt to destroy his government. After the death of Anne in 1714, Harley and Prior were both arrested and Bolingbroke and Ormond both fled to France, charged with treason.

Earlier, in 1701 the Privy Council, under the direction of Churchill had forced through the adoption of the "Act of Settlement," which established Anne as the successor to William III, but with the proviso, that the crown would pass to the House of Hanover after Anne's death. Other clauses of the act greatly strengthened the role of Parliament at the Monarchy's expense. In 1714 George I, the grandson of Elizabeth Stuart (the daughter of James I and wife of Frederick V, the "Winter King"), was crowned as King. He immediately reinstated Marlborough to power, and within months the new era was celebrated with the publication of Mandaville's *The Fable of the Bees*. The following year Antonio Conti arrived from Venice.

The installation of the puppet Hanovers resulted in a series of steps intended to effect a permanent and unchallengeable financial/political power based on the Bank and the East India Company. In 1715 the Bank took over from the Exchequer the management of all government borrowing operations, and by 1719 the Bank was controlling most government stocks. The manipulation of those stocks became central to supplying a new flow of capital for war loans. In fact, the creation of the Bank was the key to financing all of the British wars of the 18th century, particularly the wars against France. Other events included:

1717 - the creation of the "Sinking Fund"

1722 - the collapse of the South Sea Company and the takeover by the Bank of 4 million pounds of South Sea stock, eliminating their only potential domestic rival.

1728 - New (4 million pounds) loan to the government by the Bank.

1734 - opening of the new Bank building on Threadneedle Street

1742 - Bank's charter renewed (to 1764) and strengthened.

1742 - Act of 1742 grants the BOE the privilege of being the ONLY joint-stock company permitted to issue bank-notes in England: "And to prevent any doubt that may arise concerning the privilege or power given to... the Bank of England of EXCLUSIVE BANKING... it is hereby further enacted and declared by the authority aforesaid, that it is the true intent and meaning of the said ACT, that no other bank shall be created, established or allowed by Parliament..." (From 1742 to 1826 the BOE was the ONLY joint-stock bank company in England.)

1746 - Bank's capital stands at 11 million pounds (8 times what it was in 1700)

1762 - Barings Bank founded

Rule Britannia

Between 1689 and 1763, Britain and France were formally at war with each other for 29 out of 74 years. There were a series of four wars, known in America as King William's War, Queen Anne's War, King George's War, and the French and Indian War. In fact, these were global conflicts, and included the British/Dutch alliances against France in both the Glorious War (the League of Augsburg-1689), and the 1702-1713 War of Spanish Succession. At the Peace of Utrecht in 1713, Britain was granted the *asentio* (see report #7), giving her pre-eminence in the global slave trade. The War of Austrian Succession (1743-1748) was largely a world-wide naval war, with inconclusive results, but Britain's *asentio* privileges were renewed at the Treaty of Aix-la-Chapelle. The Seven Years War (1756-1763), really the first great world war, ended with the overwhelming defeat of France, the annihilation of the French navy, the bankruptcy of the French state, and the loss of French colonies in India and North America. Britain emerged triumphant, the pre-eminent power among all nations.

But what was the species-nature of this triumphant nation, this land of our "English cousins?" Despite all the drivel about the evolution of British democratic institutions, it was hardly a republic. As late as 1784, one year AFTER the conclusion of the American revolutionary war, the population of England was 8 million, but only 160,000 were permitted to vote in Parliamentary elections. Membership in Parliament was restricted to land owners. Bodily and spirit-crushing poverty was rampant. Illiteracy was the norm. Britain had the harshest penal code and the most extensive use of the death penalty in Europe. As for individual rights - other than oligarchic property rights - they were non-existent.

More importantly, it was not a sovereign nation. By mid-18th century, the supremacy of private oligarchic financial power was complete. The Dutch had been absorbed as junior partners, and the French were defeated, only awaiting their final permanent subjugation in 1815. The Bank and the East India Company, together with the Treasury (which represented the interests of the Bank), ruled the country. Parliament was a sideshow, where only the occasional pathetic outburst of a Charles Fox or an Edmund Burke, temporarily obscured the ever-present reality of its non-importance.

