

The American System:

***Henry W. Corbett and Howard V. Morgan
of Portland, Oregon***

by Patrick Ruckert

February 19, 2013

Contents

Introduction

Two Conflicting Ideas on the Nature of Man

Part I: The American System

The Preamble to the United States Constitution

The First, Devastating, Attack on the American System

Abraham Lincoln and Henry Corbett

Second Inaugural Address of Abraham Lincoln

Part II. A Biography of Henry W. Corbett is a History of Portland

Creating the Institutions of Civilization

More on Corbett and Lincoln

Corbett in the U.S. Senate

Corbett's Mistake

A Final Word on Henry Corbett

Part III. Franklin D. Roosevelt Restores the American System

Part IV. The Post-FDR Era and the Last of the American System Presidents--

John F. Kennedy

Part V. Howard V. Morgan: One of the Last Men Standing

A Summary of the Life of Howard Morgan

A Remarkable Political Career

The Fight for Public Power: Take Over the Congress!

**The Commissioner: The Oregon Public Utility Commission and the Federal
Power Commission**

Some Thoughts on All This

1966 and 1968: Morgan Acts for Humanity and the Nation

And, At the Age of 90

A Final Word on Howard Morgan

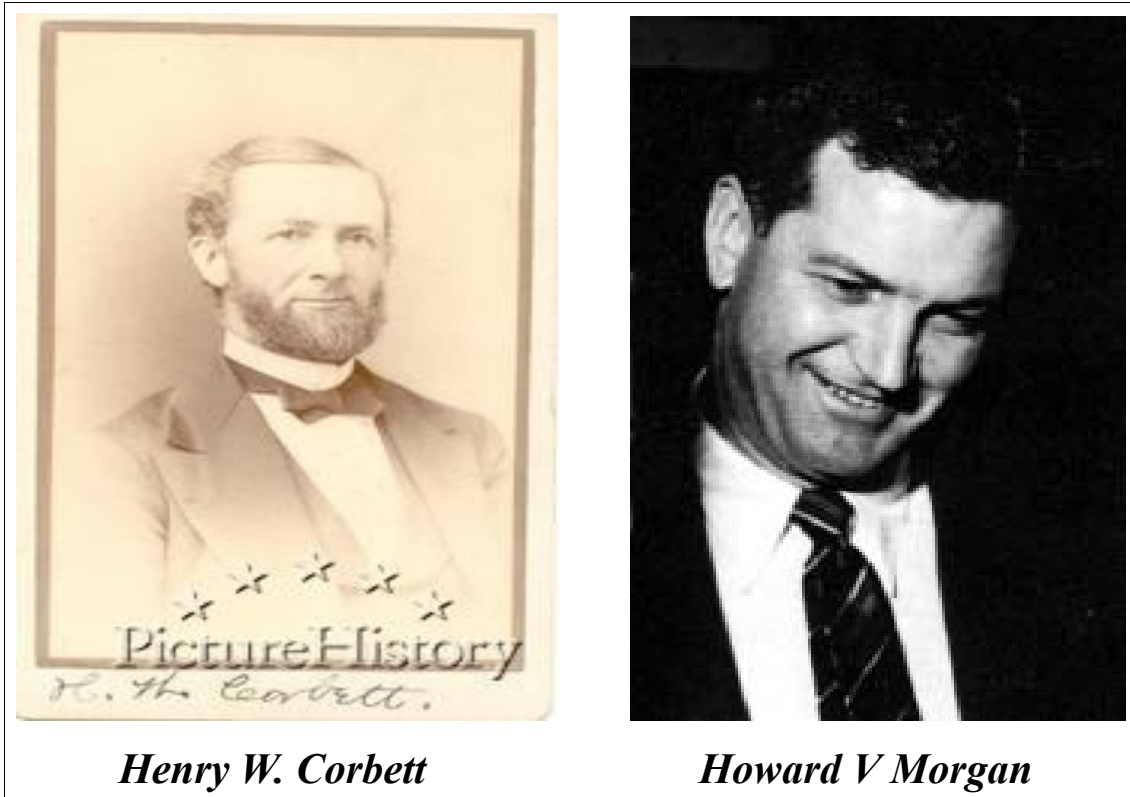
Part VI. The American System Today: The Challenge and Prospects

Footnotes

Appendixes I, II, III, IV

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Henry W. Corbett

Howard V Morgan

Introduction

This report came into being as a result of a personal event in my life that occurred 50 years ago. The character of that event is not really of any relevance to the topic of this article, except that the recalling of that event set off my research, which has been a momentary and enjoyable side track from my current research into the history of the water projects of California.

The title emphasizes a subject --The American System-- of which most Americans today have virtually no knowledge. The more narrow subject is Henry J. Corbett and Howard V. Morgan. This approach, I believe, will allow a compact but clear development of the principle ideas and history of The American System, in the context of the lives of these two men. Without delving into its deeper roots in the European Renaissance itself, I would like to limit this piece to just highlighting some of the critical principles, personalities and battles of The American System within the United States, and how this is

reflected in the unified political philosophy and careers of Henry W. Corbett and Howard V. Morgan. Their lives, from the birth of Corbett in 1827, until the death of Morgan in 2012, span almost the entire history of the United States, and thus their histories are a history of the nation.

Since Corbett was first a member of the Whig Party, then a Lincoln Republican, and Morgan, 50 years after Corbett's death, was a Franklin Roosevelt Democrat, one may ask, how can these two men of two different political parties have the same political philosophy? The answer to that question, I hope, shall be demonstrated in the course of this paper. But, to put to rest the wrong answer now, it is not because Morgan married a great granddaughter of Corbett.

First, a brief biographical sketch of the two men is in order here. The more substantial report on their lives and activity shall be developed in the course of this paper. Since the readily available sources available to me for studying Corbett, are, unfortunately, much greater than those for Morgan, that fact is reflected in this report.

Henry W. Corbett (1827-1903) arrived in Portland, Oregon in 1851, when Portland's population was only 800 people. Over the next 50 years he was a central figure in the development and growth of the city. He was a member of the Whig Party and then joined the newly formed Republican Party, becoming the Chairman of the party's State Central Committee. He served as City Treasurer and on the City Council of Portland. From the founding of businesses, banks, stage lines, railroads and river transport companies, to his central role in creating the institutions that made the city civilized, to his one term in the U.S. Senate, he must be considered to be one of the founders of Portland.

Howard V. Morgan (1914-2012) was born in Tillamook and grew up in Portland. His grandfather arrived in Oregon just a year after the arrival of Henry Corbett. He graduated from Reed College, was a Naval officer during World War II, and served in the State Legislature. He married Rosina Corbett, the great granddaughter of Henry Corbett, and the daughter of Harry Corbett, twice the acting Republican Governor of Oregon and President of the Oregon Senate. For four years, beginning in 1952, Morgan was the chairman of the Oregon State Democratic Party. He served as Oregon State Public Utility Commissioner, and was appointed by President John F. Kennedy to the Federal Power Commission. In 1966 he ran for the Democratic nomination for the U.S. Senate, the first state-wide campaign in the country focused on the single issue of opposition to the Vietnam War. In his later years he was an active proponent of maintaining government regulation of public utilities.

Both men believed in, and fought for, ideas and policies that dominated the American landscape when they were younger, but which, as they grew older, were overtaken and virtually obliterated, even as they, among others, fought a rear-guard battle. I hope that assertion is demonstrated in the course of this report.

It is worth reporting, here, now, the central, apparent, irony that ties these two men together. In 1859-60, Henry Corbett, the Chairman of the Oregon State Republican Party Central Committee, oversaw the dramatic shift in Oregon, from being a Democratic Party dominated state, to one run by Republicans. These were the Lincoln Republicans. Ninety years later, Howard Morgan, as the Chairman of the Oregon State Democratic Party, a state dominated by the Republican Party, engineered the takeover of the State of Oregon by the Democratic Party. This was the Democratic Party of Franklin D. Roosevelt. The irony, I'm afraid, is only in the appearance. The substance of these two, seemingly conflicting, developments gets at the heart of our report.

Two Conflicting Ideas on the Nature of Man

As far back as we can go in human history there have been two conflicting views on the nature of man. What has dominated most cultures, most of the time, is what is called an oligarchical culture, which, dominated by a small ruling elite, viewed man as not much more than an animal; thus has treated the majority of the human race as such, to be enslaved, exploited or simply murdered. The oligarchical outlook has historically been manifested as empires-- like the Persian, Roman, Venetian or British empires. Economically, empires are “monetarist systems,” in which value is measured by money, not by man's development.

The other idea is to see man as a unique creature in our universe; a creative power which, unlike animals, can and does use that creative power to do what no animal species can ever do-- deliberately and progressively transform himself. In other words, man is a self-conscious, self-evolving species. The greatest scientists, artists and statesmen have more or less recognized that principle through history. Without the contributions of that, unfortunately, small minority of humans, man would still be in a state of what we call barbarism. That creative power of man is located in the socialized individual and is demonstrated by the individual mind's ability to create something new-- something that never before existed and could not be derived from a simple extension of that which already exists. That quality is most sharply expressed in scientific and classical artistic discovery. Human progress is defined by the continuous improvement in the conditions of life, education, culture, and an increasing self-identity within the population that sees each generation being a necessary moment in a trans-generational process, where our real humanity as creative beings emerges more and more. Man is the only creature that can see and create the future.

Political history reflects this division. Plato, 2400 years ago, was one of the earliest to propose what we know today as a republic-- a form of government that reflects a commitment to representative government and to the general welfare of all the people. Nicholas of Cusa, in the 15th Century, in his works, made the idea of representative government dedicated to the general welfare a central idea for why the best people must get away from Europe-- away from the tyranny of oligarchism-- and settle on a new continent in order to build, from scratch, a society that respected the true nature of man. Such was begun a few decades following his death by Columbus' voyages. One of the best conceptual presentations of this idea is the lecture by Friedrich Schiller, the German “poet of freedom,” in his lecture at Jena University in 1789, “*What Is, and to What End do We Study, Universal History?*” (1) Schiller's works were banned twice in Germany: During the 1820s reaction and by the Hitler regime.

I. The American System

Presidents who represented the policies of the American System are limited to: George Washington, John Quincy Adams, Abraham Lincoln, William McKinley, Franklin Roosevelt and John Kennedy. The remaining Presidents were either traitors to that policy or non-entities. One other key individual must be included, though he was never the President. That is Alexander Hamilton, Washington's Secretary of Treasury, a major contributor to the writing of the Constitution and the founder of the institutions of the American System, including the establishment of the First National Bank of the United States. Of note, among these men, Hamilton, Lincoln, McKinley and Kennedy were all assassinated.

It was only with the creation of the United States, that, for the first time in human history, instituted by

law, that the principle of representative government was established, along with the idea that the general welfare of all the people was the purpose of government. One need only to seriously study the Declaration of Independence and the United States Constitution, from the above standpoint, to discover the beauty of what was brought into being with the American Revolution.

It is not my intention here to write a treatise on those documents. In fact, there is only one section from the Constitution that I shall quote, and that is The Preamble, which states the purpose of the Constitution, and is the idea from which all the succeeding articles and sections of that document must be interpreted and judged. Now, that flies in the face of most so-called Constitutional scholars and lawyers today, not to speak of most politicians. That is their problem-- and I mean that in both readings of that phrase.

The Preamble to the United States Constitution

“We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.”

The second phrase of the Preamble, which defines the mission of the nation and its purpose, with the words, “in Order to form a more perfect Union,” recognizes that the idea of perfection is not a fixed thing, permanent and unchanging, but is a process of development. It is the idea, that what was established by this Constitution, provides the foundation for a continuous uplifting and improvement of the nation as a whole and its people. It is a promise to be fulfilled by the generations to come; it defines a future that is to be. Throughout American history, the best of its leaders understood this point; they gave the nation a mission and unified the country for a more or less great purpose. For example, President John F. Kennedy's Apollo Project to put a man on the Moon, defined just such a mission, not just for this nation, but for all humanity.

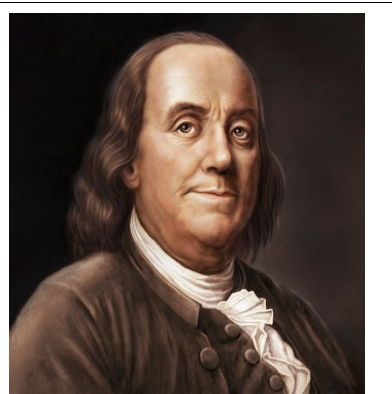
Otherwise, the Preamble establishes three principles: 1) That sovereignty resides in the whole People of the nation, not the states or any other lesser institution or group. 2) That the purpose of the government is to promote the general welfare of all the people, not some special interest or any region or section. 3) That the identity and purpose of our lives lies in the future, in our posterity-- in the generations to come. The United States was not created solely for those living then, or today, to do whatever they feel like doing; that freedom does not mean license. The founders understood that there is a purpose to individual life. Since each of us dies, then what is that purpose, since, when we die, all those pleasures we experienced and all the things we collected, then mean nothing? In order to make that mortal life have an immortal character means to live it for the future, for the well-being of future generations. It means to act today to create what future generations shall require, and to ensure that we give our children the conditions of life, education and culture that ensures that they are better than us in every way. (2)

The lives of both Corbett and Morgan were the living expressions of this idea. Did they know that from the same profound and deep philosophical understanding of those who wrote the Constitution? That question misses something very important. The ideas of the Declaration of Independence and the Constitution had created a resonance of those ideas in the American population, that survived even the most destructive leadership. Corbett and Morgan, in their lives work, reflected that resonance. (See Appendix I)

So how does a government accomplish such a purpose? It is not an abstract question, but must be located in the real conditions of, in this case, the young United States of America. In fact, the compromises written into the Constitution reflected that reality. The toleration of slavery, for example, in the Constitution, was the only way the nation could have maintained its unity and independence. But, even that compromise was hidden in the language of that document, which never mentions the word slavery. Slavery was understood to fall under the category of servitude, which included indentured servants and others. In fact, the thinking of many of the founders was that slavery was to be contained within the original slave states and that it would then, over time, fade away. Abraham Lincoln's writings and speeches, often quoted from the founding fathers stating that exact idea. Alexander Hamilton, and other founders, established and supported societies for the abolition of slavery.

