

decided in the first week of March and by the speaker's fiat. Can you not see and talk with him on the subject? What shall then be done will probably be determined by the question as to whether England or America shall rule the world.

For his role in pushing the refunding and related measures through the U.S. Congress, Jay Cooke won an agreement with the Rothschilds to help fund his Northern Pacific Railroad project. Former Secretary of the Treasury McCulloch was dispatched to England to set up Cooke's banking house there.

Regardless of his connections, Cooke was an entrepreneur at heart. He poured capital into the development of the roads, the iron industry, and the rails, hoping that McCulloch and the Rothschild and Baring bankers would be able to dispose of their share of the bonds that were floated for the project at a later date.

When the books were opened for the sale of the bonds, neither the Rothschilds nor the Barings sold their bonds. Overextended, the House of Cooke collapsed in 1873, setting the stage for the collapse of 1876.

The Heritage of the Civil War

The Whig fight continued into the twentieth century. The concessions they won made this nation the greatest industrial power on earth.

As early as 1871, the Pennsylvania Congressmen Kelley and Moorehead began lobbying for congressional funding of the 1876 celebration of the U.S. Centennial. They saw the Centennial fair as a means to develop the nation's resources and to bring into practical use its inventions in spite of growing British control of the finances. The measures were opposed by the liberal senators and congressmen from New York and New England. The 1871 Congress refused to fund the fair, but, as former California Governor Ronald Reagan is fond of telling the story today, the 1876 Centennial Celebration gave the nation the electric lightbulb, the elevator, and numerous other inventions, and mechanical and industrial improvements. These advances in technology were the net result of the American System battles the Whigs waged in Congress.

The free trade papers of William Cullen Bryant and others were cynical of the Centennial fair, printing poems like the following by the transcendentalist James Russell Lowell:

Columbia puzzled what she should display
Of True home-make on her Centennial
Asked Brother Jonathan; he scratched his head,
Whittled a while reflectively, and said,
"Your own invention, and own making too?
Why, any child could tell ye what to do;
How all men's loss is everybody's gain;
Show your new patent to increase your rents
By paying quarters for collecting cents;
Show your short cut to cure financial ills
By making paper-collars current bills;

Show your new bleaching-process, cheap and brief,
To wit; a jury chosen by the thief;
Show your State Legislatures; show your Rings;
And challenge Europe to produce such things,
As high officials sitting half in sight
To share the plunder and to fix things right;
If that don't fetch her, why you only need
To show your latest style in martyrs-Tweed;
She'll find it hard to hide her spiteful tears
At such advance in one poor hundred years."

The 1876 Centennial Celebration and the new technologies displayed proves a lie the much touted analysis of the historiographers—and economists like Milton Friedman in his *Capitalism and Freedom*—that the nation became the industrial powerhouse of the world not because the Whigs fought for a policy of protection and credit for industry, but because the British ideology of *laissez-faire* emerged victorious. The celebration clearly unnerved the Rothschilds who, during the height of the fair's activities—and the depression of that year—made a point of sending to President Hayes's Secretary of the Treasury, John Sherman, a little note explaining that they would not buy government bonds on the basis of "speculative activities" as they had lost money before on such enterprises.

America's battle against Britain during the Civil War period left the nation a heritage, a commitment to fully develop and utilize the industrial potential of the U.S. Yet, to the extent that British monetarist control over the credit mechanisms of the country was allowed to remain intact, the war was not won. If the American System is not now restored, adherence to British economic policy threatens to plunge the nation and the world into thermonuclear disaster.

Henry C. Carey

The Harmony of Interest

Henry Carey first published this pamphlet in 1851, after compiling the series of articles he had written for the Plough, Loom and Anvil, a newspaper published by his associate William Skinner and intended largely for circulation in the South and West. The selection which follows is from the last article of the series and served as a rallying cry for the restoration of the American System.

