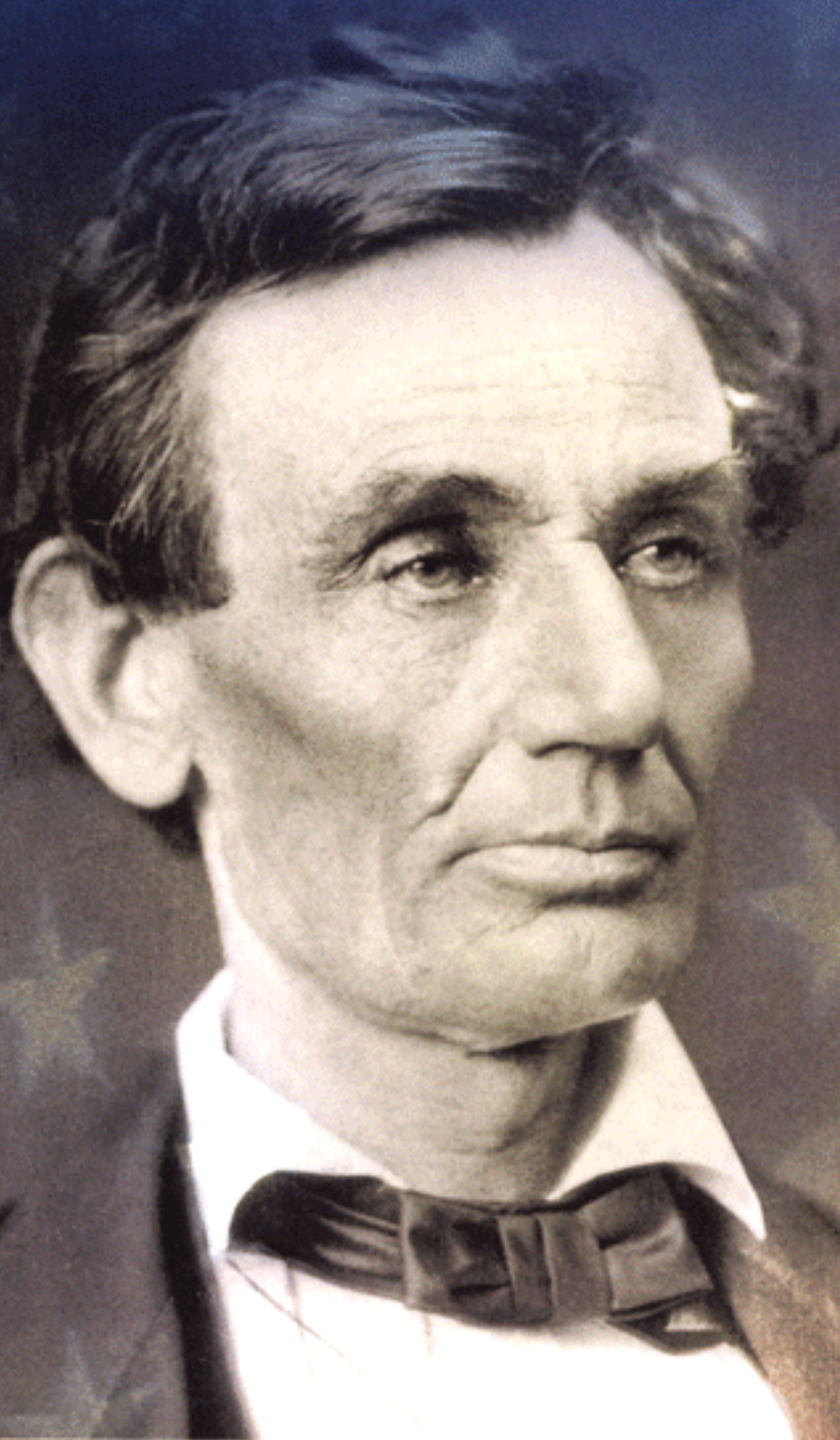


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ABRAHAM LINCOLN'S BICENTENNIAL

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The fruits of labor

For all men, “an open field and a fair chance”



By **Lewis E. Lehrman**,
advisor to the Abraham
Lincoln Bicentennial
Commission and author
of *Lincoln at Peoria: The
Turning Point*

“**T**he ant, who has toiled and dragged a crumb to his nest, will furiously defend the fruit of his labor against whatever robber assails him.” This parable expressed Abraham Lincoln’s belief in the dignity of human labor. The right to the fruit of one’s labor was so fundamental that “all feel and understand it, even down to brutes and creeping insects,” wrote Lincoln. The inalienable right to liberty, including the liberty to the fruit of one’s labor, was a right announced in the Declaration of Independence.