Let me, here, throw in a real zinger. That the founding fathers intention was the development of the nation, and the promotion of the entire population's well being, is illustrated here, with this quotation from Benjamin Franklin, from a letter he wrote arguing for the adoption of a Constitution. This may upset some who have a fetish about private property, but then, let them try to claim that they are supporters of the Founding Fathers and the Constitution. Franklin and the others were clear, the Constitution's intent makes the government the supreme arbiter of how to run the economy of the nation, and that the *convention* of private property rights is not a principle, but has it limits. It is here that we find the foundations in the American System for creation of a government run credit system and regulating the financial institutions and utilities.

“All Property, indeed, except the Savage’s temporary Cabin, his Bow, his Matchcoat, and other little Acquisitions, absolutely necessary for his Subsistence, seems to me to be the Creature of public Convention. Hence the Public has the Right of Regulating Descents, and all other Conveyances of Property, and even of limiting the Quantity and the Uses of it. All the Property that is necessary to a Man, for the Conservation of the Individual and the Propagation of the Species, is his natural Right, which none can justly deprive him of: But all Property superfluous to such purposes is the Property of the Publick, who, by their Laws, have created it, and who may therefore by other Laws dispose of it, whenever the Welfare of the Publick shall demand such Disposition. He that does not like civil Society on these Terms, let him retire and live among Savages. He can have no right to the benefits of Society, who will not pay his Club towards the Support of it.” (3)



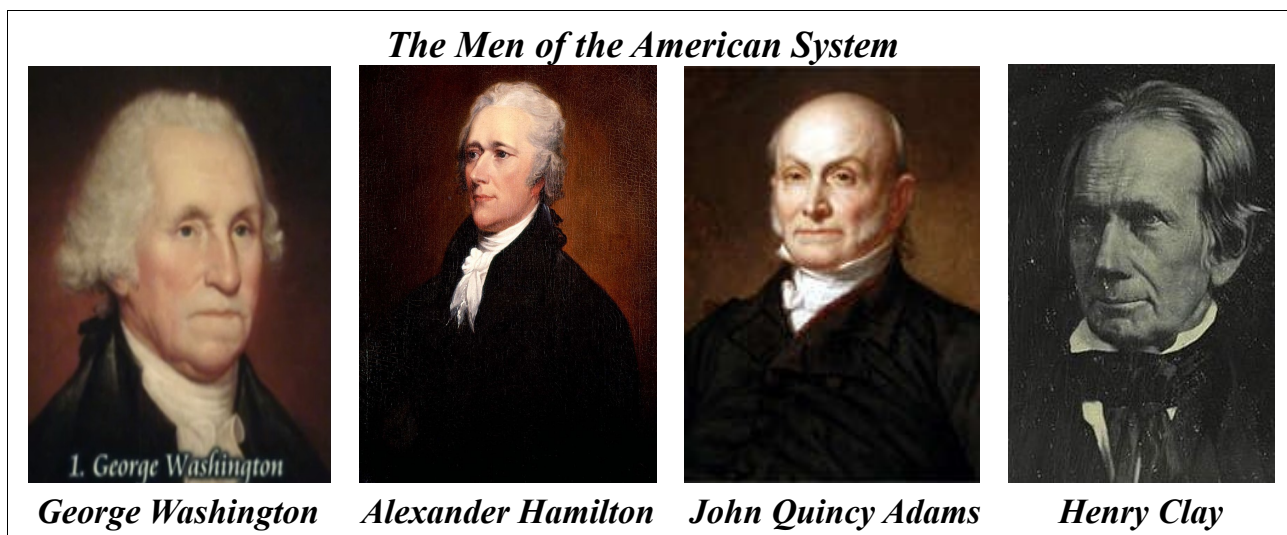
Benjamin Franklin

This is the same Benjamin Franklin, who, in the city of Philadelphia, created a public library, organized the city to install street lights and sewers, and of course, at that time, was the world's leading scientist.

In Portland, Oregon, in the second half of the 19th Century, Henry Corbett would play a similar role to Franklin's, by initiating projects, creating railroads, banks and stage companies, and generally benefiting the general welfare of the population, while building the city. Franklin is known as one of the Founding Fathers of the nation. Corbett is one of the Founding Fathers of Portland.

The second real condition of the young nation, was that it was bankrupt, in debt, and had no way to pay that debt. That led to the solution by a creative discovery, and action on that discovery, by especially George Washington and Alexander Hamilton. Their solution is what became known as The American System.

In summary, the American System rejected of the idea that money had any intrinsic value, but that the only real value was the creativity of the individuals of the nation, who in their cooperative development of the nation, create a future for themselves and posterity. In other words, it asserted the universal principle of the creative capability of man to transform and uplift himself, and thus to increase his power to transform nature for man's benefit. Hamilton, as Washington's Secretary of Treasury, in three reports submitted to Congress, established those ideas as the guidepost for the U.S. Economy. (4)

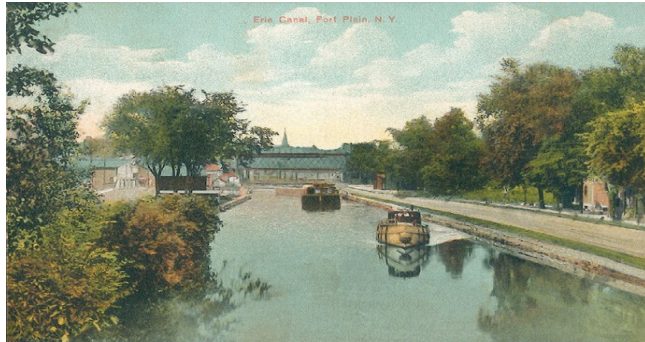


Yes, there was a hell of a fight over these ideas, which I will not develop here. In the end, though, the American System was established, which had as its anchor the First National Bank of the United States. This was not a bank like the Federal Reserve today, which is owned by private interests, despite its name. The National Bank of the United States was owned by the government and run by people appointed by the government, with its mission being to fund the development of the nation. It established what we call a credit system, in which the government, through the National Bank, would lend the money it created for specific purposes, which, upon their completion, would have created more than enough real physical wealth to not only pay back that credit, but to have increased the productive power of the entire economy, moving the nation to a new platform of capability to further even more development.

The charter of the First National Bank of the United States expired during the War of 1812, and in 1816 the Second National Bank of the United States was established. After 1822, under a new bank president, and with John Quincy Adams as President (1825-1829), the economy of the nation began its greatest development in the it's short, but, significant event-filled history. The bank was the engine of that development, lending to farmers, industry and for the development of the early infrastructure

of the nation, such as canals and the brand new technology called railroads. In addition, President Adams was the American leader who is most responsible for creating the United States as a continental Republic, from the Atlantic to the Pacific, during his eight years as Secretary of State and four years as President. (5)

Funded by the Second National Bank of the United States



Erie Canal, ca 1830s



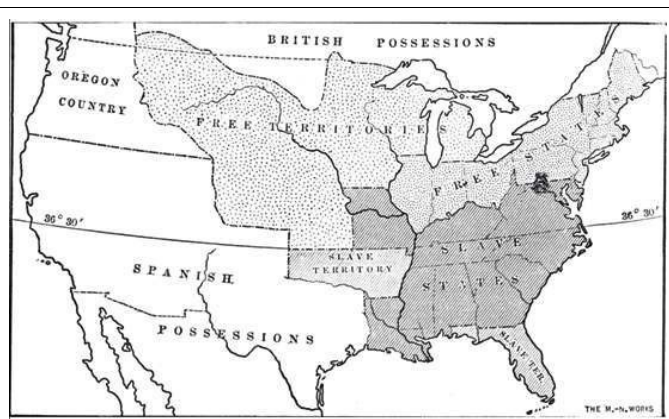
Railroad Building, ca 1830s

The First, Devastating, Attack on the American System

That progress came to an end with the Presidency of Andrew Jackson (1829-1837), who destroyed the National Bank, cut off the funding for homesteaders and industry, stopped the building of canals, roads and railroads, and killed or moved out the Native American population from the Southeast, opening up vast territories for the massive expansion of slavery. Jackson also created the partisan political party system that strips partisans of their morality, honesty and their commitment to the nation above all else. None of the previous Presidents, except Jefferson, had been “party men.” In fact, President John Quincy Adams refused to be a member of a party and was not elected by a party.



Andrew Jackson's Trail of Tears

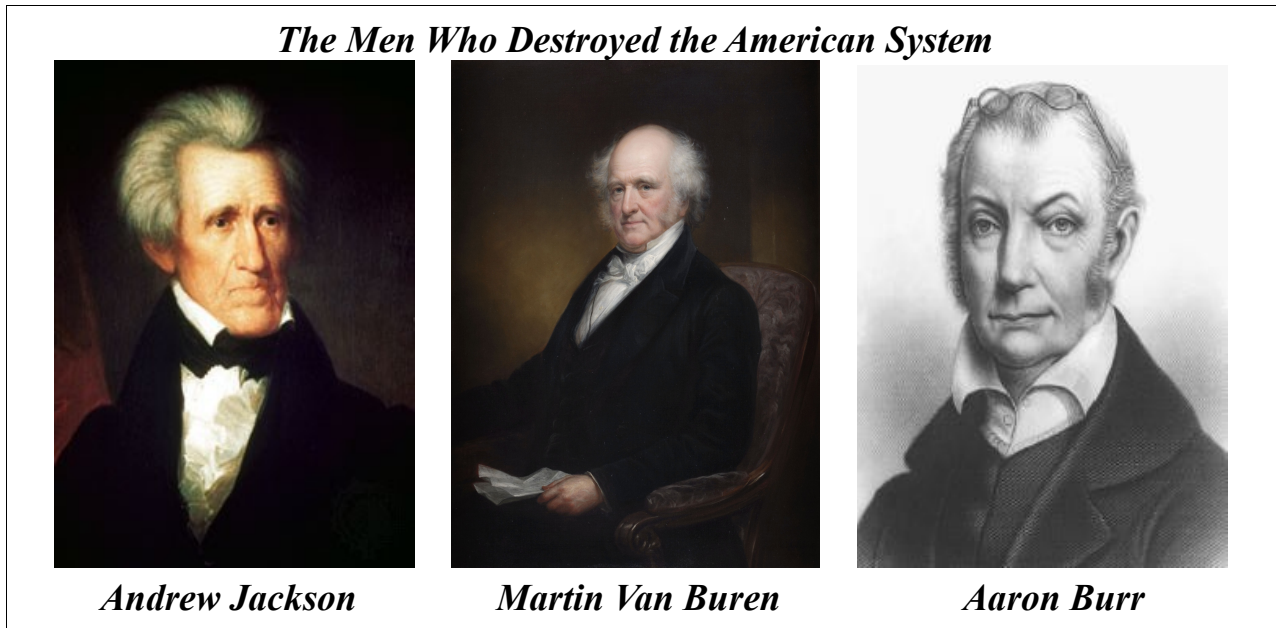


Andrew Jackson Expands Slavery into the Territories

Jackson was not unopposed. Men like John Quincy Adams and Henry Clay did all they could to stop

him. Adams, for example, in 1833, warned that the result of Jackson's policy would be a massive expansion of slavery that would end in a Civil War. That Civil War came 28 years later, caused by slavery. Adams also warned that the resulting destruction of the economy would unleash conflicts between the different sections of the nation, conflicts between owners and employees, and conflicts between individuals, as desperate people would turn to stealing from each other. Jackson's destruction of the National Bank also destroyed the national currency of the United States, and the nation would not have an actual national currency again until Abraham Lincoln's creation of the Green Backs in 1861. For almost 30 years, money in the nation consisted of private currencies issued by banks, making exchanges and trade not only impossibly difficult, but also feeding the corruption and criminality that dominated the nation in the period before the Civil War, and spilled over into the post-Civil War period.

As Adams had warned, the economy collapsed in 1837, just as Jackson left the Presidency. Jackson's actual controller, Martin Van Buren, then entered the Presidency and continued the same policy. Both Van Buren and Jackson were tools of the outright British agent and traitor to the nation, Aaron Burr. I shall not detail the evidence for that charge here, but refer the reader to a new publication, "*How Andrew Jackson Destroyed the United States.*" (6)



It was during the period of the 1830s that a young Abraham Lincoln, a Representative in the Legislature of the State of Illinois, became a fully committed proponent of the American System, and a follower of U.S. Congressman Henry Clay. Both Lincoln and Clay were members of the Whig Party, which had as its policy the American System. By the mid-1830s that system meant, in short, a National Bank, protective tariffs for American manufacturers, the selling of the public lands cheaply to homesteaders, and the building of what we call today infrastructure, but was, at that time, called "internal improvements." (7)

Congressman Henry Clay, from Kentucky, not only fought Andrew Jackson and Van Buren on the principles of the American System, but he kept the idea of that system alive by his speeches in Congress, his campaigns for the Presidency and articles in the press.

