

# The fight to bring the American System to 19th-century Russia

by Rachel Douglas and Barbara Frazier

A Russian edition of Alexander Hamilton's 1791 *Report on the Usefulness of the Manufactories in Relation to Trade and Agriculture* was published in St. Petersburg in 1807. Minister of Finance D.A. Guryev sponsored the pamphlet. In an introduction, Russian educator V. Malinovsky wrote, "The similarity of American United Provinces with Russia appears both in the expanse of the land, climate and natural conditions, in the size of population disproportionate to the space, and in the general youthfulness of various generally useful institutions; therefore *all the rules, remarks and means proposed here are suitable for our country.*"

Malinovsky and Guryev belonged to a faction of Russian scientists and statesmen who cherished the legacy of the programs Gottfried Leibniz drafted for Tsar Peter the Great in the early eighteenth century. The Russian Academy of Sciences was founded according to Leibniz's design, and, while it had been subjected to many assaults and subversions of its scientific and nation-building agenda, by British- and Venetian-linked political and science figures, it remained a center of Leibnizian endeavor. Members of the Academy corresponded with America on scientific research, and closely watched the creation of the American republic. An Academy member, Franz Epinus, drafted the Treaty of Armed Neutrality, under which Russia and other continental European powers protected shipping during the American War of Independence.

At the time that Guryev commissioned the translation of Hamilton, there was a struggle for influence over the young Tsar Alexander I. Friedrich Schiller's brother-in-law, Wilhelm von Wolzogen, was in St. Petersburg for five years to prepare the marriage of Alexander's sister to a prince of Weimar, which took place in 1804. Wolzogen held seminars for the royal family. Schiller himself began a play called *Demetrius*, where he posed, in a Russian setting, the truth that a nation can only be great, if its leaders and the whole nation obey "that which is beautiful in humanity."

A few years later, Freiherr vom Stein and other Prussian reform leaders would be training the Russian Army against Napoleon and attempting to educate Tsar Alexander in statecraft. In 1809, the young John Quincy Adams arrived as American Minister Plenipotentiary to Russia, where he had long talks with the tsar about the protection of neutral shipping and how to limit British power on the high seas. As one

result, Alexander interceded with Denmark, to stop detaining American ships as "British."

John Quincy Adams found a kindred intellect in Count N.P. Rumyantsev, the Russian chancellor. Rumyantsev, who told Adams, "Our attachment to the U.S. is obstinate," lobbied for further anti-British initiatives. In 1812, he wrote a memorandum in favor of developing Russian trade with the rebelling Spanish colonies in South America. Adams reported home that the State Council's rejection of Rumyantsev's proposal was due to "a lurking English influence working at bottom." When he was ousted from power in 1813, Rumyantsev told Adams, "I could say that my guts are American; and were it not for my age and infirmities, I would go now to that country."

## The spread of culture

In education and culture, this faction was trying to make of Russia something other than the "gendarme of Europe" it became after the 1815 Treaty of Vienna. Leading German scholars, including the philologist Adelung, worked in St. Petersburg. Minister of Justice Derzhavin, a poet, was involved in the early stages of a great translation project, to put Greek and other classics into Russian. Count Rumyantsev was a bibliophile, whose collection became the kernel of the huge Moscow-based library, known in the twentieth century as the Lenin Library. (As of 1991, this largest library in Europe has suffered an unknown extent of destruction, as the collapsing former Soviet economy left it with no lights, minimal staff, water dripping onto the books, and cracks in the walls.) Malinovsky became the first headmaster of a secondary school called Tsarskoye Selo Lycée, whose original curriculum plan mandated two three-year courses: Russian, French, German, and Latin grammar (one collaborator on the project proposed to include Greek); religion, ethics, and philosophy; arithmetic, algebra, trigonometry, and physics; history, geography, writing, literature, and rhetoric; art, dance, fencing, riding, and swimming. Count A.K. Razumovsky, the Minister of Education, gutted the curriculum. What did a diplomat or civil servant need with chemistry and astronomy? he demanded. Even more objectionable to him would be the study of "philosophical opinions on the soul, ideas and the world," which would confuse the youths. And

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# Alexander Hamilton and the American System

## European Precursors



Jean Baptiste Colbert  
(1619–1683)



Gottfried Wilhelm Leibniz  
(1646–1716)

## American Precursors



John Winthrop  
(1588–1649)



Cotton Mather  
(1663–1728)



William Penn  
(1644–1718)



Benjamin Franklin  
(1706–1790)

Nathaniel Ames  
(1708–1774)



George Washington  
(1732–1799)



Alexander Hamilton  
(1755–1804)

## American System, 19th Century

### Theorists

Mathew Carey  
(1760–1839)

Henry Carey  
(1793–1879)



Thaddeus Stevens  
(1792–1868)



Erasmus P. Smith  
(1814–1882)



### Statesmen

Joel Barlow  
(1754–1812)



John Quincy Adams  
(1767–1848)



Henry Clay  
(1777–1852)



Abraham Lincoln  
(1809–1865)



### Inventors

James Rumsey  
(1743–1792)

Oliver Evans  
(1755–1819)



Robert Fulton  
(1765–1815)



John Stevens  
(1749–1838)



Charles L. Flint  
(1824–1889)

# ican System: A Political Genealogy

## Europe

### Germany



Friedrich List  
(1789–1846)

### Russia

Dmitri Ivanovich Mendeleyev  
(1833–1878)



Sergei Witte  
(1849–1915)

### France

Paul Cauwes  
(1843–1917)

