

EIR Feature

200 years since Hamilton's 'Report on Manufactures'

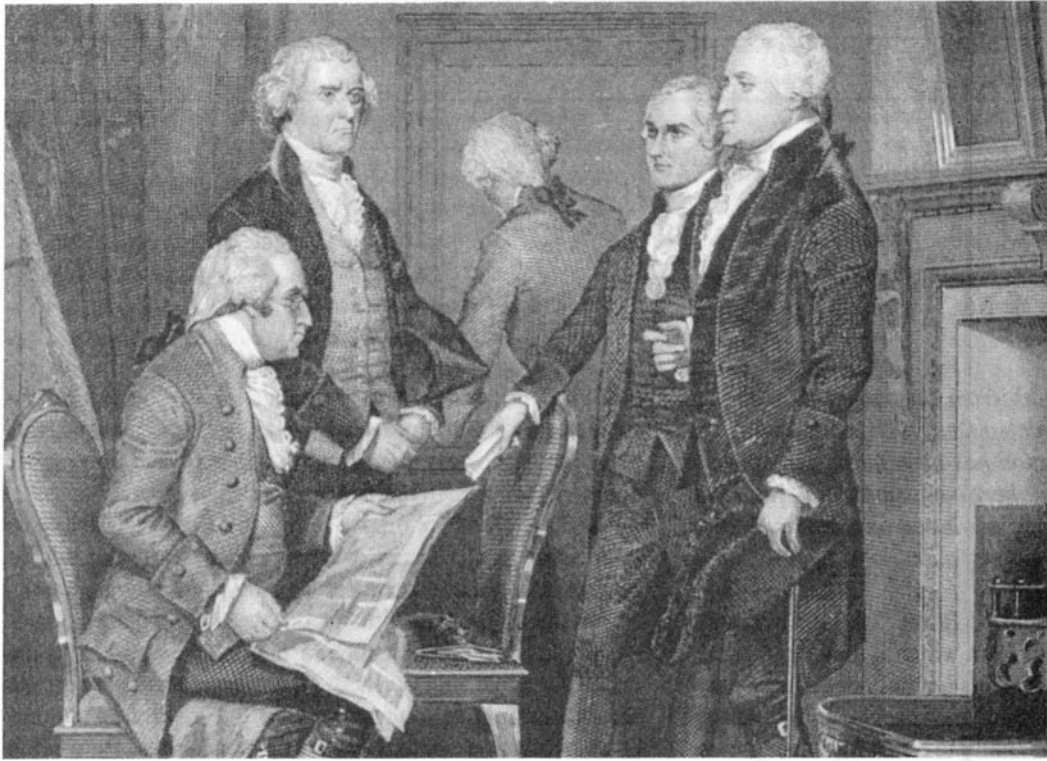
by Nora Hamerman

This special issue commemorates an American Bicentennial of great portent, as the Age of the Versailles Treaty draws to a close.

On Dec. 5, 1791, George Washington's Secretary of the Treasury Alexander Hamilton submitted to the U.S. Congress the third of his famous educational treatises, following the *Report on Public Credit* and *Report on the National Bank* of 1790. Unlike the earlier reports, which Congress ratified, the *Report on the Subject of Manufactures*, excerpted here below, was never given legislative approval. Yet by developing more fully than his predecessor Benjamin Franklin the notion of *total surplus value*, by spelling out the role of mechanization and the division of labor in increasing that value and the quality of the human mind, Alexander Hamilton in this 1791 report created the seed-crystal of what became the world-famous American System of Political Economy.

The very possibility for a global realization of the dream of political freedom embodied in the American Revolution and the federal republic shaped by the Constitution of 1787, depended upon the policy of infrastructural development to foster industrial progress which Hamilton unfolded. While in our era of universal public education, some aspects are obsolete—such as Hamilton's acceptance of child labor in manufacturing, then widely practiced in farming—others remain as valid today as two centuries ago. Above all, let us cite his general principle: "To cherish and stimulate the activity of the human mind, by multiplying the objects of enterprise, is not among the least considerable of the expedients, by which the wealth of a nation may be promoted. Even things in themselves not positively advantageous, sometimes become so, by their tendency to provoke exertion. Every new scene, which is opened to the busy nature of man to rouse and exert itself, is the addition of a new energy to the general stock of effort."

In the course of the last century, the Hamiltonian current was defended by the Philadelphia-based school of Irish immigrant Mathew Carey and his son Henry Carey, and the Whig tendency of the American statesman Henry Clay. This school's writings, emphatically including the work of the German-American re-



President George Washington (seated) with his first cabinet, (standing left to right) Secretaries of State Thomas Jefferson; Treasury, Alexander Hamilton (handing the President a report); War, Henry Knox; and Attorney General Edmond Jennings Randolph, in background. An engraving from a painting by Alonzo Chappel.

publican Friedrich List, spread the ideas around the world which opposed the slavery, opium, and usury-promoting school of kept "economists" of the British East India Company: Adam Smith, David Ricardo, and Thomas Malthus. In the 1820s the British System took over the United States, reversing Hamiltonian policies and triggering a deep depression under Andrew Jackson and Martin van Buren. They set the nation on the course toward the Civil War. Abraham Lincoln's election restored American System policies, but after his assassination in 1865, under Andrew Johnson, the nation again fell prey to British "free trade," culminating in the Specie Resumption Act of 1879. With the assassination of President McKinley in 1901 and the presidency of the British stooge Theodore Roosevelt, the American System was buried even in the memories of our citizens, only to be briefly revived (without a full awareness of its historic roots) in the 1939-43 war mobilization of Franklin Roosevelt and in John F. Kennedy's Apollo Space Program and investment tax credit of the early 1960s.

The ultimate travesty is that today, the United States government sends quacks around the globe to preach to others the evil "free-trade" and anti-natalist dogmas of Adam Smith and Malthus, which the United States fought its Revolution, the War of 1812, and the Civil War to defeat.

Meanwhile, the ideas of Hamilton and Carey, List, and Lincoln nurtured the development of modern nations around the world. As the articles and documents below indicate, Japan's transformation into an industrial giant, and the as-yet-unrealized potentials of Russia and China to emerge as

true nation-states to the benefit of all mankind, were fostered by the adoption of the American System's ideals by such thinkers as the Meiji restorationists, Count Witte, and Sun Yat-sen. Moreover, Ibero-America's resistance to the debt-collection policies of the British Empire and its U.S. puppets has been based on the union of the Hamilton-Carey model with the deeper substratum of Christian civilization, which gave birth to both the American System itself and the earlier evangelization of the Americas, whose Quincentenary we celebrate this year.

What today's heirs of the British East India Company most fear, is that the republics who have thrown off the yoke of Marxist dictatorship in eastern Europe will join with the nations of the South in Asia, Africa, and Ibero-America in a revolt against the "new world order," and establish sovereign nations who will freely help each other to enter into a golden age of unheard-of prosperity. If this occurs, it shall be the dawn of man's conquest of space; China will be freed; Africa pulled back from ecological holocaust; and the deserts of the world bejeweled with gardens and magnificent cities.

The natural leader of this revolution is an American, Lyndon LaRouche, who has championed the cause of Hamiltonian economics to a forgetful world. LaRouche uniquely took up where Hamilton's forebear Leibniz left off, and rigorously developed the basis of political economy in natural science. We hope that this publication will be of help in catalyzing that alliance, so feared by the would-be authors of that Brave New World Order, which, if consolidated, may end human civilization by instituting the worst tyranny in human history.