



# Abraham Lincoln's 'space program': the national railroad system

by Anton Chaitkin

If it were useful to select one person as the central figure in American history, that person must be President Abraham Lincoln.

The United States of America had ended, by insurrection. Advised by his Secretary of State to allow the seceding portion to depart without interference, Lincoln instead called for volunteers from among the loyal population. He directed the greatest war in American history, which recreated the nation by force.

In the course of that war, Lincoln ordered the end of the system of Black slavery. Lincoln ended and reversed the rule of "Free Trade" or "laissez-faire," by which the London-directed opponents of the American Revolution had expanded plantation slavery to the detriment of American industrial power.

Lincoln stopped, for a time, the dictatorship of international merchant-banking interests over American economic affairs.

His breathtaking economic development program, begun when the country was bankrupt, continued in effect at least long enough after his assassination, for the United States to make itself the world's greatest industrial power.

Lincoln is unquestionably the most beloved figure in American history. Even in the South, the section subdued by the federal armies, the popular mind affectionately prefers Lincoln over the radical Eastern financiers whose postwar usurpation kept the South unindustrialized.

Since Lincoln's murder, his international enemies—the people Lincoln called "those respectable scoundrels"—have reasserted their power over our country. The purpose of the founding of the United States, in the tradition of the 15th-century Golden Renaissance, has been lost. The very idea of progress is rapidly being erased from the popular mind, amidst feudal back-to-nature ideology, fundamentalist irrationalism, and a nearly total political and social dictatorship of the bankers who promote these things.

The single most astonishing victory of Lincoln's enemies

is that they have taken the philosophy and the accomplishments of the man out of history.

Historians have revised the Civil War into an affair of geography, parties, and conflicting selfish interests, rather than an attack on civilization which civilization, represented by the American Union, defeated. This distinction is of more than academic importance, when treason to national interests once again has nearly undisputed power in Washington.

Lincoln's restoration of the American (as opposed to the British) system of economics, *by which he revolutionized world affairs*, has been misrepresented, ignored, or denounced by historians hostile to the founding concepts of American life.

President Lincoln's program, aside from building the world's most powerful armed forces, included the following economic measures:

- government organization of a railroad system reaching from the Atlantic to the Pacific Ocean;
- the creation of the American steel industry, virtually overnight, by government design;
- launching scientific agriculture, by methods including free Western land for farmers, the establishment of the Agriculture Department, and government promotion of a new age of farm machinery and cheap tools;
- recruitment of immigrants, to increase the population as fast as possible;
- free higher education throughout the United States—the Land Grant College system;
- reestablishing national control over banking, with cheap credit for productive purposes.

Until the Morgan trusts and Teddy Roosevelt reversed it a generation later, Lincoln's program controlled inflation through constant industrial innovation, raised U.S. living standards to unprecedented heights, and was eagerly copied by much of the world.

Before and after signing the Pacific Railway Act on July 1, 1862, President Lincoln moved to accelerate the beginning

of construction of the long dreamed-of transcontinental railroad. When completed in 1869, the 1,776 miles of new track took passengers and freight across mountains and desert from Iowa to California.

Historians usually ascribe the creation of this railroad, which immensely strengthened the United States, to such historical coincidences as the withdrawal from Congress of its opponents. Abraham Lincoln's unique, lifelong personal identification with the fight for Western development, is covered over with contemptuous, patronizing remarks, from Lincoln's "supporters," and charges of corruption from his "detractors."

When President Andrew Jackson closed the Bank of the United States, and stopped federal support to road, canal, and railway construction, he put the brakes on pioneer settlement of the West. But American nationalists, mostly members of Henry Clay's Whig Party, fought to continue the "internal improvements" construction policy, with the action of state governments to replace the missing federal support.

State legislator Abraham Lincoln, aged 27, led this fight in Illinois. He sought to turn the mud-and-ice-bound Midwest into the new industrial center of the continent, beginning with the construction of 2,000 miles of railways and canals to crisscross Illinois.

