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## The Union flexes its muscle

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President Abraham Lincoln was shot on April 14, 1865, just as the Union was securing victory in the Civil War. Despite his murder, Lincoln's cherished program of government-sponsored infrastructure, education and science, his protection for industry and family farmers, continued and blossomed in the nurturing hands of the "Whig" nationalists, headquartered in Philadelphia. Lincoln had been one of them, himself a lifelong champion of the American System of political economy that opposed the British free-trade system.

Lincoln's transcontinental railway to the California coast was completed in 1869, at a Federal government cost of \$64 million and huge grants of land. The second Lincoln-authorized transcontinental rail line, the Northern Pacific to Washington state, immediately went into full construction.

With the power of a fully mobilized economy and the world's most effective military behind them, the American nationalists envisioned technological and political progress in Eurasia that could in effect secure and extend the Union victory. The first steps toward the "land-bridge" focussed on Russia and Japan.

It was proposed that Russian Tsar Alexander II, Lincoln's Civil War ally, should, with U.S. help, "construct a grand trunk railway from the Baltic to the Sea of Okhotsk [Pacific] of like gauge with our Pacific Central." U.S. Gen. Joshua T. Owen was speaking at an 1869 send-off dinner given by Henry Carey for the new American ambassador to Russia, Andrew Curtin. "We have discovered that true glory is only to be attained through the performance of great deeds, which tend to advance civilization, [and] develop the material wealth of people," General Owen continued. By participating in "girdling the globe with a tramway of iron," Russia itself would be strengthened and unified. The general spoke bluntly: The allies could "outflank the movement made by France and England, for predominance in the East through the Suez Canal; and America and Russia, can dictate peace to the world."

Henry Carey had for many years personally managed America's pro-Russian policy; his widely circulated newspaper columns had turned U.S. public opinion toward Russia during the 1854-55 Crimean War against Britain and France. Among Carey's invited dinner guests paying tribute to Ambassador Curtin (the former Pennsylvania governor), were the Russian legation, and America's premier railroad and locomotive builders, along with their Philadelphia banker, Jay Cooke. Over the next few years, contracts were signed, under the supervision of the Carey political machine, for the sale of Philadelphia locomotives to Russia.

Meanwhile, in the 1868 Meiji Restoration in Japan, revolutionaries under Prince Tomomi Iwakura overthrew the feudal Tokugawa warlords; they set up a modern central government guided by Japanese students of Henry Carey.

The world at that time knew Carey as the leader of nationalist political thought, who had been the economic mentor to Abraham Lincoln and to the Union's industrial strategy.

As Kathy Wolfe has reported (*EIR*, Jan. 3, 1992), Japan's consuls in Washington and New York, Arinori Mori and Tetsunosuke Tomita, worked closely with Carey. Tomita commissioned the first Japanese translations of Carey's works. Mori would return to Japan to form the Meiroku (Sixth Year of Meiji) Society, dedicated to "American System" economics, as opposed to British free trade; this Careyite grouping would spearhead Japanese industrial development.

In 1871, Carey's student and political agent E. Peshine Smith was appointed economic adviser to the Meiji emperor. Other Carey associates were also then in Japan, working with

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## Henry Carey and Abraham Lincoln

Poultney Bigelow, the spoiled, Anglophile son of U.S. diplomat John Bigelow, was visiting Germany late in the nineteenth century. He asked a minor German official, who was the greatest American? The German replied, "Henry Carey." Bigelow spluttered that this was outrageous—"No one in America talks about Henry Carey!"

But in fact, economist Henry Charles Carey had been the chief of the U.S.A.'s national party or pro-nationalist leadership, from the 1850s to his 1879 death, and his global influence continued for decades beyond.

Henry Carey, born in 1793, inherited this leadership from his father, Mathew Carey, who had been Benjamin Franklin's revolutionary agent in Ireland, a full century before the events chronicled in this report. During America's War of 1812, Henry Carey served in the Pennsylvania State Fencibles militia, until the defeat of the British. As Henry was growing up, his father's political partners included Bank of the United States President Nicholas Biddle, German-American economist Friedrich List, Protestant missionary leader Jedediah Morse, U.S. Military Academy Superintendent Sylvanus Thayer, and such important Europeans as the Cotta family, publishers of the work of Friedrich Schiller.