For Lincoln, according to historian Gabor Boritt, the “right to rise” was “the central idea of the United States.” Lincoln said: “The prudent, penniless beginner in the world, labors for wages awhile, saves a surplus with which to buy tools or land, for himself; then labors on his own account another while, and at length hires another new beginner to help him. This...is...the just, and generous, and prosperous system, which opens the way to all – gives hope to all, and energy, and progress, and improvement of condition to all.”

Lincoln himself had risen from poverty in Kentucky, Indiana, and Illinois. As a farm hand, axeman, craftsman, militia captain, shop clerk and owner, Lincoln learned the liberating power of honest work. He did not particularly like farm work, but he prided himself on his axe skills, even into his presidency. Like America’s first president, America’s 16th president also received an economic education as a surveyor, whereby he witnessed the importance of land titles to secure the fruit of one’s labor.

Lincoln, opposing many of his contemporaries, believed that the principles enunciated in the Declara-

tion of Independence applied to both black and white Americans. The declaration had declared that “all men are created equal,” and Lincoln embraced this founding principle. During the first two decades of his political life his activities emphasized economic and free labor policies. In 1854 Lincoln shifted his focus to fighting the extension of slavery (unfree labor).

There was both a political and a strong moral component to Lincoln’s policy: “Slavery is founded in the selfishness of man’s nature – opposition to it is [in] his love of justice. These principles are an eternal antagonism; and when brought into collision so fiercely, as slavery extension brings them, shocks, and throes, and convulsions must ceaselessly follow,” said Lincoln at

“**Slavery is founded in the selfishness of man’s nature – opposition to it is [in] his love of justice**”



“
An open field
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”

Peoria, Illinois, on October 16, 1854. These were hard words in the free state of Illinois, which also had a widespread culture of racism.

For Lincoln, the Missouri Compromise of 1820 had established a fence to block the northward and westward expansion of slavery. The Kansas-Nebraska Act of 1854 destroyed the fence, repealed the Missouri Compromise line, opened the territory to slavery, and reversed what Lincoln argued was the Founders' intention to put slavery on the "course of ultimate extinction." Lincoln contended: "Repeal the Missouri compromise – repeal all compromises – repeal the Declaration of Independence – repeal all past history, you still cannot repeal human nature. It still will be the abundance of man's heart, that slavery extension is wrong; and out of the abundance of his heart, his mouth will continue to speak."

For the last decade of his life, Lincoln would continue to emphasize the immorality of slavery and the honor of free labor: "I want every man to have the chance – and I believe a black man is entitled to it," Lincoln told a New Haven audience in March 1860. In the wake of his remarkable Cooper Union speech of February, Lincoln spoke of his economic beliefs as he toured New England. A black American, too, should be able to "look forward and hope to be a

hired laborer this year and the next, work for himself afterward, and finally to hire men to work for him! That is the true system."

Slavery undermined the hope of the American System of free labor that Lincoln cherished – public works, a national bank system, and revenue-producing tariffs – a system popularized by Henry Clay, the great Whig leader from Kentucky, but also inspired by America's first Treasury secretary, Alexander Hamilton, three decades earlier. Lincoln's sense of the justice of the American System was obvious in his first announcement in 1832, at age 23, as a political candidate: "Time and experience have verified to a demonstration, the public utility of internal improvements. That the poorest and most thinly populated countries would be greatly benefited by the opening of good roads, and in the clearing of navigable streams within their limits, is what no person will deny." Eventually, that vision would lead to America's first transcontinental railroad.

Until death, Lincoln maintained his faith in the fundamental wisdom and beneficial results of free labor: "We made the experiment; and the fruit is before us. Look at it – think of it. Look at it, in its aggregate grandeur, of extent of country, and numbers of population – of ship, and steamboat, and rail[road]...." Himself an innovator, Lincoln had a strong interest in new technology. He was America's only president to file a patent on his own behalf.

Above all, Lincoln's economic philosophy meant that labor and capital should work together rather than in conflict. In his policy for prosperity, he held the dignity of human labor to be primary. In his 1861 Annual Message to Congress, Lincoln wrote: "Labor is prior to, and independent of, capital. Capital is only the fruit of labor, and could never have existed if labor had not first existed." In 1864, Lincoln spelled out his underlying economic goal to the men of an Ohio regiment: "An open field and a fair chance for your industry, enterprise and intelligence; that you may all have equal privileges in the race of life."

Equality of opportunity is Lincoln's economic legacy. As he said: "Work, work, work is the main thing." ■

Freed slaves harvesting
peanuts, Virginia



Paying the price

Everyone, rich and poor, shouldered the cost of war

By **Robert D. Hormats**, vice chairman of Goldman Sachs (International) and author of *The Price of Liberty: Paying for America's Wars from the Revolution to the War on Terror*

Abraham Lincoln would have been the first to admit that he knew little about economic and financial matters. As president, when asked about them, he frequently suggested that the questioner “go to Secretary Chase [Salmon P. Chase, his Treasury secretary], he is managing the finances.” Yet the president could not escape the need to address the enormous challenge his administration faced in paying for the Civil War – by far the most expensive conflict in which the country had engaged to that point.