The Board of Trade, established in 1697 - one year before the founding of the New East India Company - was the locus of East India Company direction of government policy. Most Board of Trade officials, from John Locke down to Lord Shelburne, were either directors or major investors in the East India Company. By 1770 the Company ruled a vast private empire.

This new empire, however, was different - one might say "improved" - from the Dutch. In reading Dutch history, as incompetent as most of the works are, one gets an impression of "money for money's sake." Sarpi sensed this when he said that the Dutch were "addicted" to trade. In Britain, you have the crystallization of a true oligarchic empire, the perfection of the Leviathan state: not a state of sovereign institutions, but one in which oligarchic power is solidified in perpetuity, by the takeover and melding of the state institutions into the oligarchic monstrosity. The Bank, the Company, the Treasury, the Church - these tentacles of the *fondi* - run the state, and together they inflict their evil pseudo-Roman delusions on the population. And of course, the power of the oligarchical state over the courts, armies, and executioners is available to enforce that arrangement.

In the 1780s the integration of the government with the private companies became even tighter. Among those developments were the (East India Company) Regulating Act of 1773, and the Shelburne-initiated 1782 treasury reform during Shelburne's brief tenure as 1st Lord of Treasury. Throughout this period the government became ever-more dependent on the Bank for financing, as the national debt increased from 70 million pounds in 1749, to 240 million in 1789, and 840 million in 1815.

PART VII - SLAVERY

The Spanish, Portuguese, Dutch and British empires of the 16th through 18th centuries were all built and maintained by slave labor.

According to Alexander von Humboldt, slaves were being exported into the new world mines as early as 1496! A Spanish royal decree of 1503 established this as official policy.

According to WEB Du Bois, between 1600 and 1800, about 10-12 million slaves were brought into the Americas, totaling about 60 percent (i.e. a majority) of all trans-Atlantic emigration.

Between 1450 and 1850 at least 20 million Africans were either taken as slaves, or killed as a result of the slave trade.

Timeline

1520s - Large scale shipments of slaves from Africa to new world begin. Initiated by Portugal and Spain; most sent to Hispaniola

Mid-1500s - large scale use of slaves by the Spanish in Peruvian mines. Up to 1600, most slaves were used in gold and silver mines (Particularly in Mexico & Peru). The plantation model came later.

1500-1650 - Spanish and Portuguese dominate slave traffic

1530s - beginnings of sugar plantations in Brazil by Portuguese, using exclusively slave labor

1562 - Destruction of John Hawkins slave ships at Vera Cruz; end of first British attempt to get in on slave trade

1581-1640 - union of the Spanish and Portuguese thrones.

Early 1600s - Plantation system in Brazil fully developed (during the era of trans-Atlantic slave-trading, more slaves were sent to Brazil than any other European colony.)

Brazilian population:

Year	European	African	Mulatto/Mesticos	Indian
1583	15,000	14,000	10,000	18,000
1650	35,000	60,000	25,000	25,000
1818	843,000	1,887,000	628,000	259,000

1606 - First official Dutch Slave ship

1621 - Creation of Dutch West India Company

Mid-1600s - Dutch seize dominance in African slave trade; the Dutch are also granted the *asentio* right by the Spanish. [the Spanish crown held a royal monopoly on the importation of slaves into Spanish colonies. This monopoly was called the *Asiento de Negros*, and the Crown sold the *asentio* monopoly (contract) for a set number of years to a specific nation. This lucrative contract was a highly sought after prize, because the Spanish colonies were the largest slave markets.]

1672 - Charles II charters Royal Africa Company (later named the West Indies Company), with English monopoly rights on the trafficking in slaves. After the Third Anglo-Dutch War, England quickly becomes the world's #1 slave trader.