Abraham Lincoln, though a Midwesterner, was of this Carey-led national party, the nationalist elite. In 1846-47, having just been elected to Congress, Lincoln made a set of notes for himself, in favor of economic nationalism ("Fragments of a Tariff Discussion," in Lincoln's *Collected Works*). He writes, "I . . . try to show, that the abandonment of the protective policy by the American Government must result in the increase of both useless labor, and

the new government identifying mineral resources, planning transport, and outlining protectionist tariff strategies.

On March 15, 1872, representatives of the new Japanese government arrived in Philadelphia, having travelled from Japan's embassy in Washington under escort by U.S. Gen. William Painter.

The city fathers published the official *Diary of the Japanese Visit to Philadelphia in 1872* immediately afterwards, boldly contrasting American and British purposes in the world. The pamphlet described the visit as "an event of great importance . . . to the mission on which these pioneers of an advancing state of civilization in their own country were engaged . . . the development of a country which has hitherto been almost hermetically sealed against the commerce of the

world,—for the least concession made to the foreign trader was immediately followed by the presentment of that aggressive policy, that arrogance, and grasping spirit of monopoly which have ever followed the British footfall on foreign soil,—so that, outraged and indignant, the Government of Japan has from time to time rescinded the privileges granted, thus retarding the progress of the mighty work of development, not from choice, but from a feeling of absolute necessity as a means to preserve its national and political autonomy."

The first stop of the Japanese party was the Baldwin Locomotive Works. There, Japanese planners and engineers inspected engine models, machine tools, foundries, and plans for locomotives that Japan would purchase or build itself with American assistance.

idleness; and so, in proportion, must produce want and ruin among our people."

To simplify the question, Lincoln writes, "let us suppose the whole agricultural interest of the country to be in the hands of one" farmer with 100 laborers, and "the whole manufacturing interest, to be in the hands of" one other man with 20 laborers. Consider "A and B . . . a Pennsylvania farmer, and a Pennsylvania iron-maker, whose lands are adjoining. Under the protective policy A is furnishing B with bread and meat . . . and receiving in exchange all the iron, iron utensils, tools and implements he needs. In this process of exchange, each receives the *whole* of what the other parts with. But the . . . protective policy is abandoned . . . and A determines . . . to buy his supply of iron [etc.] . . . of C an ironmaker in England" (Lincoln's emphasis).

He then shows the ruin which comes from such free trade. Lincoln has determined, at the outset of these notes, that he will not think in terms of money and monetary prices: "The *labor* price only is embraced" in his study of the question.

Lincoln writes that "A desires to exchange ten barrels of flour, the precise product of one hundred days' labour, for the greatest quantity of iron he can get; [the British] C, also wishes to exchange the precise product of one hundred days' labour, in iron, for the greatest quantity of flour he can get." But new and *unnecessary* costs of "useless labour" now intervene, the costs to and profits of merchants, ocean shippers, wagoners, storage, and insurance. These are so many tolls which parasitize on the useful labor, that both A and C receive only three-quarters of their own labor value in exchange for their products.

The foolish farmer thinks he'll benefit from cheap foreign labor! Of course, the prices paid to farmers in Europe are also too low; and the farmer loses his home market. The folly of free trade causes a collapse and general unem-

ployment in American agriculture and industry.

Lincoln divides the work force into "useful labour, useless labor and idleness." He explains that "all labour done directly and incidentally in carrying articles to their place of consumption, which could have been produced in sufficient abundance, with as little labour, at the place of consumption, as at the place they were carried from, is useless labour." (Lincoln comments, that if all productive labor should cease, and each individual should "work" by carrying food produced by others "continually about his habitation"—exactly today's "service economy"!—then "none would be left living.")

It is the "most worthy object of any good government," Lincoln writes, to secure "to each labourer the whole product of his labour, or as nearly as possible." Useless labor and idleness "are heavy pensioners upon" useful labor, "robbing it of its just rights." So we should "drive useless labour and idleness out of existence" by "making war upon" useless labor.

Henry Carey was the potent force behind the Lincoln Republican Party. The Republicans first appeared in 1854 after the demise of the old Whig Party, but the first Republican national Presidential nominating convention was held in Carey's Philadelphia, in 1856. That gathering was preceded by a Pennsylvania state Republican convention, chaired at the outset by Henry Carey himself. The party's 1860 convention in Chicago was a showdown between the Lincoln candidacy, promoted by Carey, and the candidacy of William H. Seward of New York.

Carey wrote the economics platform on which Lincoln was nominated for President. Carey then supplied his own students and associates for the Lincoln administration. They implemented the radical economic-nationalist policies adopted during the Civil War, which brought about the unprecedented advancement of U.S. industry to the end of the century.