From the 1830s into the 1850s, as the economy and well-being of the people of the nation limped along, the slave holders increased their control of the Federal Government. By the 1850s, a series of developments, too numerous and complex to develop in this paper, had not only put the slave holders on the verge of making slavery legal throughout the entire country, but also had so discredited the Whig Party that a new party, the Republican, was founded. By the late 1850s, Abraham Lincoln had emerged as its key leader in the West, and won the party's nomination and the Presidential election in 1860.

Abraham Lincoln and Henry Corbett

What Lincoln Built



1869 link-up of Transcontinental Railroad

Kansas State Agricultural College



Homesteaders of the Aurora, OR colony, ca. 1860

Pictured are five musicians and a boy from the Aurora, Oregon Colony in the 1860s. Throughout the existence of the Colony and for many years thereafter, Aurora was noted for its fine bands and musicians.

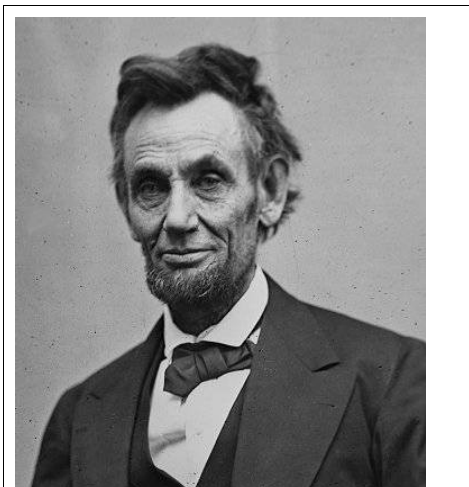
In Oregon, Henry Corbett, who had been a member of the Whig Party and a follower of Henry Clay, joined the new Republican Party and became a strong supporter of Abraham Lincoln.

During the Civil War Lincoln acted to restore the American System. He re-established the national currency by the issuance of Greenbacks, which became the driver for a renewed American System-style credit system. While in the midst of that war, Lincoln then unleashed the productive power of the nation, which was free now from the sabotage of the slave holders. Lincoln began gearing up the steel and other industries by raising tariffs against imports. He began building the Transcontinental Railroad, gave land grants to establish agricultural colleges and reopened the Federal lands to homesteaders. Lincoln knew that should the Confederacy succeed in destroying the nation, then the Confederacy's ally, the British Empire, would finally have accomplished what it could not accomplish by war, both in the Revolution and the War of 1812. Then, there would be no where on the planet that was not dominated by the predatory policies of "free trade," slavery and looting.

That the American System proponents understood that that system was in conflict with oligarchical systems, especially the British Empire, is clearly stated here in an excerpt from the book, *"The Harmony of Interests: Agricultural, Manufacturing & Commercial,"* by Henry C. Carey, published in 1851. (See Appendix II) Carey was the leading 19th Century American System economist and an adviser to President Abraham Lincoln. Carey and his father Mathew, who was sponsored by Benjamin Franklin 70 years earlier, were the leading publishers of all the American System economists, plus other patriots like James Fenimore Cooper, America's first real novelist. (8)

In Lincoln's Second Inaugural address on March 4, 1865, demonstrating that he was America's greatest statesman and its best poet, he presented his version of the Peace of Westphalia. The Peace of Westphalia was the treaty in 1648 that ended the 30-Years War in Europe. The relevant article in that treaty stipulated that there shall be no revenge taken by the signers, and that the parties to the treaty shall forgive and forget all past crimes that they committed against each other, and that they are to act in the future to the advantage of the other.

To do justice to Lincoln, and for inspiration to us the living, I include here the entire Second Inaugural, in which the beauty, poetry and passion for the future expressed by Lincoln is seldom, if ever, equaled by any other President.



Abraham Lincoln

Second Inaugural Address of Abraham Lincoln

Saturday, March 4, 1865

Fellow-Countrymen:

At this second appearing to take the oath of the Presidential office there is less occasion for an extended address than there was at the first. Then a statement somewhat in detail of a course to be pursued seemed fitting and proper. Now, at the expiration of four years, during which public declarations have been constantly called forth on every point and phase of the great contest which still absorbs the attention and engrosses the energies of the nation, little that is new could be presented. The progress of our arms, upon which all else chiefly depends, is as well known to the public as to myself, and it is, I trust, reasonably satisfactory and encouraging to all. With high hope for the future, no prediction in regard to it is ventured.

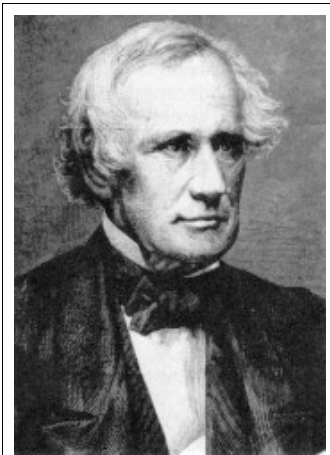
On the occasion corresponding to this four years ago all thoughts were anxiously directed to an impending civil war. All dreaded it, all sought to avert it. While the inaugural address was being delivered from this place, devoted altogether to saving the Union without war, insurgent agents were in the city seeking to destroy it without war--seeking to dissolve the Union and divide effects by negotiation. Both parties deprecated war, but one of them would make war rather than let the nation survive, and the other would accept war rather than let it perish, and the war came.

One-eighth of the whole population were colored slaves, not distributed generally over the Union, but localized in the southern part of it. These slaves constituted a peculiar and powerful interest. All knew that this interest was somehow the cause of the war. To strengthen, perpetuate, and extend this interest was the object for which the insurgents would rend the Union even by war, while the Government claimed no right to do more than to restrict the territorial enlargement of it. Neither party expected for the war the magnitude or the duration which it has already attained. Neither anticipated that the cause of the conflict might cease with or even before the conflict itself should cease. Each looked for an easier triumph, and a result less fundamental and astounding. Both read the same Bible and pray to the same God, and each invokes His aid against the other. It may seem strange that any men should dare to ask a just God's assistance in wringing their bread from the sweat of other men's faces, but let us judge not, that we be not judged. The prayers of both could not be answered. That of neither has been answered fully. The Almighty has His own purposes. "Woe unto the world because of offenses; for it must needs be that offenses come, but woe to that man by whom the offense cometh." If we shall suppose that American slavery is one of those offenses which, in the providence of God, must needs come, but which, having continued through His appointed time, He now wills to remove, and that He gives to both North and South this terrible war as the woe due to those by whom the offense came, shall we discern therein any departure from those divine attributes which the believers in a living God always ascribe to Him? Fondly do we hope, fervently do we pray, that this mighty scourge of war may speedily pass away. Yet, if God wills that it continue until all the wealth piled by the bondsman's two hundred and fifty years of unrequited toil shall be sunk, and until every drop of blood drawn with the lash shall be paid by another drawn with the sword, as was said three thousand years ago, so still it must be said "the judgments of the Lord are true and righteous altogether."

With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in, to bind up the nation's wounds, to care for him who shall have borne the battle and for his widow and his orphan, to do all which may achieve and cherish a just and lasting peace among ourselves and with all nations. (9)

Lincoln united in himself those qualities which can only be described as a Renaissance mind. He was America's greatest President. He was an inventor and had the inquiring mind of a scientist. This man, with no formal education to speak of, was one of America's leading experts on Shakespeare. Often he would read or recite entire sections of Shakespeare's plays to his cabinet, some of whom complained, protesting that it was all a waste of time.

Following the assassination of Lincoln, his plans for reconciliation and reconstruction were in a significant manner derailed. Even though American System leaders, like Henry C. Carey, fought hard for an expansion and continuation of the Lincoln policy, over the decades they steadily lost ground. By the beginning of the 20th Century, especially with Theodore Roosevelt in the White House, the United States more and more had adopted the policy of the British Empire, with especially the Spanish-American War of 1898 exemplifying that turn. More on this below, in the section on Henry Corbett.



Henry C. Carey

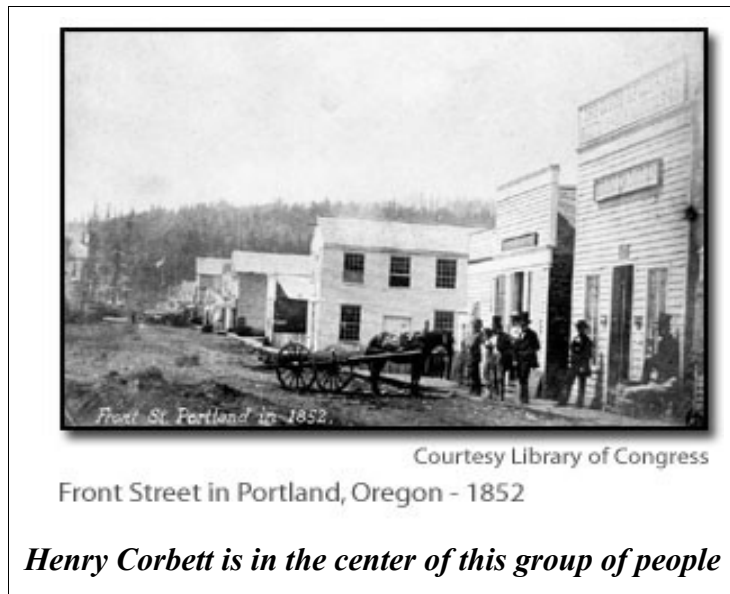
It was during this post-Lincoln period that Henry Corbett lived most of his adult life. Like many of his contemporaries, his response was sometimes confused during the astounding industrial development of the nation in the post-Civil War period, which was accompanied by both the resurgence of the pre-Civil War corruption produced by the Jackson Presidency and the growing power of Wall Street and London finance-- typified by the bankers takeover of the railroads.

But, first, let us explore the life of Henry Corbett.

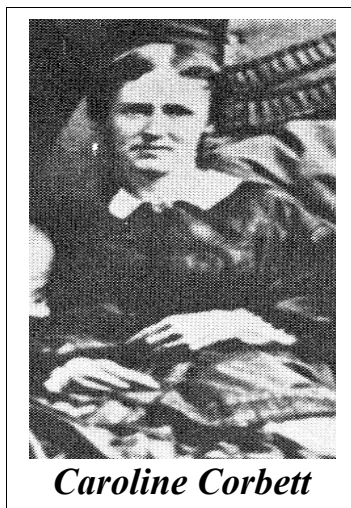
II. A Biography of Henry W. Corbett is a History of Portland

When one studies the life of Henry Corbett, as stated earlier, he or she is reminded of Benjamin Franklin. Franklin dedicated his life to doing good-- for his city, his nation and humanity. He founded organization after organization and company after company, with the aim of improving the lives of his fellow man. He did not live for money, but used money to do things that would benefit society. Henry Corbett was like that. Now good men are not perfect and do make mistakes. Corbett did, I think, make one major mistake, which will be reported on a little later in this section. Regardless, without him Portland would not be what it became; thousands of individuals were recipients of his generosity, and,

perhaps, at least according to one account, that without him the nation itself may have been destroyed.



Henry Corbett was born in Massachusetts in 1827, and as a young man moved to New York City, where he went to work as a clerk and trader in dry goods. Clearly an ambitious man, his company sent him to sell goods in Oregon, and he arrived in Portland in 1851, with a shipment of dry goods. He established a dry goods business, which prospered in the wide-open and growing city-- a city that had just been incorporated about the time he arrived. Portland had only 800 people and five stores then, yet his business thrived. He returned to New York in 1852, from where he continued to ship goods to Portland, which were handled by a couple of people he had put in charge. He returned to Portland in 1853 with his new wife, Caroline E. Jagger, who passed away in 1866, leaving two sons, Henry Jagger Corbett (1857-1895) and Hamilton F. Corbett (1860-1884). The next year, in 1867, he married Emma Ruggles, a union that produced no children, but lasted for the rest of Corbett's life.



In 1871 he consolidated his business with Henry Failing, who married Corbett's sister Emily. They established the firm of Corbett, Failing & Co. Failing, like Corbett, was a driver and leader of the

development of Portland, and the two friends-for-life served on the city council repeatedly, with Failing serving twice as Mayor. In fact in his re-election contest in 1865, Failing won 785 to 5. Corbett also served one term as the City Treasurer.