1713 - Treaty of Utrecht - *Asentio* given to England for 30 years

1740-1748 - War of Austrian Succession. British *asentio* renewed at the end of the war.

Circa 1750 - The three largest slave colonies in the western hemisphere were Brazil, Jamaica & Saint-Domingue. The Plantation system was fully developed. (Sugar, indigo, tobacco, and rice).

1750s - total British domination of African slave trade (14 forts, 150 ships). By now the Dutch played a minor role. The other main slave traders were the French and the Portuguese. The British dominated the Ivory & Gold Coasts.

1790 - 700,000 slaves in the United States

1830 - Spain becomes the last European country to outlaw the slave trade

Elmina Castle and the Dutch

Founded by Portuguese in 1481. Official name: Sao Jorge da Mina. (in present day Ghana). In the mid-1700s 30,000 slaves per year passed through Elmina on route to the Americas. Deportations from Elmina continued for 300 years. In 1606 the Dutch made their first attempt to capture Elmina (with a force of 600 Dutch soldiers). They tried again in 1625, this time with a force of 15 ships and 1,200 soldiers. Finally, they succeeded in 1637 with a force of 9 ships, 800 soldiers, and 1000 African allies. Elmina remained in Dutch hands, until sold to the British in 1872. Including Elmina, there were 42 slave fortresses in western Africa, concentrated in Ghana. The largest sources of slaves was Biafra, Nigeria, Cameroon, Angola, and Ghana.

The Dutch supplanted the Portuguese in west Africa during the 17th century, taking over most of their forts. The Dutch West India Company had a 40 boat fleet devoted almost exclusively to the slave trade. The Dutch dominated the slave trade from 1600 to 1700. By 1676 Dutch traders were selling 15,000 slaves per year in the Americas.

Dutch Slave Trade in the East

Although the heart, and the big profits, of the slave trade were in the trans-Atlantic crossing, the Dutch were not remiss in supplying their own empire in the East Indies with slaves. The Dutch took slaves from East Africa, Madagascar, New Guinea, Philippines, Malaysia, and Indonesia. The three main destinations were Batavia, Ceylon, and Capetown, all colonies of the Dutch East India Company. This eastern slave route is little discussed, but it was not insignificant. The trans-Atlantic route averaged 29,000 slaves per year, while from 1600 to 1700 the VOC brought 9,000 slaves per year into the Eastern colonies. By 1700, there were 22,000 slaves in Batavia. In Batavia (present day Jakarta) 52% of the total population were slaves; in Capetown it was 42%; Colombo - 53%; Makassar - 66%. An empire built on slavery, run from Amsterdam.

British Slave Trade

The peak of the global slave trade was the 18th century, when about 70 percent of the total slaves from 1500 to 1850 were shipped. This was also the period of English domination, following the "Glorious Revolution." In 1698 Parliament revoked the monopoly of the West Indies Company, opening the slave trade to all. Then in 1713 Britain received the *Asentio* to import 4,800 slaves per year into the Spanish colonies. By 1720, British ships were transporting 20,000 slaves a year. Total dominance of the slave trade.

Virginia

1618 - First slaves in Virginia

1638 - First public auction of slaves in Jamestown, Virginia.

1671 - Slaves 5 percent of Virginia population

1715 - Slaves 24 percent of Virginia population

The legal justification for slavery is, of course, to be found in Aristotle. The Roman empire was built on slave labor, and Roman law is explicit on the property rights of slave owners. In the years following the Council of Florence, the first systematic legal defense of slavery is to be found in the writings of the Salamancans. Those arguments are repeated by Grotius, and brought to their most vicious conclusion in John Locke. Rome, Spain, the Netherlands, Britain: Slavery.