Two systems are before the world; the one looks to increasing the proportion of persons and of capital engaged in trade and transportation, and therefore to diminishing the proportion

engaged in producing commodities with which to trade, with *necessarily* diminished return to the labour of all; while the other looks to increasing the proportion engaged in the work of production, and diminishing that engaged in trade and transportation, with increased return to all, giving to the labourer good wages, and to the owner of capital goods profits. One looks to increasing the quantity of raw materials to be exported, and diminishing the inducements to the import of men, thus impoverishing both farmer and planter by throwing on them the burden of freight; while the other looks to increasing the import of men, and diminishing the export of raw materials, thereby enriching both planter and farmer by relieving them from the payment of freight. One looks to giving the *products* of millions of acres of land and of the labour of millions of men for the *services* of hundreds of thousands of distant men; the other to bringing the distant men to consume on the land the products of the land, exchanging day's labour for day's labour. One looks to compelling the farmers and planters of the Union to continue their contributions for the support of the fleets and the armies, the paupers, the nobles, and the sovereigns of Europe; the other to enabling ourselves to apply the same means to the moral and intellectual improvement of the sovereigns of America.* One looks to the continuance of that *bastard* freedom of trade which denies the principle of protection, yet doles it out as revenue duties; the other to extending the area of *legitimate* free trade by the establishment of perfect protection, followed by the annexation of individuals and communities, and ultimately by the abolition of custom-houses. One looks to exporting men to occupy desert tracts, the sovereignty of which is obtained by aid of diplomacy or war; importing men by millions for their occupation. One looks to the *centralization* of wealth and power in a great commercial city that shall rival the great cities of modern times, which have been and are being supported by aid of contributions which have exhausted every nation subjected to them; the other to *concentration*, by aid of which a market shall be made upon the land for the products of the land, and the farmer and planter be enriched. One looks to increasing the necessity for commerce; the other to increasing the power to maintain it. One looks to underworking the Hindoo, and sinking the rest of the world to his level; the other to raising the standard of man throughout the world to our level. One looks to pauperism, ignorance, depopulation, and barbarism; the other to increasing wealth, comfort, intelligence, combination of action, and civilization. One looks toward universal war; the other toward universal peace. One is the English system; the other we may be proud to call the American system, for it is the only one ever devised the tendency of which was that of *elevating* while *equalizing* the condition of man throughout the world.

* Russia is now raising by loan five millions of pounds sterling to pay the expenses of the war in Hungary. The farmers and planters of the Union are the chief contributors to this loan.

Such is the true *mission* of the people of these United States. To them has been granted a privilege never before granted to man, that of the exercise of the right of perfect self-government; but, as rights and duties are inseparable, with the grant of the former came the obligation to perform the latter. Happily their performance is pleasant and profitable, and involves no sacrifice. To raise the value of labour throughout the world, we need only to raise the value of our own. To raise the value of land throughout the world, it is needed only that we adopt measures that shall raise the value of our own. To diffuse intelligence and to promote the cause of morality throughout the world, we are required only to pursue the course that shall diffuse education throughout our own land, and shall enable every man more readily to acquire property, and with it respect for the rights of property. To improve the political condition of man throughout the world, it is needed that we ourselves should remain at peace, avoid taxation for the maintenance of fleets and armies, and become rich and prosperous. To raise the condition of woman throughout the world, it is required of us only that we pursue that course that enables men to remain at home and marry, that they may surround themselves with happy children and grandchildren. To substitute true Christianity for the detestable system known as the Malthusian, it is needed that we prove to the world that it is population that makes the food come from the rich soils, and that food tends to increase more rapidly than population, thus vindicating the policy of God to man. Doing these things, the addition to our population by immigration will speedily rise to millions, and with each and every year the desire for that perfect freedom of trade which results from incorporation within the Union, will be seen to spread and to increase in its intensity, leading gradually to the establishment of an empire the most extensive and magnificent the world has yet seen, based upon principles of maintaining peace itself, and strong enough to insist upon the maintenance of peace by others, yet carried on without the aid of fleets, or armies, or taxes, the sales of public lands alone sufficing to pay the expenses of government.

To establish such an empire—to prove that among the people of the world, whether agriculturists, manufacturers, or merchants, there is perfect harmony of interests, and that the happiness of individuals, as well as the grandeur of nations, is to be promoted by perfect obedience to that greatest of all commands, “Do unto others as ye would that others should do unto you”—is the object and will be the result of that mission. Whether that result shall be speedily attained, or whether it shall be postponed to a distant period, will depend greatly upon the men who are charged with the performance of the duties of government. If their movements be governed by that enlightened self-interest which induces man to seek his happiness in the promotion of that of his fellow-man, it will come soon. If, on the contrary, they be governed by that ignorant selfishness which leads to the belief that individuals, party, or national interests are to be promoted by measures tending to the deterioration of the condition of others, it will be late.