Mr. and Mrs. Henry W. Corbett home, 1852



6.1 Mr. and Mrs. Henry W. Corbett's home .brought around the Horn, 1852

(Oregon Historical Society)

In 1854, Corbett and Failing initiated the first drive to establish free public education in the City of Portland earning Failing the sobriquet “Father of Portland Public Schools.” Failing served for many

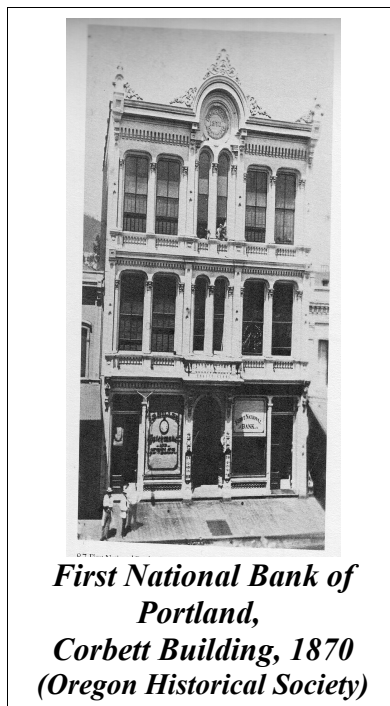


Henry Failing

years on the School Board and had an intense mission not only to educate the younger generation, but also himself, being a voracious reader in, especially, classical literature science and history. Failing was also, for a time, President of the Portland Library Association and President of the University of Oregon Board of Regents. Joining them in the effort for public education was the then Mayor William S. Ladd, who was one of the handful of Portland leaders, like Corbett and Failing, who built the city over the decades of the last half of the 19th Century. The Ladd family, like the Failings, would inter-marry with the Corbett family in the years to come. (10)

Here is a good summary from the “*History of Portland, Oregon with Illustrations and Biographical Sketches of Prominent Citizens and Pioneers,*” by Harvey Whitefield Scott, of how Corbett exemplified the American System idea, especially in his leadership in the development of basic physical infrastructure:

“As soon as he had gained a fair financial start in his adopted home, he began to take a prominent part in those enterprises which he saw were needed to develop the resources of the country. He first turned his attention towards the improvement of transportation facilities on the rivers, becoming interested in steam boating. He was also among the first to advocate the building of the Northern Pacific Railroad, and while in the Senate; labored zealously for the project, although he had no personal interest to subserve in so doing. After the failure of Jay Cooke, to carry the under-taking through, he assisted in the re-organization of the company by taking a pecuniary interest in the enterprise, and from that time until its completion, was one of its most active promoters. In the winter of 1865-6, Mr. Corbett secured the government contract to carry the mail between San Francisco and Oregon. The line, some 640 miles in length, he stocked with four-horse stages, and successfully continued the business until his election to the United States Senate, when he relinquished his contract, believing his relation to the business incompatible with his duties as a public servant.” (11)



In 1869 Corbett and Failing purchased the majority of the stock in the First National Bank of Portland, with Failing becoming the President and Corbett the Vice-President. Under Lincoln's National Banking Act, these national banks were the foundation of Lincoln's policy. The Portland bank was the largest and most successful such bank in the Northwest for many years.

On the subject of credit, Corbett was one of the first merchants in Portland to extend credit to his customers, years before he got into banking. He knew that producers, especially farmers, could not pay for their seeds and other inputs required to plant crops until those crops were harvested. Though Corbett was only ten years old when the Second National Bank of the U.S. was destroyed by Andrew Jackson, he had an almost instinctive understanding of how a credit system worked. That is why he was in the Whig Party, which had the restoration of the U.S. National Bank as one of its key planks. Just to clarify one point here: Lincoln's National Banking structure was not a National Bank of the United States run by the U.S. Government, like that which existed until its destruction by Andrew Jackson. These were privately owned banks regulated by the government.

Beginning in the 1860s, Portland grew very rapidly, becoming the major port for larger and larger exports of wool and wheat. In 1864, Failing, Corbett and others created the Portland River Channel Improvement Committee to facilitate the ability of ocean going ships to dock and load in Portland.

In 1872, having to do with a factional battle in Portland politics generally, and within the Republican Party specifically, Corbett, needing a voice to reach the public, bought a majority share of the *Oregonian* newspaper, then selling it back to the previous owner in 1877.

The number and variety of businesses and initiatives that Corbett was a leader of in Portland is just too numerous for this paper to detail. But, to just give the reader an idea of the tremendous energy and creative activity of our subject, here is a partial list of companies he founded, or in which he played an active part:

Director of the Oregon Railway & Navigation Company

The Merchants Transportation Company

The Oregon Central Railroad

Vice-president of the First National Bank of Portland

The Oregon Telegraph Company

The Portland Rope Works

Oregon Linseed Oil Works

Oregon Transfer Company

President, The Security Savings and Trust Company

The Oregon Fire & Marine Insurance Company

President and one of the directors of the Security Savings & Trust Company of Portland

President of the Willamette Steel & Iron Works

President of the Portland Hotel Company which built the best hotel in Portland (see picture below)

Director of the City and Suburban Railway Company

Owner of the Oregon Stage Company

President of Riverview Cemetery Company

Director of the Portland Gas Company

The Portland and Milwaukee Macadamized Road Company

He was also a large owner of real estate in Portland, and he built blocks of buildings in the city.



*Corbett Was the President of the company
which built Hotel Portland, ca. 1900*

Creating the Institutions of Civilization

Corbett led the city in the creation of the institutions of civilization-- those that establish organization, order and development. He initiated the organization of the Portland Board of Trade, and served as its president. He helped develop Portland's municipal water works, believing that public utilities should not be privately owned. In 1899 he was involved with the proposal to provide electric power to the city by installing generators at the city reservoirs, which was the initiating act in creating Portland Public Power. In the last two years of his life he was an initiator and the President of the Lewis and Clark Exposition, personally contributing \$30,000 toward its success, and resigning from that position only a day before his death in 1903. The exposition, which was very successful, took place in 1905.



Central Vista, Lewis & Clark Centennial Exposition
The 1905 Lewis and Clark Exposition was the West Coast's first worlds fair.
© Oregon Historical Society, 2002

As mentioned above, Corbett was directly involved in the development of steamboats on the

Columbia and Willamette Rivers, and the beginnings of railroads in the Northwest. The whole complex history of the people and companies, and financial manipulations, fraud and speculation, that characterize that period both in the Northwest and the nation is too much for this paper to report. I will just state, that at all times, Corbett's dealings and activity in this area, from all I have read, is above reproach. In fact, because of the pervasive corruption, Corbett at a certain point ceased all connection with any railroad. As we shall see, below, Howard Morgan, almost a century later, would deal with similar criminality, only more aggressively.

Here, again from the “*History of Portland, Oregon with Illustrations and Biographical Sketches of Prominent Citizens and Pioneers,*” by Harvey Whitefield Scott, is an amazing description of Corbett's self-identity to do good:

In private enterprises, which have promised to advance the prosperity of the city or to promote the moral and intellectual good of his fellow citizens, Mr. Corbett has responded readily and wisely. His name heads every subscription list to worthy objects. He gave \$20,000 towards the erection of the Presbyterian Church; made a liberal endowment for the Children's Home, a most successful institution; contributes largely to the Young Men's Christian Association, the Boys and Girls Aid Society and Sailors' Home; in fact to everything he gives, and so quietly and so modestly that half of his benefactions are not suspected. He seeks opportunity to do good and to be helpful to his fellow citizens and his city. He was reared in the Presbyterian doctrine and for many years has been a consistent member of this denomination, but his sympathy and substantial encouragement go out to all agencies, irrespective of religion or creed, which tend to ameliorate suffering and to improve mankind. (11)

In addition, Corbett made contributions to the Portland Academy, Pacific University, the Portland Library-- to which Corbett personally donated \$32,000, the Portland Art Association, and the YMCA. In fact, he and Henry Failing founded the library and the art association. In 1893, Corbett initiated the creation of an art museum as part of the Portland Art Association. He also helped to create the Portland Seamen's Friend Society, which, by 1900 had its own building, partially financed by Corbett. In his will he left more than \$200,000 to community organizations. He was also on the Board of Directors of the Chinese Christian School, which, during the anti-Chinese riots on the West Coast during the late 1900s, protected the Chinese from violence in Portland. (12)

On March 4, 1892 Corbett gave a dinner party to commemorate the 41st anniversary of the arrival in Portland of that group of men who built the city. Of course, attending was Henry Failing and William Ladd, in addition to about a dozen others. (13)

E. Kimbark McColl's “*Merchants, Money and Power,*” describes the event:

“Reminiscing generally, Corbett reviewed the growth of Portland from a town of 800 to a city of 75,000 in 41 years. 'Through Providence we have succeeded beyond our human expectations and advanced in prosperity beyond our most sanguine hopes and anticipations. To persistent zeal, staunch loyalty, through all trials, during these many years, Portland has had their [her merchants] and other backbone at her disposal.' Through dark days, 'such men have shouldered the burden and carried our interior merchants.... And now, our labors, so well begun, are nearly done.... A permanence, prosperity and wealth of this thriving city is secured beyond all peradventure.’” (14)

More on Corbett and Lincoln

Oregon politics, like the entire nation's, in the 1850s was deeply divided and the nation was heading to Civil War. Oregon had a large number of Southern immigrants, who favored the South and slavery, and were Democrats. But, the Republican Party was growing. In Oregon, both Democrats and Republicans knew that the 1860 national election would be a close contest. The Democrats, thinking that Oregon would easily go with the Democratic Presidential candidate, wanted to rush statehood for Oregon, so the state would have three electoral college votes in determining the President. Little did they suspect that the Republicans would make a serious contest of it, and in the end, win the state for Abraham Lincoln. The State Legislature rushed through the petition for statehood in 1859, and President James Buchanan signed the law granting statehood later that year.

The Republican leadership of the state, including Henry Corbett, who was Chairman of the Republican State Central Committee, had a secret weapon which was unleashed early in 1860. They called in reinforcements to join with a handful of Oregon Republicans, who had moved from Springfield, Illinois, Lincoln's home town, to lead the Republican campaign. The reinforcements consisted of one man, Edward Baker. Baker, also from Springfield, was a close personal friend of Lincoln, a former Congressman and a veteran of the Mexican-American War. Baker moved to Oregon from California at the urging of Oregon's Republican leaders, who told him that he could run for the U.S. Senate and win. Baker arrived in Oregon in late 1859 and unleashed a state-wide campaign for Republican candidates and Lincoln, working closely with Corbett and Henry Failing. In that period, U.S. Senators were chosen by the state legislatures. There was a big fight, won by the Republicans, and Baker was elected in September, 1860. Lincoln won the state-wide vote and Oregon's three electoral college votes. He and the other Springfield Republicans had done their job, but Baker didn't stop.

Leaving Oregon in October, 1860, Baker went back to California where he rallied the Republicans of that state, which was also heavily Democratic, to also give its Electoral College vote to Lincoln. On October 26, 1860, Baker was the featured speaker at a huge rally in San Francisco, a key event for pushing California into the Lincoln camp. Baker's reputation as a dynamic and inspiring speaker was on display that night in San Francisco. The following is from the *New York Times* report of November 14, 1860.

".... He spoke for two hours and a quarter, and not a fellow budged an inch from his seat till he had ended. He takes down and puts out of sight all others of our Pacific orators."

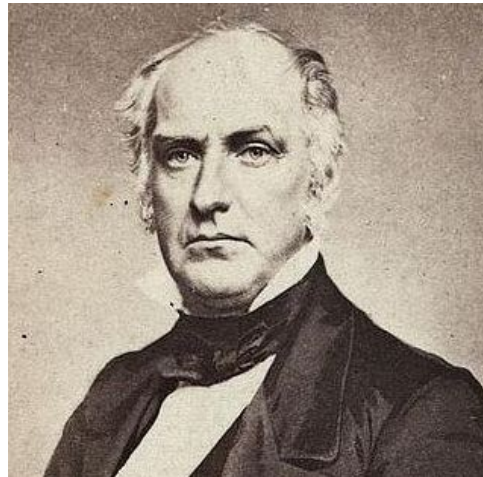
Then quoting or paraphrasing Baker, the article continues:

"In the presence of God-- I say it reverently-- freedom is the rule and slavery but the exception.... We are a city set on a hill. Our light cannot be hid. As for me, I dare not, I will not, be false to freedom.... So long as there is a slave and a master in the world the slave's heart will throb for freedom. Educate him and he will fight for it Nerve him and he will die for it-- and you, to save your soul, can't help saying: Hurrah for the weaker party!" (15)

Baker was one hell of a man, and a poet, like his friend Abraham Lincoln. Here are a few lines he wrote in 1849:

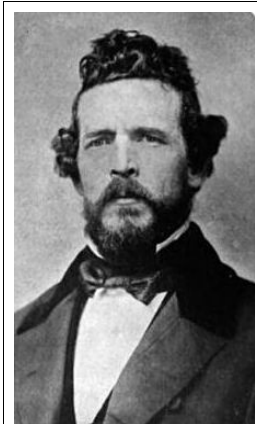
*I too am a wave on a stormy sea;
I too am a wanderer, driven like thee;
I too am seeking a distant land
To be lost and gone ere I reach the strand.
For the wave I seek is a waveless shore,
And they who reach it shall wander no more.*

Baker, on the day of the inauguration of Lincoln, was the one who introduced the new President with the following words: "Fellow citizens, I introduce you to Abraham Lincoln, the President-elect of the United States." Baker, now serving in the U. S. Senate, was also appointed a Colonel in the Union Army and was killed in the Battle of Ball's Bluff on October 21, 1861. Lincoln was devastated by Baker's death. They were such close friends that Lincoln had named his second son, born in 1846, Edward Baker Lincoln. Baker is remembered in Oregon today with a county and a city named after him.