Here is what his first important biographers, John G. Nicolay and John M. Hay, say about this matter:

"If Mr. Lincoln had no other claims to be remembered than his services in the Legislature of 1836-7, there would be little to say in his favor. Its history is one of disaster to the State. Its legislation was almost wholly unwise and hurtful. . . . In the account of errors and follies committed by the Legislature . . . he is entitled to no praise or blame beyond the rest. He shared in that sanguine epidemic of financial and industrial quackery which devastated the entire community, and voted with the best men of the country in favor of schemes which appeared then like a promise of an immediate millennium, and now seem like midsummer madness.

"He entered political life in one of those eras of delusive prosperity which so often precede great financial convulsions. . . . It was too much to expect of the Illinois Legislature that it should understand that the best thing it could do to forward this prosperous tendency of things was to do nothing. . . ."

"Madness"? "Delusive prosperity"? In fact, as the *Encyclopaedia Britannica* puts it, "The growth of manufacturing in Illinois, largely because of the development of the state's exceptional transportation facilities, was the most rapid and remarkable in the industrial history of the United States. In 1850 the state ranked 15th; in 1870, 6th. . . ."

Yet, virtually all historians, and Lincoln biographers, reiterate the Nicolay and Hay vituperation of Illinois' "internal improvement follies" of 1836-37. Since Nicolay and Hay were secretary and assistant secretary to Lincoln during his Presidency, their 10-volume Lincoln biography was given almost unlimited credence.

Abraham Lincoln was the spirited young leader of the "Long Nine" (all over six feet tall), Sangamon County's representatives who went to the Illinois legislature in December 1836. Lincoln's forces pushed through plans for the state to build a series of rail lines and canals; his leadership of this drive was Lincoln's first really important political role. Twelve million dollars was appropriated, three and a half million for the state-chartered Illinois Central line to be built from Galena in the north to Cairo in the South.

Money would be borrowed in U.S. and European capital markets, taking advantage of the great international excitement over America's development prospects. New York's state-constructed Erie Canal, the world's largest artificial waterway, had been completed in 1825, had opened the West for development—and its tolls had completely recovered its cost of construction by 1833!

Lincoln also took the lead in defending and trying to expand the capital of the state bank of Illinois, hoping that, for Illinois' purposes, it could take the place of the moribund Bank of the United States.

Construction began with the Northern Cross Railroad, projected to be built from Quincy on the Mississippi River eastward across Illinois to the Indiana line. The first locomotive to be put in operation in the Mississippi Valley was built in Paterson, New Jersey, and was delivered by riverboat in November 1838. The line was in operation from Meredosia on the Illinois River to the new state capital of Springfield by May of 1842.

But British-centered opposition to this American development proved too strong. In the summer of 1836, following up on President Jackson's closing of the U.S. Bank, the Bank of England refused to refinance the loans of those British merchants and bankers who continued to accept bills of exchange drawn by Americans. By the winter of 1836-37, three of the weaker British commercial firms dealing with Americans became insolvent and were forced to submit to the Bank of England's terms. A leading private banker in London and a large Manchester bank cracked under the pressure, and soon the entire British market for American goods and securities collapsed. British creditors called in their international loans.

In those days, the products of the Midwest were shipped down the Mississippi River to New Orleans, then to the East Coast and to Europe. New Orleans was thus the commercial and banking center of the West, upon which the Western banks were financially dependent.

In the spring of 1837, the British concentrated their attack on New Orleans. Agents in New Orleans were ordered to stop all purchases for British merchants and manufacturers. With American credit now draining away to England, there were no U.S. buyers to replace the British. New Orleans banks were forced to deny credit to merchants, factors, and banks serving the entire Mississippi Valley.

The Illinois railroad building project failed for want of credit, though the Illinois-Michigan Canal, connecting Lake Michigan with the Mississippi River system, was completed

by the state government in 1848.

In 1850, the U.S. government, temporarily in the hands of the Whigs, authorized the granting of federal land to the state of Illinois for the construction of a north-south railroad with a Chicago spur: Three square miles of land were to be granted for each mile of railway constructed. In February 1851, the state legislature, frightened by the earlier collapse of its plans for state-owned enterprise, chartered the Illinois Central Railroad Company. The state gave the federal land grant as inducement to Eastern private investors to buy into the construction. Lincoln reluctantly supported this scheme, unavoidable under the circumstances of the lack of national sovereignty over credit.

The rail network which Lincoln had planned and championed was now quickly built, and eventually made Chicago the rail center of the continent. It was paid for with huge public giveaways . . . but would be owned by private parties!