## Asia

### Japan



Yukichi Fukuzawa  
(1835–1901)

Prince Tomomi Iwakura  
(1835–1883)

Toshimichi Ōkubo  
(1830–1878)

Shigenobu Ōkuma  
(1838–1922)



Dr. Sun Yat-sen  
(1866–1925)

## Ibero-America

### Mexico



Estevan de Antuñano  
(1792–1846)

Carlos de Olaguíbel  
(d. 1878)

Ruy Barbosa  
(1849–1923)

Ferro Costa  
(fl. 1878)

Antonio Felicio dos Santos  
(fl. 1881)

### Brazil

### Colombia

Rafael Nuñez  
(1825–1894)

### Chile

José Manuel Balmaceda  
(1838–1891)

### Argentina

Luis María Drago  
(1858–1921)

Gen. Juan Enrique Guglielmelli  
(1918–1983)

## United States



Lyndon H. LaRouche, Jr.  
(1922–)

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Greek, Razumovsky insisted, was not needed by any Russian diplomat, who would fare quite well with French.

Rumyantsev's faction lost the struggle on policy. Alexander I became the Tsar of the Holy Alliance, negotiated at Vienna with Metternich and Castlereagh, by Venetian- and British-pedigreed diplomats in the Russian service: Giovanni Capodistria, Napoleon's cousin Pozzo di Borgo, Count Nesselrode, and that same Count Razumovsky. (Razumovsky, who opposed the study of Greek, was notorious for his inability to speak even Russian well.)

Especially after the murder, in 1837, of Tsarskoye Selo graduate Aleksandr Pushkin, the great poet who strove to make the Russian language capable of expressing universal ideas, Russian culture plunged into a relative dark age.

But it was impossible to expunge the knowledge that had been gained about the drawbacks of British economics. Pushkin's novel in verse, *Yevgeni Onegin*, showed how this was common knowledge, when the poet mocked his phony hero, Onegin, like this:

*Branil Gomera, Feokrita,  
Zato chital Adama Smita  
I byl gluboki ekonom.*

He cursed out Homer and Theocrites,  
But read Adam Smith instead,  
And was a profound economist.

Even during the era of the Holy Alliance, various Russian officials were protesting that without industrialization, Russia would suffer from its excessive dependency on Europe. For forty years after the Congress of Vienna, including the 1825-55 reign of Nicholas I, Russia kept a stiff protective tariff. Absent agrarian reform and a thorough industrial program, however, the tariff by itself would not guarantee strong national development. On the contrary, Russia under Nicholas plunged deep into debt to finance its "gendarme" military machine. The House of Stieglitz, court bankers to the tsar, arranged millions of rubles in loans from Baring, Hope and other London and Amsterdam banks, to finance the Russian military. British banks also had financial control of the first Russian railroad, built from St. Petersburg to Moscow in the 1840s, although Maj. G.W. Whistler, formerly of the U.S. Army Corps of Engineers, was the project's master engineer.

The Crimean War (1853-56) left Russia bankrupt. This violent falling out with England also opened the door for a resuscitation of Russia's American connection.

## **Rapid industrialization**

By the late nineteenth century, the American System was the cornerstone of economic development in the U.S. (increasingly under attack after the assassination of President Abraham Lincoln), Japan, and Russia. In Germany and

France, political factions were seeking to bring their nations into accord with such policies. There was a potential alliance of industrial republics, stretching from the Atlantic to the Pacific, which would have destroyed the British Empire's trade and financial hegemony. The efforts to disrupt that potential, by the British and their allies on the continent, marked the road to World War I.

In Russia, measures begun during the 1860s alliance between Tsar Alexander II and President Lincoln helped to save the United States from dissolution in the American Civil War (the tsar sent the Russian Navy to protect American ports from the British), and placed at the disposal of Russian entrepreneurs the most advanced scientific and technological know-how, and economic science. In the decades that followed, a small but powerful faction in the Russian Ministry of Finance and among the country's entrepreneurs fought to copy the American System, against bitter opposition from the Russian landed nobility, backed by British and other international financiers.

As a result, Russia's industrial development in the 1890s was among the most rapid in the world.

Tsar Alexander II's abolition of serfdom in 1861 was the first step to prepare for Russia's large-scale industrialization. His regime then launched an overall economic plan, including financial reorganization, agronomy research, development of the petrochemicals industry, and building of a nationwide transportation and communications infrastructure centered on railroads.

At that time, over 95% of the population was illiterate. There was virtually no skilled labor. The landed nobility clung to the most primitive forms of cultivation, making Russian agriculture among the least productive in the world. The nobility forced onerous conditions for the abolition of serfdom, namely the payment of "redemption" fees by the peasants in compensation to their former masters.

Mikhail A. Reutern, a student of Henry Carey's economics, which was promoted in St. Petersburg by U.S. Ambassador to Russia Cassius Clay, became minister of finance in 1862. He placed Russia on a unified budget and a central bank was created to control all currency and revenue. Prior to this, there had been no uniform tax levy system. Reutern also established the currency, which had been wrecked after the Crimean War. Reutern emphasized that "without railways and mechanical industries, Russia cannot be considered secure in her boundaries."

The foremost statesmen who promoted the American System in Russia were the scientist Dmitri Ivanovich Mendeleev (see accompanying article), otherwise known for his development of the Periodic Law in chemistry, and his friend and ally, Count Sergei Witte, Russian Finance Minister from 1892 to 1903. Their polemics in connection with the adoption of the protective tariff of 1891, and other writings, expound the economic ideas of Hamilton and List, as they were fought for in Russia at the turn of the century.