***Colonel Edward D. Baker,
U.S. Senator from Oregon***

Finally, a few words on the other Springfield, Illinois Republicans who helped Baker pull off this political turn-around in Oregon: First, there was Simon Francis, a former editor of the *Sagamon Journal* in Illinois, which had frequently printed Lincoln's writings, who became editor of the *Oregonian*. He was later appointed by Lincoln to be the Union Army Paymaster. Dr. Anson G. Henry, a very close friend of Lincoln, and Lincoln's doctor, had moved to Oregon in the mid-1850s. He was called to Washington, D. C. by Lincoln in time for the Second Inauguration, and was present when the President was assassinated. Dr. Henry died in a shipwreck on his return to Oregon in 1866. William L. Adams settled in Portland and became editor of Portland's *Oregon Argus*. The most remembered Portlander from Springfield, Illinois, is perhaps David Logan. He moved to Oregon in 1850, served in the Oregon Territorial Legislature and was a delegate to the Oregon Constitutional Convention. He was another of the founders of the Oregon Republican Party and he also served as mayor of Portland.



David Logan

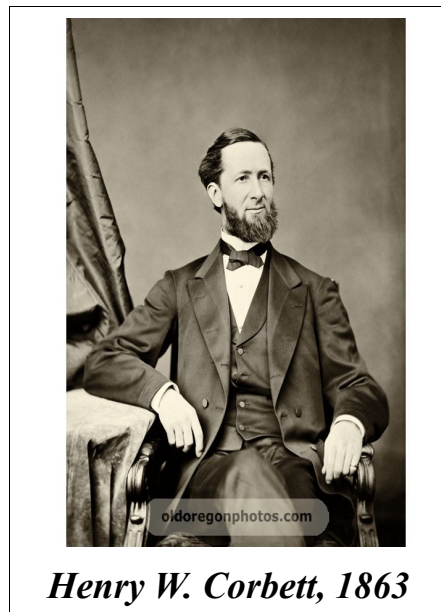
Then in 1862, preparing for the 1864 Presidential campaign, the Lincoln Republicans created the Union Party, bringing together the Republicans with the "War Democrats." Corbett led this effort in Oregon. Corbett's role in the Lincoln campaigns helped pave the way for his election to the U. S. Senate in 1866.

Corbett's political activity and character is well represented in the "*History of Portland, Oregon with Illustrations and Biographical Sketches of Prominent Citizens and Pioneers,*" by Harvey Whitefield Scott, in the following excerpt. This short sketch, I believe, nails it-- Henry Corbett exemplified the American System tradition:

"In politics Mr. Corbett was originally a Whig and a devoted follower of Henry Clay. Upon the formation of the Republican party in Oregon he became one of its leaders and as chairman of the State Central Committee he did valiant service in securing the ascendancy of his party in Oregon, and at the convention held in 1860 he and Leander Holmes were elected delegates to the Chicago convention which nominated Abraham Lincoln for the presidency. They were unable to reach the convention in time and Horace Greely represented Oregon by proxies from Mr. Corbett and Mr. Holmes and the two votes, Mr. Greely was thus enabled to cast for Lincoln, backed by his powerful influence, had a most potent effect, if it did not really determine the result in favor of the then comparatively little known statesman who was destined to play such a grand and heroic part in our national history.

"Mr. Corbett early foresaw, with the drift of events which preceded and followed the election of Mr. Lincoln, that war between the North and South was inevitable, and from the first intimation of the approaching struggle he became an uncompromising Union man. As soon as the South decided to withdraw from the Union he realized the danger of delay, and shortly after Mr. Lincoln's inauguration, while in New York City and conversing with Horace Greely, whose idea originally was to "let our erring sisters depart in peace;" he boldly said: "It is my conviction that the war should be prosecuted with the utmost vigor to coerce the States that have placed themselves in open hostility to the government." This will serve to show the breadth of his views and the keenness of his insight into the requirements of the emergency of the times. Upon his return to Oregon he put forth every effort to induce all loyal men to combine against the heresy of secession, and as chairman of the Republican State Central Committee strongly advocated the union of the Republican and Douglas or war Democrats. This was, in great measure, successful, and at a union convention held in Eugene City,

April 9, 1862, he was strongly solicited to become the candidate for governor, but having no personal ambition in this direction he declined the honor and A. C. Gibbs was selected.” (16)



Corbett in the U.S. Senate

Corbett was elected to the U.S. Senate in 1866, and began serving in December, 1867. Corbett continued the Henry Clay/American System tradition of promoting the building of railroads and other infrastructure in the post-Civil War period. He voted guilty in the impeachment trial of President Andrew Johnson, the first such in our nation's history. Reflecting the culture of the era he opposed women's suffrage and the naturalization of foreign-born Chinese.

He was defeated for re-election in 1872 by John Mitchell, who, after off and on in the U.S. Senate, was expelled for finally getting caught in his corrupt practices. It was the Mitchell faction in the Republican Party that Corbett fought for 40 years, and which represented what the Republican Party would become by the turn of the 20th Century-- an anti-American System structure that had turned the U.S. Government into a parody of the British Empire.

As Judge Matthew Deady, one of the other Portland pioneers said of Corbett, he was “a Radical in thought and Conservative in action, a man of strong convictions, but temperate and moderate in speech and conduct.” (17)

Corbett's Mistake

As mentioned above, Corbett made one serious mistake, one he apparently stuck with for the rest of his life. But, it was a mistake many of the Republicans in the nation made in the post-Civil War, post-Lincoln era, and that mistake was disastrous for the nation.

As I have written above, the issue of the American System vs the British imperial/colonial system has

been, throughout our existence, the battle ground upon which the history of the nation has been shaped. Lincoln restored that American System—the key element of that being the Greenback policy. That policy was violently opposed by the Wall Street and British banks, who were cut out of profiting hugely by loaning the U.S. Government money to finance the Civil War. The Democrats, and some Republicans tied to the banks, agitated during the war to end the Greenback policy. After the war and the death of Lincoln they were unleashed. The debate centered around maintaining the Greenbacks or shutting down that policy and instead returning the U.S. to the British gold standard, as it was known at the time. Lincoln's economic adviser Henry Carey led the pro-Greenback forces, joined by some members of Congress and especially the industrialists of the East Coast. Some of the Republicans abandoned the Lincoln policy and promoted “species resumption,” which was the return to the gold standard.

It is not appropriate for this report to go into all the details of this fight, and for those who would like to understand it better, I recommend the book, *“The Civil War and the American System: America's Battle with Britain, 1860-1876,”* by W. Allen Salisbury. (18)

Henry Corbett was one of those Senators who supported species resumption, even giving speeches on the floor of the Senate in support of it. Probably part of the reason for Corbett's views derived from the fact that both he and Henry Failing, as merchants, dealt with both the Greenback currency and gold (there were repeated gold “strikes” in the Northwest during all this period). The British banks led speculation against the Greenbacks, after the assassination of Lincoln, depreciated the value of the Greenbacks in relation to gold. Failing, especially, lost heavily in this environment.

Corbett left the Senate in 1873 while the battle on species resumption was still on going. For the Republican Party this issue became the moral divide and raised the question of whether or not that party would continue the policy which Abraham Lincoln expressed in his first annual message to Congress in 1861:

“...It is not needed nor fitting here that a general argument should be made in favor of popular institutions, but there is one point, with its connections, not so hackneyed as most others, to which I ask a brief attention. It is the effort to place capital on an equal footing with, if not above, labor in the structure of government. It is assumed that labor is available only in connection with capital; that nobody labors unless somebody else, owning capital, somehow by the use of it induces him to labor. This assumed, it is next considered whether it is best that capital shall hire laborers, and thus induce them to work by their own consent, or buy them and drive them to it without their consent. Having proceeded so far, it is naturally concluded that all laborers are either hired laborers or what we call slaves. And further, it is assumed that whoever is once a hired laborer is fixed in that condition for life.

Now there is no such relation between capital and labor as assumed, nor is there any such thing as a free man being fixed for life in the condition of a hired laborer. Both these assumptions are false, and all inferences from them are groundless.

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. Labor is the superior of capital, and deserves much the higher consideration. Capital has its rights, which are as worthy of protection as any other rights. Nor is it denied that there is, and probably always will be, a relation between labor and capital producing mutual benefits. The error is in assuming that the whole labor of community exists within that relation.

A few men own capital, and that few avoid labor themselves, and with their capital hire or buy another few to labor for them. A large majority belong to neither class--neither work for others nor have others working for them. In most of the Southern States a majority of the whole people of all colors are neither slaves nor masters, while in the Northern a large majority are neither hirers nor hired. Men, with their families--wives, sons, and daughters--work for themselves on their farms, in their houses, and in their shops, taking the whole product to themselves, and asking no favors of capital on the one hand nor of hired laborers or slaves on the other. It is not forgotten that a considerable number of persons mingle their own labor with capital; that is, they labor with their own hands and also buy or hire others to labor for them; but this is only a mixed and not a distinct class. No principle stated is disturbed by the existence of this mixed class...." (19)

As we shall see, in the 1930s, that policy outlook of Lincoln was no longer represented by the Republican Party, but by Franklin D. Roosevelt and his Democrats, and in the 1950s and 1960s by Democrats like Howard Morgan.

Species resumption failed to be passed by Congress several times, but was finally passed and went into effect on January 1, 1879. Instead of the general welfare of all the people and their posterity being the definition of prosperity, that term now meant "the status of the balance of gold payments." Now, the financing of the U.S. Government debt was completely controlled by the London banks, much like how the nation of Greece, today, has lost complete control of its sovereign economy and financial system to the International Monetary Fund and the European Central Bank.

What is important here is to know the result of that policy shift. Between 1880, the year after species resumption was passed, and the First World War, the United States was battered by a continuous series of financial crises, including the major Panics of 1884, 1893 and 1907, and then the devastating Great Depression beginning in 1929-- all brought on by British manipulation of the U.S. debt and the price of gold. The American people suffered while the banks thrived. If you think that sounds a lot like the bailout policy of the Bush and Obama administrations since 2008, you are right.

For example, the 1893 crisis was brought on by the British banks, which had large investments in Western U. S. lands and railroads, when they began withdrawing capital, most of it in gold, from the U.S. in 1893. This depleted the U.S. Government's gold reserves, causing a chain reaction collapse of all markets as credit dried up.

More broadly, looking at the entire sweep of the history of the United States we have the following: From George Washington through the end of the John Quincy Adams administration in 1829, the American System policy worked and the nation developed and prospered. Beginning with Andrew Jackson in 1829, until Lincoln entered the White House in 1861, during which the British Free-Trade system ruled, Americans suffered, slavery expanded and it ended with the Civil War. Lincoln revived the American System, which determined the policy of the United States for five years. With the death of Lincoln, a slow erosion of the system began, producing crisis after crisis until 1933, when the American System policy was re-established by Franklin Roosevelt. With the death of FDR, once again it begins to erode until John Kennedy became President in 1961. Kennedy was determined to bring the United States back to the FDR policy. With his death the erosion began once more, bringing the U. S. and the entire world to where we are now-- at the brink of complete collapse.

Ironically, during the period from Lincoln until the Presidency of Theodore Roosevelt, beginning in

1901, the United States became the most powerful industrial nation in the world. The destruction of the American System was not a 100% success. What was maintained in that period was the high tariff policy of the system, which protected American industry from the dumping of cheap imports into the country. Thus, American manufacturers could still produce and sell. But, as we see today, with globalization and virtually total free trade, what once was the greatest producing country in the world can no longer even produce what it consumes.

The susceptibility of good people to be fooled is nothing new. Just look at the Congress today, even though one is hard pressed to find in that body more than a handful of good people. In the battle over species resumption, I believe, Henry Corbett was fooled. That he and many other good Republicans were fooled and remain fooled had disastrous consequences for the nation.

As reported earlier, Corbett was defeated for re-election to the U.S. Senate in 1872. Returning to Oregon he did attempt to run for the U.S. Senate again, but was not elected. He spent the next thirty years concentrated on his important work of building the institutions of civilizations in Portland.

Following his death in 1903, his grandson Henry Ladd Corbett (1881-1957) came home from Harvard to run the businesses. He would go on to become a leader of the State Legislature, interim Governor and the father of Rosina, who would marry Howard Morgan. The *Oregon Statesman*, reporting on the death of Henry Corbett, had a front page headline, reading, "*Grand Old Man of Oregon Dead.*" (20). His second wife, Emma, lived on until 1936, dying at the age of 90. (21)

A Final Word on Henry Corbett

I would go much further than did historian Kimbark McColl, who wrote, summarizing Corbett's life, that he was, "*the most significant and complex of the frontier merchants.*" (22) He was much, much more than a merchant. Henry Corbett exemplified the spirit and the policies of the American System tradition, leading his City, State and Nation during a period of history which saw the Northwest go through tremendous development; the nation fight a Civil War which concluded with the assassination of America's greatest President; and a decades long process of disorientation, in which that American System tradition was undermined, and would not be revived until the Presidency of Franklin D. Roosevelt. That he made one serious mistake in his one term in the U. S. Senate, and afterwards, does not negate the beautiful life of this man.



Portrait of Mrs. Emma Corbett
1908

Childe Hassam (American, 1859 – 1935)



Henry W. Corbett House- 1910
Henry Corbett built this home in 1874

([University of Oregon Libraries](#))



Henry W. Corbett
Riverview Cemetery
Portland

The City That Henry Corbett Helped to Build, Portland, Oregon, ca. 1900



Third Street, Portland



View from Kings Hill to the East

Go back to the beginning of this section, and look once again at the photo of Portland in 1852, when Henry Corbett began his mission. The city then had 800 people. In 1900 the population was 90,000.