PART VIII - CENTRAL BANKING

After the final defeat of Napoleon and the signing of the 1815 Treaty of Vienna, the new London-based Venetian empire, which had been first established with the 1763 defeat of France in the Seven Years War, achieved a global power and reach never before seen in human history. It is in the milieu of those post-1815 developments that we find the origins of what we would today call the global SYSTEM of Central Banking. This Central Banking system is not - as it is usually described - a network of independent national central banks. Rather, it is a system of SUBJUGATION, of both nations and national banking systems, to a global financial power centered in London. The over-arching global power of the British Empire, combined with the post-1815 integration of the Bank of France, as a key financial looting mechanism for London, gave the British capabilities to impose their financial empire in ways not previously possible.

Look at the condition of Europe in 1815, and consider the directionality of both Europe and the world in the early decades of the 19th century. We see a shattered and supine France; Italy and Germany disunited and fragmented; a decaying regime in Vienna; and a subservient Netherlands. Consider also the concentration of financial power in London by the end of the Napoleonic wars. Finally, look at a map of the world in the 1820s and compare the scope of the British Empire with the geopolitical position of any other nation. This was the period in which the phrase "Britannia Rule the Waves," took on real meaning.

Throughout the 19th century, the single mortal enemy of the new London-centered financial empire was the American republic, and the American System of Hamilton, Clay, and Carey. All popular history books miss the point. During the 19th century, the fate of mankind turned on the outcome of the war between the American System of Political Economy and the London-based empire. This was a reality deeply appreciated by Henry Carey. The Specie Resumption Act of 1876, followed by the assassination of McKinley in 1900, and the catastrophic presidencies of Teddy Roosevelt and Woodrow Wilson, were a terrible defeat. American resistance was broken, clearing the way for modern 20th century central banking.

Gold

"The road to ruin is paved with gold," as the saying goes, and it was through their 19th century gold standard, that the British bludgeoned nations into submission and spread their system of central banking.

The way to understand the British gold standard is to keep in the forefront of your mind the word "subjugation." Today, no one except demented denizens of the neo-con fringe would propose a return to a pre-1931 hard gold standard. What most people fail to realize is that even in the 19th century, it was generally recognized that the gold standard was sheer lunacy from an economic standpoint. It was not an economic policy. It was a geopolitical policy, intended to insure British domination. Britain's control of the world gold market gave London enormous influence over foreign banks and governments. In the 1830s, for example, huge amounts of American securities were held in London, and many American banks were completely dependent on the Bank of England for financing. (Recall that this was precisely the period of Nicholas Biddle's fight with Andrew Jackson to re-charter the 2nd National Bank of the United States, as well as the 1840 effort by Henry Clay to create a 3rd National Bank). Britain blackmailed nations into joining the gold standard, and then imposed central banks on them to manage their balance of payments. The central banks enforced a policy of the supremacy of money at the expense of the general welfare.

This began in 1819 when Parliament voted to adopt a strict monetary gold standard. In 1821 full gold convertibility went into effect, launching the British Gold Standard which lasted until 1931. [One of the interim developments which had made convertibility possible, was that Britain had used the weakening of Spain during the Napoleonic Wars, to seize control, after 1815, of the gold and silver mines in South America].

The original gold standard was further extended and codified by the 1842 Bank Charter Act of Sir. Robert Peel. Peel split the Bank of England into two divisions - a "credit department," and an "issue department." The second of the two departments was solely empowered to issue bank-notes (currency), but all new issuances were restricted to a one-to-one ratio of gold and silver on deposit. Any increase in bank-note issuance was tied directly to an increase

in specie reserves, thus creating probably the most rigid deflationary gold standard in human history. Britain itself experienced great difficulty in managing this policy, even with her vast gold reserves. For other nations, the gold standard was a death sentence for any serious physical economic development.

How We Got Where We Are

The years between 1876 and 1914 were the turning point. Under the influence of Henry Carey and his allies, Germany, Japan, Russia, and other nations adopted aspects of American System economics, and initiated major economic development projects. Britain countered with its drive for a global financial dictatorship, all the while plotting to unleash the deadliest war in human history.