Turning back again to the attack on Lincoln's legislative "follies" by his supposedly friendly biographers, we must now look for a motive. It was John Hay who wrote the first volume, on Lincoln's first 50 years, and who steered and edited the other nine volumes of the Nicolay-Hay biography, covering Lincoln's remaining six years.

Hay's career as a traitor to the United States closely parallels that of his intimate friend and political superior, Henry Adams. As Hay sold out the heritage and reversed the accomplishments of Abraham Lincoln, with whom he had been identified as assistant secretary, so Henry Adams betrayed the heritage of his great-grandfather and grandfather, the two Presidents Adams. Henry Adams was effectively the British pro-consul in late 19th-century Washington; Hay was the pet of his salon.

In his 1883 novel, *The Bread-Winners*, Hay attacked the working people of America, and "the restless haste and hunger to rise which is the source of much that is good and most that is evil in American life." Lincoln's opposite world-view was expressed to a German group in Cincinnati in 1861: "I hold the value of life is to improve one's condition. Whatever is calculated to advance the condition of the honest, struggling laboring man . . . I am for that thing."

Whereas Lincoln's nationalist economics, his life and his death were identified with the American Union, Hay expressed his own sense of identity in 1898, as U.S. ambassador to Great Britain: "Knitted as we are to the people of Great Britain by a thousand ties . . . there is a sanction like that of religion which binds us to a sort of partnership in the beneficent work of the world. . . . No man and no group of men can prevent it. . . . We are bound by a tie which we did not forge and which we cannot break. . . ."

Hay's "definitive" biography of Lincoln, published in 1886, does not even mention Lincoln's role in building the Pacific railway; nor does the scant mention of President Lincoln's extraordinary economic measures contain even a hint that they had to do with a lifetime philosophy. It is no surprise, then, that John Hay was Secretary of State under Pres-

idents William McKinley and Theodore Roosevelt, when the whole American economy was delivered to the control of international British-centered banking cartels.

J. P. Morgan and E. H. Harriman did indeed stop the further development of American railroads. But Lincoln's earlier success was central to the further development of the United States, and his historical enemies have always feared that Americans, and others, might simply re-adopt his outlook.

In August 1859, Lincoln visited Council Bluffs, Iowa, meeting privately there with a young railroad engineer/surveyor named Grenville Dodge—who was to be the chief engineer of the Pacific railroad.

As Dodge wrote later, Lincoln asked "what I knew of the country west of the Missouri River. He greatly impressed me by the marked interest he displayed in the work in which I was engaged, and he expressed himself as believing that there was nothing more important before the nation at that time than the building of a railroad to the Pacific Coast. He ingeniously extracted a great deal of information from me about the country beyond the river, the climate, the character of the soil, the resources, the rivers and the route. When the long conversation was ended, I realized that most of the things that I had been holding as secrets for my employers in the East, had been given to him without reserve. . . ."

"[On] a high bluff known as Cemetery Hill, just north of town. . . . He was greatly impressed with the outlook; and the bluff from that time has been known as Lincoln's Hill. . . . From here he looked down upon the place, where by his order, four years later, the terminus of the first trans-continental railway was established."

Lincoln signed the Pacific Railway Act July 1, 1862, authorizing huge government land grants to finance the construction. Two years later a second bill doubled the land grants and sweetened the other terms. Altogether 45 million acres of land were given away, and the government laid out some \$60 million in cash, compared to only \$4 million in private capital.

Lincoln was determined to "conquer space" to the west. At one point, when the project seemed dead for lack of funds, he arbitrarily redefined the Rocky Mountains as starting in their foothills, so that more money could be paid under formula to the builders. It was said at the time, "Abraham's faith moves mountains."

Lincoln requested, and Congress approved, the placing of agents in Europe to solicit immigrants to America. Lincoln planned to develop the Mountain West, which his railroad would open up, by pouring in immigrants. On the evening of April 14, 1865, Lincoln wrote to Speaker of the House Schuyler Colfax, "I have very large ideas of the mineral wealth of our Nation. I believe it practically inexhaustible . . . its development has scarcely commenced. . . . I am going to encourage that in every possible way." Lincoln was assassinated a few hours later.

*To be continued.*