III. Franklin D. Roosevelt Restores the American System

It was not until Franklin D. Roosevelt's Presidency that the U.S. once more returned to an approximation of the American System. The treasonous Democratic Party of the Civil War was transformed under FDR, and then became the patriotic American System Party, while the Republican Party increasingly became the party of the bankers, and today is really the enemy of the American People. Unfortunately, as we shall see, today the leadership of the Democratic Party is as bad as the Republicans. (23)

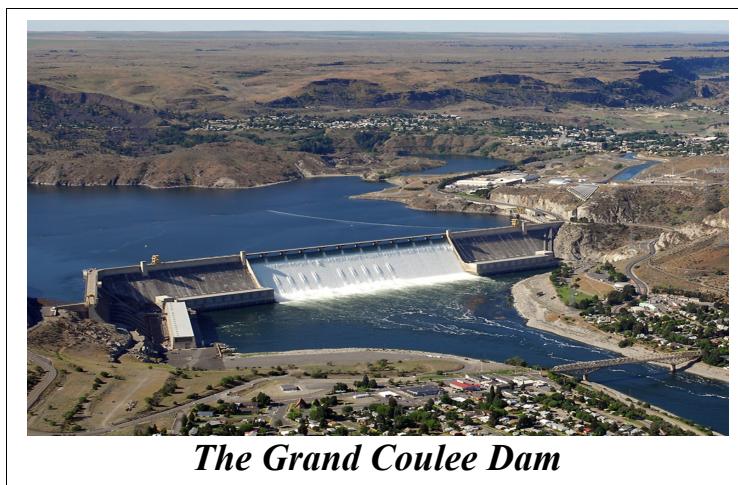


Franklin D. Roosevelt

In summary, FDR reined in the out of control Wall Street financial oligarchy, which had set off the Depression. He then began issuing Federal Credit, especially from the Reconstruction Finance Corporation (RFC), to begin great projects like the Tennessee Valley Authority, the Grand Coulee and Bonneville Dams, and the Central Valley Irrigation Project of California. The RFC, like Lincoln's Greenbacks, was an approximation of the Second National Bank of the United States of the 1820s. FDR initiated thousands of other projects, which not only put millions of people back to work, but built the infrastructure of the nation that we still use today. FDR's Rural Electrification Administration transformed the rural sector of the U.S. When that program began in 1936, only 10% of U.S. farms had electricity. By 1951, in just 16 years, 90% of U.S. farms had electricity. That policy, along with the building of Federal hydroelectric dams did for the American people what the private utilities would not do. See this author's report, *"The Fight to build the Grand Coulee Dam and the Economic Revolution That Transformed the Nation,"* for a more detailed, but compact discussion of the dam building and the Rural Electrification program's history. (24)

That was the environment in which Howard Morgan came to adulthood. And it was those policies for which he would fight his entire life. As we shall see, that fight in the post-FDR era was a special mission for Morgan, both as a political leader and in his official positions as Oregon State Utility Commissioner and as a member of President Kennedy's Federal Power Commission.

Roosevelt, through the regulation of the banks, the transportation industries and utilities, brought back to the American people the principles of the Preamble of the Constitution. In fact, FDR explicitly stated that the New Deal was based on that Preamble. (25) It was only because of FDR's policy that the U.S. was able to fight and win World War II. He had created the electricity generating capability, the industrial foundation, and most importantly he had re-established in the American people the unity of purpose required to accomplish that mission. Again, see this author's report on, *"The Fight to Build the Grand Coulee Dam and the Economic Revolution that Transformed the Nation,"* for an overview of the FDR policy. (24)



For Roosevelt, World War II was not simply a war to stop the monstrous crimes of Nazi Germany and Imperial Japan. He made it very clear to Churchill in every meeting they had, that a post-war world would be an American System world. He repeatedly told Churchill that the United States policy in the post-war period would be to once-and-for-all dismantle all empires, and specified the British, Dutch

and French colonial empires. FDR intended to bring industry, infrastructure and development to all those nations by, in his words, “American methods” of development. Elliott Roosevelt, the son and aide to FDR at all the international conferences held during the war, makes this clear in his, *“As He Saw It: The Story of the World Conferences of F.D.R.”* (26)

IV. The Post-FDR Era and the Last of the American System Presidents-- John F. Kennedy

Following the death of FDR, a little man and toady of Wall Street, Harry Truman, assumed the Presidency. He not only began dismantling FDR's policy and aligning the U.S. with British “Cold War” and re-colonization policies for Asia and Africa, but was the individual who started “McCarthyism,” with his imposition of loyalty oaths in 1947, and dragged the U.S., and the world, into the first of the disastrous wars that have characterized the past sixty years of world history.

In 1952, with the election to the Presidency of Dwight D. Eisenhower, who had led the allied armies in Europe in World War II, “Trumanism” faded away, along with the Korean War and the Red Scare nightmare. Eisenhower, the Republican and military man, demonstrated once again that mere party labels can be very deceptive. But, it was the election of John F. Kennedy to the Presidency in 1960 that, for a very short 1000 days, put the U.S. back on the track of living by the American System.



President John F. Kennedy

The Presidency of John F. Kennedy, especially for those of us who were coming of age at that time, shook the nation loose from the post-FDR horrors, malaise and boredom of the 1950s. That is not to say that there were not important developments during the 1950s-- there were, but enough has been said about that here. President Kennedy's “New Frontier” theme was really a new frontier. Yet throughout his presidency, Kennedy faced a deadly enemy within his own government, which became clear in the Bay of Pigs invasion of 1961 and the October, 1962 Cuba Missiles Crisis. Had not he, and his brother Robert, kept cool heads in that later showdown, those military and intelligence officials,

who wanted to bomb Cuba immediately, would have started World War III. It was that element, plus Wall Street and London, that saw Kennedy as a threat to their pro-British Empire and anti-FDR policies, which they thought they were rid of with the death of FDR. (27)



Apollo 15

By 1963, Kennedy had mobilized the nation into a mission for the future. This was not only represented by the Apollo Project to land a man on the moon, but also by the tremendous expansion of U.S. government funded and built water projects. (28) Millions of youth were drawn into this future that they were going to build, whether it was as scientists and engineers on the space program, as a volunteer in the Peace Corps, or putting their lives on the line with Martin Luther King in desegregating the South. Many of us at the time looked to a future in which war, poverty and injustice would fade away over the subsequent decades. We still remember today that President's inaugural speech when he challenged us to, “...ask not what your country can do for you — ask what you can do for your country.” (29)



President John F. Kennedy, Sept. 28, 1963. At the Whiskeytown Dam. (National Park Service photo).

On May 25, 1961, twenty days after the first US manned spaceflight “Freedom 7,” Kennedy proposed the Apollo program to Congress in a special address to a joint session:

“ I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the Moon and returning him safely to the Earth. No single space project in this period will be more impressive to mankind, or more important in the long-range exploration of space; and none will be so difficult or expensive to accomplish.” (30)

Then, at Rice University on September 12, 1962, Kennedy made it clear why we should do such a thing: *“We choose to go to the moon. We choose to go to the moon in this decade and do the other things, not because they are easy, but because they are hard, because that goal will serve to organize and measure the best of our energies and skills, because that challenge is one that we are willing to accept, one we are unwilling to postpone, and one which we intend to win, and the others, too.”* (31)

On November 22, 1963 President John F. Kennedy was assassinated. Within months, the U.S. was in a “flight forward” escalation of the war in Vietnam. Kennedy, before he was killed, after consulting with General Douglas MacArthur and General and President Dwight Eisenhower, had signed an executive order to withdraw the U.S. military advisers from that nation.

Since that assassination the nation has gradually lost its soul, as year by year and decade following decade, the American System and those policies of that system, which at every point in our country's history had built the nation, have been systematically dismantled and abandoned. The process has gone on for more than two generations now, leaving most Americans with no memory of when the United States represented for humanity “the beacon of liberty and temple of hope” for all mankind. Each Presidency since Kennedy has represented another downward shift in the well-being, the culture, and the future for the American people and the people of the world. With that degeneration we have had a virtually unending series of wars, destroying the lives and futures of not only millions of Americans, but millions more in other nations. This degeneration has been driven by the deregulation of the financial and economic system itself, which began with Nixon in 1971 and has continued through today.

V. Howard V. Morgan: One of the Last Men Standing

A Summary of the Life of Howard Morgan

It was at the time of the death of FDR, that Howard Morgan, who served in the U.S. Navy during World War II, began his political life as a fighter for the principles and policies of the American System. Whether he actually knew that term or its history, I cannot say. But it was the American System policies for which he worked, of that there can be no doubt. Agreed, he did not have the impact of a John Kennedy, though he served in the Kennedy Administration for two years as a member of the Federal Power Commission. Morgan's activity and impact was more local-- mainly in Oregon-- and more limited. Yet, even with that caveat, few Americans of his generation can match his service to his state, his nation and humanity. One can even say that, in the latter years of his life, he was one of the last men still standing and fighting for that American System. But, it was a rear-guard battle that he waged, and exactly how conscious of that fact he was, is difficult to judge.

One thing that we can be certain of though, is that he never lost his feisty and ironically humorous quality while waging a fight. (See Appendix III) He does not seem to have ever hesitated in “kicking against the pricks,” whether from the biblical meaning, or the more vulgar usage, of that term. He

clearly enjoyed waging a battle against the steady erosion of the policies of Franklin Roosevelt and John Kennedy, for that is what he was-- an FDR/JFK Democrat. I am sure he was very disappointed with the quality of those new generations of Democrats who “made peace” with Wall Street, war against the world, and capitulated to the cultural and moral degeneration that was set in motion with the Vietnam War, which has brought us today to the verge of the very collapse of civilization, or World War III. (32)



A disclaimer, of sorts, is required here. I am not able, at this time, to really do a thorough job of research for this report on Howard Morgan, being stuck in Los Angeles. Therefore, unfortunately, this limited biography of Howard Morgan will have to do, at least for now. I take full responsibility for any errors this report may contain, and would appreciate any corrections a reader would care to make. The most complete collection of the “*Howard Morgan Papers*” can be found at the University of Oregon Library.(33)

First, a summary of the life and activity of Howard Morgan. Morgan's forebearers came to Oregon from Illinois in 1852. He was born in Tillamook, Oregon in 1914, and moved to the Albina district of Portland in his youth. He attended Jefferson High School, graduating in 1934, and Reed College, serving as Student Body President in his senior year and graduating in 1940. During 1937 he worked for a time building the Bonneville Dam. While at Reed he met Rosina Corbett and they were married in December, 1940. They moved to Berkeley, California in 1941, where Morgan began graduate studies in economics at the University of California. After Pearl Harbor, Morgan took a civilian defense job in Washington, D.C., then became a Naval Reserve officer for the duration of World War II. Having made ties to people in the Defense Department and in Washington, D.C., he later, in 1952, was a consultant to the Defense Transportation Administration.

A more poetic, and personal, description of Howard Morgan's life was written by his daughter Sarah Corbett Morgan for the memorial service held for her father on August 13, 2012. Excerpts follow:

“Raised by a single-parent father in Depression-era Albina-- a neighborhood known for its immigrant street toughs-- my father grew up on the hardscrabble streets of Portland. He pulled himself up, learned how to survive, educated himself through the public library system, and was lucky enough to meet people who encouraged him to succeed. Morgan worked odd jobs through grade school and high school, making ends meet in a household that-- in his words-- 'was so hard, I really don't know how we did it....'”

“Watching the news with my father was an exercise in critical thinking. By the time I went to college and took the class of the same name, it was like kindergarten. Always look to the motives behind any politician, he said, and question why someone wants to run for office. And.... he once posed a question that I've thought about over the years, 'What would you be willing to do in your career to get a lifetime appointment to the Supreme Court?....'”

“He had an uncanny ability to see the consequences of any action taken. Whether it was bad legislation or a personal decision. Morgan often saw the ramifications over the long haul. He often butted heads with politicians and bureaucrats who did not share his insight....”

“In the long run, my dad taught me a lot, but I would say his biggest gift to me was that uncanny ability to anticipate consequences. It caused him a good deal of hardship in his political career-- because he was not willing to look the other way or take the path of least resistance. But he was almost never wrong.”

“Morgan used to say, 'You only live once, but if you do it right....that's all you need.' Certainly he lived a big and full life. He was a rancher, a politician, a businessman, as well as a sailor with an innate talent for navigation. He and Rosina lived in Europe, Washington D.C., the Bahamas, and many points in between.”

“He was a tough and principled man who came up in tough times. He was a big man-- a big thinker-- and we could use a lot more men like him.” (34)

A Remarkable Political Career

After the war, for the next few years he was a citizen activist, becoming chairman of the local American Veterans Committee and the Young Democrats. He joined the Oregon Grange and the Portland City Club. In 1948, Morgan was elected to the Oregon State Legislature from a Portland district. Demonstrating his maverick quality already, in the midst of the Truman-McCarthy anti-communism hysteria, he bucked the leadership of both parties to vote against a bill that allowed the firing of any state employee linked to organizations accused of being “communist.”

He left the legislature after one term to run, unsuccessfully, for State Labor Commissioner in 1950. In that year, he and Rosina and their growing family, moved to Monmouth, near Salem, to start a sheep ranch.