Lets take a brief look at the emergence of central banks in a selection of nations at the end of the 19th century:

The Reichsbank (founded 1875; reformed 1909)

Founded in 1875 (as the German Imperial Bank), the Reichsbank represented what historians call "a mixed model," i.e. a bank which, although owned and controlled by private investors, ran the monetary functions of the government. From very early on the Reichsbank assumed the full role of a Central Bank, issuing notes, regulating the financial system, clearing commercial paper, and acting as the lender of last resort. The Bank Act of 1909 further expanded the Reichsbank's power. In 1900 the Directors of Reichsbank published a pamphlet in which they stated "the most important and likewise the most difficult task of the bank is to bring about the greatest possible equalization of fluctuations in money demands and to be at all times in a position to redeem its notes and to meet its other liabilities." The two paramount priorities set by the bank were to maintain the gold standard and to foster the well-being of the financial system.

Swiss National Bank (founded 1905)

Founded along the model of the Reichsbank, with private ownership and mixed public and private functions. (The original proposal for a bank in 1891 was shelved, because of a disagreement over whether it should be a state-owned or an entirely private bank. The first proposal in 1891 called for a state-owned bank, with a monopoly on note issuance. Opponents wanted a completely private bank.)

Pressure to join the gold standard led to the adoption of a strong central bank in 1905 on the German model. The charter of the bank stated that "The National Bank has for its principal objects to regulate the money market of the country, and to facilitate payments and transfers of money," and also "The purpose of the Bank is to regulate the Swiss monetary system."

Banque de France (1800)

Various attempts were made in France to create a central financial institution, from the John Law fiasco to the 1776 founding of the Caisse d'Escompte, by Turgot, and the 1797 creation of the private Caisse des Comptes Courants. The Bank of France, established in 1800, was originally owned 100 percent by private shareholders. Napoleon seized control of managing the bank in 1806, but it still ran on private capital.

There is a revealing quote from a French banker after France's defeat in the Franco-Prussian War of 1870: "The foreign enemy could not, because of the private character of the bank, consider its wealth as spoils of war, without trampling underfoot international law (since "international law" protected private property rights but not the institutions of a defeated government - RDI). The case would have been entirely different had the Bank been a state bank. This is an advantage not to be neglected,"

During the mid-19th century, the bank became more tightly integrated with the French Treasury (as was also the case in Britain), and assumed the standard central banking functions of note issuance (a monopoly was granted in 1848) and binding agreements to fund Treasury debt. The Bank carried out its functions within a symbiotic, even incestuous, relationship with the large private banks: Rothschild, Davillier, Mallet, Hottinguer, etc. In the 1850s it began the practice of raising interest rates to stem the outflow of specie, and it suffered from financial difficulties through much of 19th century, suspending convertibility in 1848 and 1870.

Note, however, that throughout the 19th century the most important role of the Bank of France - by far - was as

a junior partner and asset of the Bank of England. Because of its gold reserves (second in the world only to the Bank of England), the French bank was frequently tapped by the British for specie and other financial assistance, which it willingly provided. Major instances of French financial assistance occurred in 1825, 1836-39, 1890, and 1906-07, and 1931. In effect it functioned as an obedient subsidiary and looting ground for London.

Riksbank (founded 1668; reformed 1897)

The Swedish Riksbank touts itself as the world's oldest central bank, created in 1668, out of the even-earlier Stockholm Banco. This is really a myth. The private Riksbank did function from the end of the 17th century, but it was when Sweden joined the gold standard in 1873, and the Bank charter was re-written in 1897 that the Bank officially became Sweden's central bank, with a monopoly on the issuance of (gold-backed) notes.

Danish National Bank (founded 1813; reformed 1908)

A private bank with the right of note issuance was chartered in 1736. It went bankrupt in 1813 and was replaced by the Rigsbank. In 1908 a severe banking crisis led to the adoption of a new charter, which gave the Rigsbank the features of a modern central bank.