Lincoln, Chase, and their Republican colleagues in the Congress had to raise enormous sums of money in a nation that, since the War of 1812, had relied almost exclusively on tariffs to supply the financial needs of the federal government. Americans were almost pathologically opposed to any other form of taxation. After all, the Revolution was fought in part against heavy taxation by the British Crown.

Americans were also unaccustomed to their government borrowing a lot of money. During the more than four decades since the War of 1812, except for periods of economic depression brought on by what were called “panics” in the financial system, the government had consistently run surpluses. President Andrew Jackson had actually paid off the entire government debt in the 1830s.



Salmon P. Chase, Treasury secretary (1808-1873)

The Lincoln Administration faced an additional obstacle in the lack of credible financial institutions in the country. The United States had no central bank and no national banking system. Finances were conducted largely through state-chartered banks, about 1,600 of them in all, most of which were poorly run and inadequately regulated. In addition, the United States had no national currency; transactions were conducted using gold, silver and copper coins, and a bewildering array of bank notes, some of which were issued by legitimate banks, others by banks that had long been closed, and still others by counterfeiters.

In the mid-1800s there was no income or corporate tax, and no capacity to collect internal taxes (only tariffs through customs houses). And whereas the country had received large sums of foreign capital through much of the 1840s and 1850s – as European investors snapped up

railway stocks and bonds, bank stocks, and state and federal bonds – such sales were sharply reduced at the advent of the Civil War. America's internal struggle led many overseas investors to believe that the country would fragment and, later, to question when the heavy Union debt could be repaid.

For Lincoln, dramatically increasing the financial powers of the federal government was an imperative



himself out of his sick bed and asserted his command authority. Lincoln did not press the issue. Assured by his commanding general that he did have a plan of operations, Lincoln stepped back and resumed his role as observer and supporter.

* * * * *

It was an agony for Lincoln each time he learned of another Union disappointment in the field. Each spring, a different Union Army commander led a well-equipped and hopeful army southward – to Bull Run (twice), to the Virginia Peninsula, to Fredericksburg, and to Chancellorsville – only to report at first a hopeful beginning, then a reverse, and finally a retreat. “My God, my God,” Lincoln cried out on hearing the news from Chancellorsville, “what will the country say?” Even when the Army won a victory, as at Gettysburg, the commanding general, in this case George Gordon Meade, seemed reluctant to follow it up and seek to end the war. “What does it mean, Mr. Welles?” Lincoln asked Secretary of the Navy Gideon Welles, when he learned that Robert E. Lee’s army, wounded but intact, had escaped back across the Potomac River into Virginia after Gettysburg. “Great God, what does it mean?”

Lincoln had a clear and consistent strategic concept. The North, after all, had overwhelming numerical superiority. He saw that if all the Union armies, east and west, moved forward at the same time, it would compel the Confederates to choose which of the several offensives to contest. If the rebels spread out their forces in an effort to defend everywhere, they would be overwhelmed; if they concentrated their forces on one of the Union thrusts, that force could halt while the other Union armies advanced. But Union generals had difficulty getting their minds around this kind of continental strategy.

In the end, Lincoln found his general in Ulysses

S. Grant who, almost uniquely among the Union’s army commanders, listened to the president when he diffidently summarized his vision of a simultaneous advance against the enemy. It was a view Grant shared in any case, and when the spring campaign began in May of 1864, five Union armies moved not only the same week, but the same day. It worked. Confederate forces were overmatched in trying to defend everywhere at once. Lee bloodied the Army of the Potomac badly in the Wilderness and at Spotsylvania, though in the end this only delayed rather than defeated Grant. And while this was happening, other Union armies moved toward Petersburg south of Richmond, through the Valley of the Shenandoah, and, most important, toward Atlanta, which William T. Sherman captured in

early September. Instead of claiming credit for the success of what, after all, was his own strategic plan, Lincoln gave all the credit to Grant and Sherman.

If Lincoln was patient with his generals (too patient, some thought), patience was a key element of his entire administration. Though he is rightly remembered for his revolutionary – even radical – decisions that led to conscription, a naval blockade, paper money, even eman-

ipation, Lincoln never got ahead of what he knew public opinion would support. He was willing to let events determine not only the timing of his decisions, but sometimes the decisions themselves. This is what he meant when he remarked late in the war: “I claim not to have controlled events, but confess plainly that events have controlled me.” From his consideration of what to do about Fort Sumter to the management of his generals and his admirals to his program for Reconstruction, Lincoln adopted a wait-and-see attitude in responding to the multiple and various crises of his unprecedented administration. In the end, his patience and forbearance were key elements in the Union victory. ■



General Ulysses S. Grant

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