Morgan served as the Democratic Party State Chairman from 1952-1956, playing a leading role in turning the state from Republican to Democrat. He left that position to run Robert Holmes's winning campaign for Governor in 1956. In 1957 Holmes appointed Morgan Oregon State Utility Commis-

sioner, in which position he served until being forced out by the new Republican Governor in 1959.

In 1961, President John F. Kennedy appointed Morgan to the Federal Power Commission. He declined re-appointment in 1963, with a letter of defiance against the favoritism to the private power interests the commission's rulings reflected. While he was on the Commission, he, and the U.S. Interior Secretary, spent several weeks visiting the hydro-electric projects in the Soviet Union. Here are some excerpts from Morgan's first of several reports on his trip, published in the Bend, Oregon *Bulletin* on September 18, 1962, under the headline: "*Howard Morgan Begins Report of Russia Visit:*"

"Howard Morgan and U.S. Secretary of the Interior Stewart Udall made an extensive tour of four of Russia's hydro-electric plants.

"By Howard Morgan

"I have just completed the most fascinating trip of my life.

"....We left Russia with our baggage overweight because of the books, maps, charts, blueprints, diagrams and photographs which our hosts literally thrust upon us....

"We went to Russia to look at hydro-electric power production, especially the larger dams—they are the largest in the world—and high voltage transmission—involving the highest voltages and heaviest construction now operating in the world...."(35)

He and his wife Rosina, now with four children, bought Black Butte Ranch, near Sisters, Oregon in 1959. Somewhere in this busy life Morgan ran a gravel and construction business in Portland.

Morgan joined with his political ally U.S. Senator Wayne Morse in 1966, to campaign against the expanding Vietnam War. Morgan ran for the U.S. Senate in that year, waging the first state-wide campaign in the country that focused on the single issue of Vietnam. He lost in the primary election, but had helped to make opposition to the Vietnam War a major political issue in the nation.

Continuing that campaign against the war in Vietnam, Morgan worked for the Eugene McCarthy Democratic Presidential campaign in 1968. McCarthy's defeat of incumbent President Lyndon Johnson in the New Hampshire primary forced the President to announce that he was withdrawing from the race. Morgan helped lead McCarthy's victory in the Oregon Democratic Presidential primary in May, defeating Robert Kennedy.

The Morgans sold Black Butte Ranch in 1969, retiring to a decade of world travel, then returning to the Northwest and finally settling in McMinnville, Oregon. Even in retirement Morgan never quit intervening into the political life of the nation. As late as 2003 he was still writing Opinion columns for the *Oregonian*. (See appendix III)

Morgan died on April 14, 2012 at the age of 98.

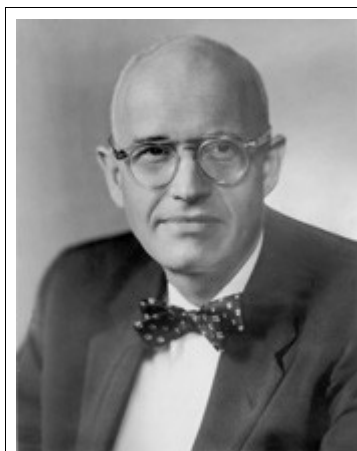
The Fight for Public Power: Take Over the Congress!

The one arena of political battle that stands out above all others for Howard Morgan was his commitment to public power. Morgan fought for it his entire adult life. See his Opinion column in the *Oregonian* from 2001. (See appendix IV)

Franklin Roosevelt's fight for public power, as opposed to private power, has never ended, though the late 1990s privatization scam, which gave the nation Enron, was and continues to be a disaster for the United States. In the immediate post-World War II period, in the Northwest, a campaign to create a Columbia Valley Authority (CVA), along the lines of FDR's Tennessee Valley Authority, was led by U.S. Congressman Hugh B. Mitchell from Seattle. The League for CVA was created to accomplish that goal. Those who had been involved in the battle to build the Grand Coulee and Bonneville dams, and favored public power's benefits of cheap and abundant electricity, led the fight. (24) By 1950 the proposed CVA was dead, due to sabotage by the Truman administration and the private power interests. This defeat provided a valuable lesson for Howard Morgan and other public power supporters. They knew they had to control the Congress, and Morgan, especially, set to work to do just that.

Unlike Washington State, which was a solidly FDR Democratic stronghold, Oregon in 1950, was, and had been for a long time, controlled by the Republican Party. Oregon had not elected a Democratic U.S. Senator in 40 years. Having won control of the State Democratic Party, with his election as State Chairman in 1952, Morgan and two key allies, Dick Neuberger and Monroe Sweetland, planned to win the 1954 race for the U.S. Senate, with Neuberger as the candidate. Impossible, most Democrats in Oregon said at the time. In fact, the party was so weak in Oregon that half of the state's counties lacked even a Democratic organization, and the state committee was, virtually by himself, Howard Morgan. What the Democrats had on the plus side was the issue of public power. The Eisenhower administration favored private power companies and the incumbent Republican U. S. Senator, Guy Cordon, likewise. By the early 1950s, most people in the Northwest were very clear in their minds about the benefits that FDR's dam building and public power policies were to them. (36)

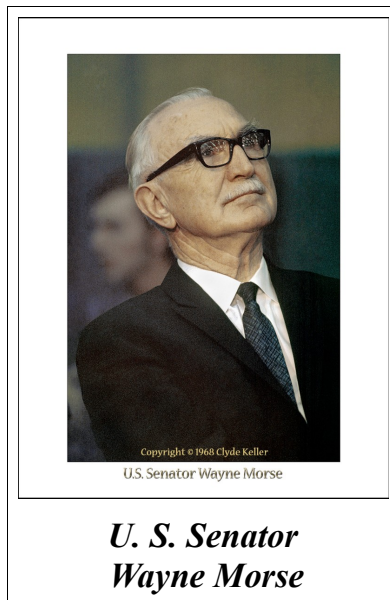
As the campaign in 1954 began, Morgan had reached out to Oregon's other U.S. Senator, Wayne Morse, who had defected from the Republican Party, becoming the only Independent in the U.S. Senate. Together, Morse and Morgan became an effective campaign team. In that 1954 Neuberger campaign, the following incident, reported by Joseph S. Miller in his book, *"The Wicked Wine of Democracy: A Memoir of a Political Junkie, 1948-1995,"* provides an example of just how effective they were.



Richard Neuberger

One day, Miller reports, the campaign was offered, on short notice, a fifteen-minute spot on the new medium of television by KPTV for only \$35.00. But Neuberger was in eastern Oregon and could not

get to the studio in time. So, Joseph Miller, who was the campaign director, thought that if he could



find him, Wayne Morse would be an effective substitute. He found Morse, who was with Howard Morgan getting ready for a campaign trip to Astoria. The two of them joined Miller at the TV studio, and the result was that, overnight, Howard Morgan became what today is called a “heart throb” for thousands of Republican women in the state of Oregon. In the TV spot they used Morgan to introduce Morse and close out the ad. Miller reports the results:

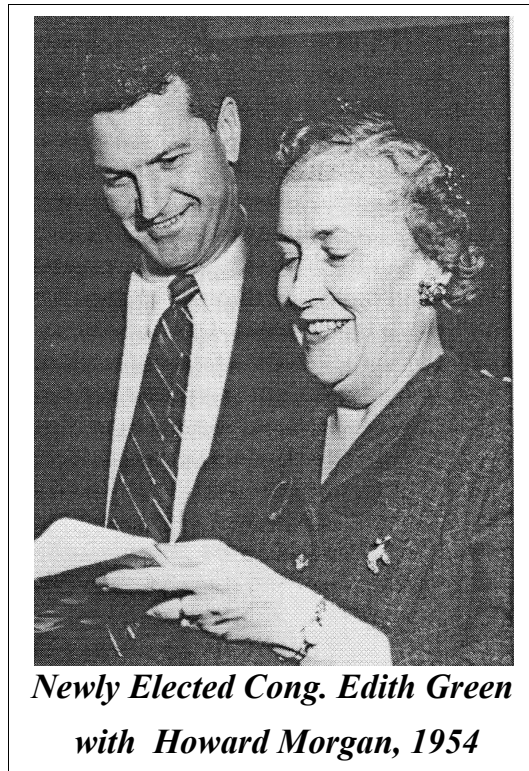
“I was staying with staunchly Republican cousins in Portland, and Monday was the night when the neighbors came in for coffee, cake, and canasta, followed by wrestling on television. Out of courtesy to me, they all watched Morse, an anathema to them for having deserted the GOP for the Democratic Party. After it was over, four housewives asked me with one voice: 'Who is that handsome man?' They were referring to Morgan, whose rugged good looks had projected remarkably on the fifteen-inch screen. I explained that he had been a Jefferson High School football star who had worked his way through Reed College and had married a daughter of a prominent pioneer family, a rousing success story. 'Well,' said my cousin Connie, 'he is just about the best-looking man I've seen on local television.'

“.... A Democratic boss was usually seen as the personification of evil. Now he was handsome Howard. Guided by the micro-survey, I put more of Morgan on the little screen in the fall than the candidate himself.” (36)

On election night, as the race was very close, again, as reported by Miller: *“Only Howard Morgan retained any semblance of confidence. 'We are getting the count from Republican precincts,' he maintained. 'They haven't counted the lunch-pail vote yet. That's our vote, and it was big.'”(36)*

Morgan was right, and Neuberger won, and the Democrats in Oregon became the dominant party in the state two years later. What Morgan's great grandfather-in-law, Henry Corbett, had done for the Lincoln Republicans in 1860, Morgan did for the Franklin Roosevelt Democrats in 1954. In fact, due to

Morgan, the state now had a majority of registered Democrats for the first time since the Civil War—that is Morgan undid what his great grandfather-in-law had accomplished in 1860. Ironically, they had both won the state for the American System, which recognizes no party, but only principles.



In a wonderful interview in 1992 with the *Oregon Historical Quarterly* for their special issue on, “*Postwar Politics in Oregon*,” published in the Fall, 1993, Morgan discusses at length his life in politics and his political philosophy. The following paraphrases and quotations are excerpts from that interview. (37)

On political parties and government:

“...There's only one cure for bad parties, and that is to join them and reform them and make them good. There's only one cure for bad government, and that is good government; and good government cannot be produced by individuals acting on their own, individual programs. It's impossible.....”

For Morgan, principle is primary, and principles are not arbitrary:

“Clark Hansen: On a more practical level, since the political parties in Oregon don't finance their candidates, what reason do they have to be loyal to the party?”

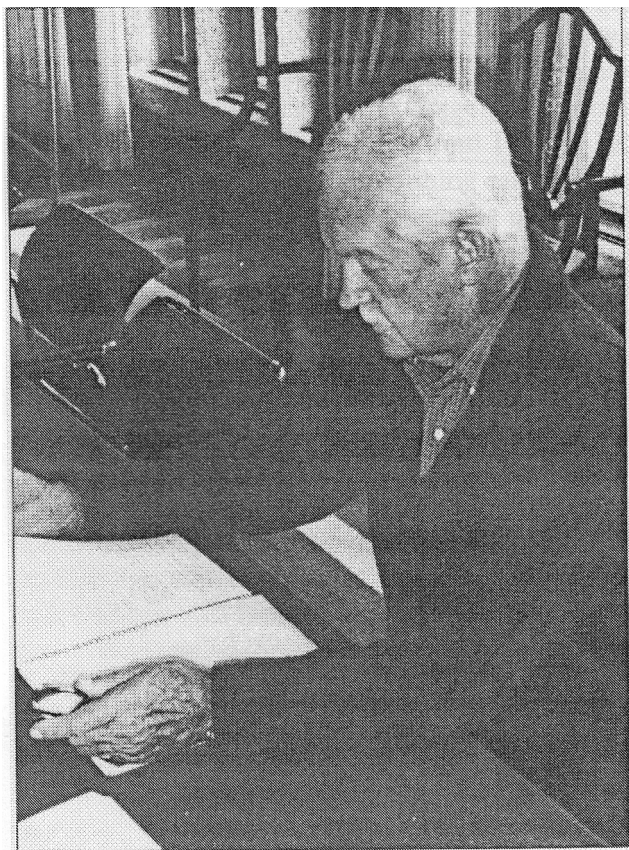
HM: Especially if the candidates don't respond to principle.

CH: The principle of the party?

HM: Yes, or any principle for that matter. Or if they respond only to a principle selected by themselves. I have always felt—and I learned this in the Oregon legislature-- that when a politician makes a speech on behalf of or in opposition to a bill, and says, 'I have determined to vote my conscious on this matter,' the voter should put his hand on his pocketbook and walk away. Because that is a politician who is saying that he is prepared to disregard the law, the facts, or the principles and logic involved and do what he damn well pleases....”

Morgan Pulls off a Political Coup:

In 1954, U.S. Republican Senator from Oregon Wayne Morse resigned from the Republican Party and became an independent. During the 1954 campaign Howard Morgan brought Morse into the Democratic Party. He simply called Morse, whom he had never met, at his U.S. Senate office in Washington, D.C. and invited him to give the main speech at a Democratic Party fund-raising dinner in Portland. Morse, like Morgan, always a maverick, probably thought there would be nothing as upsetting to his former Republican friends as him being the main speaker at a Democratic fund-raiser. Morse accepted the invitation with enthusiasm. Just as upset as the Republicans, some of the Democrats, who had long-standing feuds with Morse, demanded that Morgan cancel it. He refused, and the event was highly successful. Morse officially joined the Democratic Party the next year.