Bank d'Italia (1893)

The origins of the Italian bank begin with the 1844 founding of a discount and deposit bank in Genoa by the Sardinian government. In 1849 this bank merged with a similar institution in Turin to become the new Banca Nazionale. After unification (circa 1866), this bank absorbed other banks in Venice, Bologna, Parma, etc., and became, in effect, the government bank and the largest note-issuing bank in Italy. It was not however either a state bank, nor a central bank.

In 1874 the Italian government recognized a consortium of 6 private banks (including the Banca Nazionale), and gave them a monopoly on note issuance. After the 1893 collapse of Banca Romana (one of the six), The Banca Nazionale merged with two of the other 6, creating the Banca d'Italia. Only two independent regional banks of issue remained (Banco di Napoli and Banco di Sicilia), and they were made subordinate to the Banca d'Italia.

In Italy, the large private banks remained much more independent than elsewhere, although the Banca d'Italia did function as a lender of last resort to protect them.

Austro-Hungarian Bank (1816) [reformed 1887]

Originally this bank was primarily a note-issuing institution, established for the purpose of rehabilitating and reorganizing the currency, following the Napoleonic wars. Austrian banks were hit with severe financial crises in 1848, 1859, and 1866, followed by the financial crash of 1873. Prior to the 1870s Austria had been on the silver standard. In 1871 it began to shift into gold, and, in 1892, Austria formally joined the gold standard, although its full implementation went into effect in 1900. After that, the primary concern of the Bank was to maintain the exchange rate.

A new bank charter in 1887 gave the Austrian bank most of the features of a central bank.

National Bank of Belgium (1850) [reformed 1900]

1830 - Belgian Independence from the Netherlands. The government initially relied on the already existing Societe Generale.

1835 - Government creates Bank of Belgium as alternative. Made banker to the government.

1838-1848 - Instability of both banks. 1842 - Bank of Belgium suspends convertibility.

1850 - Creation of National Bank of Belgium with monopoly on issuance.

Bank of Japan (1882)

After the Meji restoration in 1866, there was an attempt to establish a national bank explicitly on the American model, but according to a report written by Baron Sakatani, the former Japanese Minister of Finance, "It was found, however that such a national bank system did not work well on account of its being unsuitable to national conditions, and the regulations were amended in 1876 and 1882, when the central bank system was adopted."

The national banking system was sabotaged between 1866 and 1876 by repeated demands by bank note holders

for specie redemption of their national bank notes. In 1883 the new central bank was given the monopoly over note issuance. In 1888 gold convertibility resumed, and in 1897 Japan officially joined the gold standard.

Bank of the Netherlands (1864)

Established as a new central bank in 1864, modeled on the Bank of Belgium. Monopoly power on issuance.

If one looks not at the earlier "foundings" of these banks, but rather at the charters that transformed them into central banks and brought them into line as part of the London-dominated Central Banking System, it is revealing: Germany-1909; Switzerland-1905; Sweden-1897; Denmark-1908; Italy-1893; Austria-1887; Belgium-1900; Japan-1882. With the exception of France, all of this occurred in only 26 years. And of course, only a few years later we see the Federal Reserve in the United States.

Spreading the Global Web

There is an incredible amount of gibberish written about Central Banks, but the current academic view is that a bank, to be considered a real Central Bank, must satisfy three requirements:

- 1) a monopoly right of issue (of currency)
- 2) the bank must act as the lender of last resort
- 3) the bank is divested of commercial operations

By that definition there were only 18 Central Banks in the entire world as late as 1910! In 1950 there were 59, and by 1990 there were 161. In other words, were you Lyndon LaRouche's age, the explosive growth of this global Central Banking System, leading to its world-wide hegemony, would have occurred largely within your lifetime! This is an important point to make. The Central Banking System is not a centuries-old institution. Neither is it an axiomatic pre-existing feature of human culture. It is a creation, and a very modern creation at that, whose existence, until the recent period has been very tenuous. Remember, what was done, can be un-done.

