

1. Leibniz's plan for the American System

by Jonathan Tennenbaum

Contrary to the myths which fill most history books these days, the institution of the *modern industrial nation-state*—as exemplified by the United States from the nineteenth century up into the 1960s—did not emerge by itself in some spontaneous fashion, but was deliberately *created* by groups of individuals who acted according to precisely conceived policies and principles. In fact, the founding of what was to become the world's most powerful industrial nation-state, by Benjamin Franklin, Alexander Hamilton, and others, was based on a kind of *plan*, a conceptual *blueprint* which had been provided in advance. Although the fundamental principles involved can be traced back to the fifteenth century Renaissance, the immediate initiator and architect of the conspiracy which produced the United States and the "American System" of political economy, was without doubt the great German statesman, philosopher and scientist Gottfried Wilhelm Leibniz (1646-1716).

Leibniz's efforts extended far beyond the American colonies or any other particular region of the world of his day. His was a Grand Design to defeat the forces of oligarchism and barbarism worldwide, and to uplift humanity as a whole, by fostering everywhere the development of sovereign nation-states based on scientific and technological progress. To realize this Grand Design, Leibniz organized and directed what can only be described as one of the greatest worldwide conspiracies of all time, extending from China and Russia, throughout Europe, and into the New World.

Leibniz's national academies

The kernel of Leibniz's "blueprint" for the American System is contained in a series of memoranda spanning the period from 1671 to 1716, where he proposed the establishment of what he called "Societies" or "Academies" in various nations. As the following quotes make clear, Leibniz meant something entirely different from mere scholarly associations, of the sort the term "academic" would tend to suggest today. Leibniz intended the "Society" in each country to be the locomotive and organizing center of a rapidly-developing *national economy*, in direct opposition to the ruinous "free trade" policies of the Venetian-Anglo-Dutch oligarchy. Already in his early memorandum "Economy and Society," written in 1671, Leibniz is explicit about his political intentions:

"Thanks to these academies (or societies), which are institutions of research and of development, with their own manufactures and commercial companies directly attached, the

monopolies will be eliminated, because the academy will always offer a just, low price for merchandise; and quite often, in fact, these will become even less expensive, as new manufacturing activities are set up, where they do not presently exist. Notably the trading monopolies will be eliminated . . . because the wealth of the traders is much too great, and the misery of the workers far too profound—a situation seen particularly in Holland, where the method of the merchants is to maintain the workers in a state of poverty and menial labor. . . . Trade cannot transfer anything which has not before been produced by manufacturing. And why must so many people be reduced to such poverty, for the sake of so few? The Society will therefore have as its goal to liberate the worker from his misery."

In stark contrast to the bestial immorality preached by Hobbes, John Locke, and later Adam Smith—apologists of the British "free market" doctrine of the "law of the jungle"—Leibniz based his plan for the "Society" explicitly on the concept of man as "imago viva Dei," whose creative powers permit him to participate, in the image of the Creator, in the ongoing development of the Universe. In a beautiful memorandum setting forth the moral purpose of the "Society," Leibniz puts forward his notion of "the pursuit of happiness" which will later inspire the framers of the U.S. Constitution:

"[To] not only seek the majesty of God in Nature, but to imitate it; and therefore to honor Him not only in praises and prayers, or with words and thoughts, but also by Good Works; not only to contemplate the good He has done, but to devote and offer oneself to him as an *instrument*, and thereby to accomplish more good to the world and especially to the human race, since Man is the best in all visible Creation, in which we have the power to work. . . .

"To apply the discovered wonders of Nature and Art to medicine, to mechanics, to the convenience of life, to provide the materials for work and nourishment to the poor, to preserve people from idleness and corruption; to provide justice, rewards and punishments, to insure public order, to promote the good of the Fatherland, to eliminate times of scarcity, pestilence and wars; to do everything we ought and which is in our power, to spread the True Religion and the fear of God, and indeed to provide for the *happiness of the human race*, endeavoring in our own domain to imitate what God has done in the universe as a whole."