One of the ways in which the British were able to give birth to this Satanic creation, was through their control over their empire, and later Commonwealth. Various trading banks, with quasi-central bank roles were established, including the Bank of Adekaide, the Bank of New South Wales, the Queensland National Bank (all 3 in Australia), the Bank of New Zealand, the Imperial Bank of India, the Bank of Ireland, the Hongkong and Shanghai Bank, and other banks in Scotland and Canada. In 1911 the Commonwealth Bank of Australia was established with limited Central Bank functions. This was replaced in 1960 by the Reserve Bank of Australia. All of these banks were, of course, subservient to the mother institution in London.

In addition, other British-dominated banks were established in non-Empire countries, such as the Banco do Brazil, the Bank Melli (Iran), and the National Bank of Egypt.

After World War I, the British were quick to establish Central Banking operations in all of the newly-created nations, including Austria-1923, Hungary-1924, and Czechoslovakia-1926.

As a result of Franklin Roosevelt's leadership, and the American victory in World War II, beginning in the 1930's and continuing into the 1950s, the power of the Central Banks was drastically reduced, and the banks were shackled with much tighter government regulation, both in the United States and other nations. During those years, if only in a limited way, sovereign governments, led by the United States, exercised their (actual) natural law right to direct the economic affairs of their respective nations. This has all been reversed in the recent post-1971 period.

In Conclusion

As we enter the 21st century, the prospects confronting humanity are horrifying. The power of sovereign governments - even the idea that government's have the right to exercise that power - is considered passe. John Locke's wet dream has become reality. Look at the charters of the Central Banks discussed above, where they

proclaim as priorities "to regulate the money market of the country, and to facilitate payments and transfers of money," and "to bring about the greatest possible equalization of fluctuations in money demands" This is nothing but a global political/financial system based on the "supremacy of money."

Consider the following quote from the *Frame of the Government of Pennsylvania* (1682), written by William Penn: "When the great and wise God had made the world, of all his creatures, it pleased him to chuse man his Deputy to rule it: and to fit him for so great a charge and trust, he did not only qualify him with skill and power, but with integrity to use them justly..."

Where in the universe of central banking does such a concept have a place? Consider how strange, bizarre, and evil it is that human beings are made to live under the yoke of this private central banking dictatorship. Look at the previous reports in this series. The project begun in Venice, and continued through Bologna, Salamanca, Amsterdam, and London - the project to establish a new Roman Imperium - has reached the moment of decision.

The European (and other) Parliaments, with their roots in Venice, the Netherlands and Britain, are, of course a sham and powerless, in their current state, to eliminate the Dutch/English/Venetian system. Many Europeans are so enamored with the idea of their progressive/democratic parliamentary systems, that their state of denial can only be compared with that of George W. Bush. The myth of the heroic struggle for parliamentary democracy is just that. Despite the efforts of many courageous and creative individuals, the one constant of post-1815 European history is the ever-expanding power of the modern central banking/free trade system. The role of the parliaments - when pressured by their constituents - is to beg for crumbs, but never to challenge for sovereign power.

Recent developments have brought this horror to a crescendo. Look at the degradation of the once proud European nations - the nations of Cusa, Leibniz, and Cervantes - under the private dictatorship of Maestricht. The 2003 "Sanctions" policy of the Maestricht Stability Pact was perhaps the ultimate blow against the sovereignty of the individual nations in Europe. As a result, we have today the private foreign takeover of the banking system in Italy, Hartz IV in Germany, unprecedented austerity in France and other obscenities. Europe has been forcibly returned to a pre-Treaty of Westphalia condition.

The situation elsewhere is far worse. Observe the arrogance with which the vulture capitalists threaten the very existence of the Argentine nation. Weep for the misery of the Dominican Republic under the bankers yoke. The crimes being committed - right now - by the Anglo/Dutch system which dominates the planet, are too numerous to name. Humanity cannot possibly survive a continuation of this abomination.

-30-

Robert Ingraham
October 12, 2004