It is in terms of this higher goal that Leibniz outlines the principles of national economy, which Alexander Hamilton will later set forth as the official economic policy of the United States, in the latter's 1791 "Report on Manufactures." What Leibniz outlines, in concentrated form, is the kernel of the "American System" policy for rapid industrial development, through the "dirigistic" promotion and protection of domestic manufactures, science and education. Leibniz clearly identifies the key role of steam power in increasing the productive powers of labor—a development he took a leading role in initiating and promoting. In one of his memoranda, written

around 1671, Leibniz lays down the economic policies of the "Society" as follows:

From 'ideas,' to national industry

"To Expand and Improve the Arts and Sciences.

"To preserve useful ideas, inventions and experiments . . . and to verify them with the help of models and tests; or if verified, to exploit them on a larger scale, than a private person could do.

"To combine Theories and Experiments, to remedy the defects of the one with the other.

"By putting together various experiments and inventions, to render useful that which is isolated and incomplete. . . .

"To provide poor students the possibility to support themselves in order to continue their studies, and to earn their bread, for their own advantage and for the benefit of the Society. . . .

"To improve the Schools. Therein to introduce curricula, correctness and standards. To educate the youth not only in Poetry, Logic and Scholastic Philosophy, but also in Realia: History, Mathematics, Geography, Physics, Morals and Civil Affairs.

"To set up Museums of Arts and Rarities, of Weaponry and Anatomy, unknown Medicines, Animals, and a Theater of Nature and the Arts, in order to provide lively Impressions and Knowledge of all things. . . .

"To Improve Manufactures

"With advantages and instruments to make work easier. To have constant fire and motion [the steam engine!—JBT] as the foundation of all mechanical action, Making use of all new ideas and concepts, Testing our own and those of others, And therefore not to drag behind.

"To bring into the country, and develop the existing stock of: mills, lathes, glass grinding and polishing, all kinds of machines and clockworks, water works, shipping, painting and all figurative arts, textile mills, glass-blowing and forming, dyeing factories, medicinal arts, steel and other metallurgical production, chemistry. . . ; to make better use of the mines, and in general to help the laboring people with many other useful inventions: those already existing, those we can obtain, and those we may hope to obtain. . . .

"To Improve Trade

"To bring food into the country, To keep people in the country, To bring more people in, To create manufactures here, And draw in commerce, To gradually eliminate undesirable foreign manufactures, without banning them. . . . To never let raw materials leave our country unprocessed, To process foreign raw materials in our country. . . .

"To set up warehouses and shops, supplying ourselves in good time with all kinds of articles, never to be lacking in necessary things nor to wait for an emergency, and thereby to prevent famine and increases in price. . . .

"To set up a secure bank for investors to invest their monies. According to opportunities, to form new companies, and

to acquire stocks in existing ones. . . .

"To obtain more from lended monnies, than the rate of interest. . . .

"To grant Priviledges inside the country for everything, that excludes foreign priviledges, and this without making anything more expensive.

"To obtain Priviledges outside the country for all activities and manufactures that are new, and have not yet been realized or produced.

"It is therefore to be achieved, that we be able to produce everything better here, than elsewhere, in such a way that we can exclude them [foreign manufactures] without Priviledges, but by the favorable cost of all manufactures, provided only that the effort be undertaken, to produce them more economically, than [abroad].

"To conserve and expand the Fund by a continuous Circulation, and to undertake all enterprises that are pleasing to God, useful to the Fatherland, and bringing honor to the Founders, to ever greater and higher ends."

In these brief lines we can already see the kernel of the monetary and credit policies developed by Franklin, Hamilton and others, which had as their goal and criterion the expansion of the real wealth of society through scientific and technological progress.

2. The Franklin circle starts modern England

by Anton Chaitkin

Editor's note: All the remaining sections of this Feature are also by Anton Chaitkin.

Benjamin Franklin sailed to England in the spring of 1757, the official political representative of the British colony of Pennsylvania. It was 19 years before America would declare its independence from the British Crown.

When Franklin took up residence there in July 1757, Great Britain was very backward. There were virtually no roads between cities, no canals, and no railroads. Iron, cloth, or grain could only be shipped overland in the saddlebags of a packhorse, and this only when there was relatively little mud. All manufacturing took place on a small scale by local operatives or in rural homes. London was wealthy from world trade and finance, but it was the capital of an undeveloped country.

The project to industrialize Britain, begun shortly after Dr. Franklin's arrival, was initiated by a small circle of his collaborators, and was carried to fruition under his leadership.

It was then the last few years of the reign of King George II. The king's grandmother, Electress Sophie of the German