Howard Morgan, in the Oregon History Center's research library, 1992

Why the American people fell for McCarthyism:

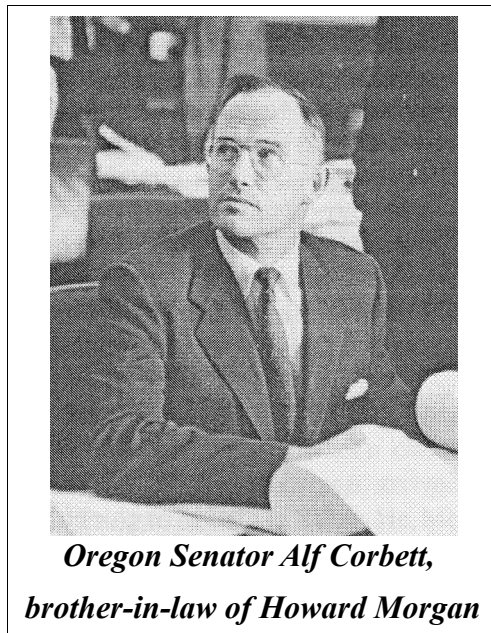
“The plain fact is, as we should all know by now, that most Americans have no great desire to be rescued from greed and stupidity. Quite the contrary: To them, all would-be-rescuers look pretty much alike; or, more to the point, can be made to look pretty much alike, and then are greeted with hostility followed by hysteria and panic.

“ In 1954 Sen. Joe McCarthy and his distinguished friends were still a factor to be reckoned with. His censure by the Senate had been specifically stalled off by the Republicans until after the election, for

one more swig from the good old bottle (and, as far as that goes, the good old bottle is still kept within handy reach)."

In this section of the interview, Morgan had been discussing the role of the political parties in organizing those individuals who can think and do have a commitment to being responsible for the policies of the nation. He does not go far enough, at least not in this interview. I would add that without a leadership, like that provided by a Lincoln or a Roosevelt, the parties, too, can degenerate to virtually the same condition that Morgan describes as characteristic of most of the population. If much of the population is "stupid," so what? Those who are not stupid have the obligation to both, not to "be popular" and join the stupid faction, and to do the work required to make people un stupid.

In the political battles of the 1950-1970s period, Morgan had a few allies from the descendants of Henry Corbett. It seems that the politically active Corbetts in this period had become Democrats, FDR Democrats, I believe, from what I have been able to find. Alf Corbett became a State Senator as a Democrat. He later, became a high official in the Federal Office of Economic Opportunity for more than a decade.



The Commissioner: The Oregon Public Utility Commission and the Federal Power Commission

Morgan was appointed Oregon's Public Utility Commissioner in 1957 and served until 1959. A major battle during his term was over transit service in Portland, with Morgan declaring that public ownership of the system was the best course. Accessible reports on his tenure as Commissioner are sparse, though all I have been able to find report that he was a diligent and competent Commissioner.

There is much more available about his tenure on the Federal Power Commission. And, as we shall

see, it gets exciting.

A few days after President John F. Kennedy's inauguration, he appointed Howard Morgan to the Federal Power Commission, at least in Morgan's case, fulfilling a campaign pledge that he would appoint public power advocates to the commission.

An article in the *Eugene Register-Guard* on January 27, 1961 reported on the appointment and interviewed Morgan. Morgan clearly comes across as a FDR Democrat, as he speaks out for defending the public against monopolies, though in a somewhat diplomatic language. Also of note in this article, is the clear factionalization of the Democratic Party in Oregon, represented by the quotes from Democrats to the announcement of Morgan's appointment. This should remind the reader of the Republican Party factionalization in which Henry Corbett was involved in during the last half of the 19th Century.

Excerpts from the article:

"Morgan, who now owns and operates a cattle ranch near Sisters, Ore., says he considers the job a tremendous challenge.

"He added that he believes the 'primary objective of this job... is to see that the public is not damaged by the great corporations, which operate most efficiently as a monopoly. I think a regulatory commission should assure that corporations behave as they would be forced to behave in active competition with each other for the public favor...'

"The reaction of Democratic Party leaders in Oregon was mixed at the announcement of Morgan's appointment. State Sen. Robert Straub, D-Eugene, Democratic State Chairman said, 'The appointment will prove to be one of the outstanding appointments by President Kennedy. Morgan will perform with dynamic force, keen ability and complete honor.'

"But C. Girard Davidson, Democratic National Committeeman, was less enthusiastic. Davidson said, 'I feel there are others who are as well or better qualified for this particular job and far more deserving politically.' However, Davidson added, 'I wish him well in the position.'"(38)

A few words on the Federal Power Commission (FPC) are in order here. The FPC was brought into being in 1920 to deal with the controversy over a national policy with respect to hydro-power under federal control. The controversy was, as usual, public versus private power. Like all governmental commissions the FPC is a political institution. Its mission, policies and effectiveness can only be a reflection of the politics of those who appoint the commissioners and of the commissioners themselves. The FPC in the 1920s had a mission to provide ample electricity at low cost. But, since the administrations of that period were aligned with the private power interests, that did not happen. By 1929, sixteen private power trusts controlled 92% of the nation's electrical power production and distribution. That changed when FDR entered the White House in 1933. The creation of the Tennessee Valley Authority, the building of dams, and the establishment of the Bonneville Power Authority set the standard by which private power interests had to compete and be judged. The Federal projects and authorities provided lots of electricity and at low prices. With the Public Utility Holding Company Act of 1935 the FPC was given the authority to regulate the wholesale rates of electrical power transmitted across state lines. We have covered much of this earlier in this report, and I again recommend my *"The Fight to build the Grand Coulee Dam and the Economic Revolution That Transformed the Nation,"* for a more thorough picture. (24) The Natural Gas Act of 1938 gave the FPC jurisdiction and regulatory power over the natural gas industry.

All this background is necessary to understand the role of Morgan as a FPC commissioner for the two years he served. President-elect Kennedy in November, 1960 had ordered a report to be prepared on the federal regulatory agencies. The report found that many of the agencies, but especially the FPC, had betrayed the regulatory ideal established by FDR. The report singled out both the Truman and Eisenhower administrations for letting the FPC become “*a virtual Chamber of Commerce for the oil and gas companies.*” (39)

Following the report's recommendations, Kennedy appointed two people who were strong public power advocates: Joseph C. Swidler, the former general counsel of the Tennessee Valley Authority, and Howard Morgan. A third of five appointees was Charles R. Ross, a former chairman of the Vermont Public Service Commission. Soon Swidler caved in to the natural gas lobby, joining the other two commissioners who already represented oil and gas interests. Then Ross capitulated, and Morgan was all alone.

Finally, after two years, Morgan had had enough and sent an angry letter to President Kennedy, declining an appointment to a second two-year term, and charging that utility regulation “*can easily become a fraud upon the public and a protective shield behind which monopoly may operate to the public detriment.*” Others also attacked Kennedy for the performance of the FPC. *The Nation* magazine charged that the FPC was the worst example of the administrations failures. (39)

Morgan's charges should echo in the readers' minds when he or she considers the role of the Bush and Obama financial system regulatory agencies' criminal complicity in the 2008 melt-down of the system and the subsequent multi-trillions of dollars of bailouts for now more than five years.

There is more to the story of Morgan's resignation. Just as those who fought to build the Grand Coulee Dam during the 1920s faced attacks on their character and even criminal assaults from the private power interests, Morgan, as a commissioner, was also attacked by those interests. Drew Pearson, a nationally syndicated columnist, reported on April 26, 1961 that the gas and utility lobby was trying to block the U.S. Senate confirmation of Howard Morgan, by spreading stories of a purported fist fight he



Drew Pearson

was in as a young man. Here are excerpts from Pearson's report:

“When Morgan was 22 years old and working his way through college at an Oregon lumber camp, two contractors got into a fist fight. One was Morgan's employer. The two were evenly matched until a truck driver working for the other contractor jumped on the back of Morgan's employer and started choking him. Morgan then jumped on the truck driver and pulled him off.

“Subsequently he was hauled before a justice of the peace by the truck driver. The issue of guilt turned on whether Morgan's employer (text missing)....” The text available to me then continues: *“'....You took the initiative. Fine \$25.’*

“Because of this, and because Morgan failed to list this on his Form 57 when he became an officer in the Navy, the Senate Interstate Commerce Committee has held up his confirmation to the Federal Power Commission for weeks.

“Morgan, who has been held up by Senators for weeks, will rule on gas rates and hydro-power projects on the Federal Power Commission. That commission handles \$45 billion invested by the public utilities, and \$30 billion invested by the gas companies.

“These giant lobbies contribute more to Senators' campaign funds than any single group.

“Sen. Thruston Morton of Kentucky, however, the Republican National Chairman, is one Senator who rises above gas and oil.

“When Morton received letters from Oregon Republicans telling him not to confirm Morgan, a Democrat, because of his youthful fist fight, he looked over the entire record.

“The record showed that every one of the smears now brought against Morgan had been aired thoroughly in the Oregon papers for years, including a phony charge that he once received a stolen tire (See more on this below). And the people of Oregon, knowing the truth, elected Morgan to the Oregon Legislature and appointed him to other important positions. He had an outstanding record as Public Utilities Commissioner where he was tough with the utilities. That is the real reason-- not the fist fight-- the lobbies don't want him confirmed.

“When Morgan, a Democrat, stepped down as Commissioner, ex-Gov. Charles Sprague, a Republican, commented in his Salem, Oregon, 'Statesman':

“The hostilities which Howard Morgan incurred in his political battles pursued him in the office of Public Utilities Commissioner. But his administration of this sensitive office appeared to be in strict accord with the law. His grip was firm... He has done his duty efficiently and conscientiously.’

“When Senator Morton, the Republican Chairman, saw this comment from the most respected Republican in Oregon, he observed: 'Some of these people have been trying to make a sucker out of me.’” (40)

Drew Pearson also reported on Morgan's letter to Kennedy declining a second term on the FPC on January 23, 1963. He begins his report dramatically:

“Perhaps never before in history has a Commissioner of a powerful regulatory body told the President

he will no longer serve on a commission which regulates the gas, oil, and electrical industry of the nation.

“However, Howard Morgan of the Federal Power Commission has just written such a letter to President Kennedy. He has declined reappointment as a commissioner and has said flatly that the President has not lived up to his promise to appoint men who have the interests of the American consumer at heart....”

“However, Commissioner Morgan has made it clear in talks with Western Senators that the Commission is stacked in favor of the oil, gas, and power companies.

“I did not come to Washington to be kept busy writing dissents,’ he has told Western Senators....”

“But in case after case involving electric power companies the decisions have been 4-1 with Commissioner Morgan dissenting....” (41)

The next day Pearson reports again on Morgan and the FPC, giving some deeper background to Morgan's refusal to accept a second term. The final straw had begun a year before when the private utilities wanted to buy Bonneville Power Administration generated electricity at the cheap regulated rate, and sell it at a higher price to California, using the new long-distance transmission capability developed in the Soviet Union, which Morgan had inspected during his 1962 trip there. To do so, they would have to run power lines over National Forests and other Federal land, therefore the Agriculture and Interior Departments would have to give authorization. Morgan wrecked this plan by informing the Secretaries of Agriculture and Interior of it, who then blocked the scam. (42)

Now, what about Pearson's report that Morgan had been accused of stealing a tire? The *Oregonian* of November 12, 1953 had reported on it. The point of the accusation was exactly what Pearson writes--it was a smear with the intention of political gain by his enemies in both the Democratic and Republican parties. Quoting Morgan, the *Oregonian* reported:

“...‘Since I first served in the Oregon legislature nearly five years ago,’ said Morgan, ‘a bipartisan machine composed of the shabby element in both political parties has tried to control my behavior in public affairs through political blackmail.

“For five years I have been telling them quietly to go to hell. Instead of voting with them in the legislature I killed a good many of their bills. Instead of supporting their candidates in 1950, I campaigned for decent men.

“Instead of letting them control my party in 1952, I took the office of state chairman over their bitter opposition, helped nominate the best slate of candidates either party has run in some years, and helped defeat some of the worst members of the bipartisan gang, regardless of party....”

Then Morgan takes off the gloves:

“So far, I have never appeared in a courtroom as witness, plaintiff or defendant, and would like to continue this. However, if my friends and family are subjected to these tactics any longer, I shall proceed against those responsible with the full force of moral, civil and criminal law.”

So the reader has at least a glimpse of what this “tempest in a teacup” was really all about, here are two more paragraphs from the *Oregonian* article:

“For the past four or five years Democratic State Chairman Howard Morgan and the party itself have been haunted by a ghost in the form of a story that the state chairman stole a tire from a Maupin service station back in 1936.

“Wednesday Morgan himself jerked the ghost into the light and beat it over the head with an affidavit from the man who says he gave Morgan the tire in question as part of back wages owed him.” (43)

Using Morgan's own words, Oregon politics in the 1950s was dominated by “shabby elements in both political parties.” Again, like Henry Corbett, he fought them. This led him, in 1957, to voluntarily testify before a U.S. Senate Committee hearings on racketeering. The Select Committee on Improper Activities in Labor and Management, established in 1957, was a front page circus for months. Robert Kennedy, the brother of President to be, John Kennedy, was the chief counsel and investigator for the committee. This is noteworthy because it will effect the 1968 Presidential primary election in Oregon, as will be reported below.

The 1957 hearings of the committee began with a focus on corruption in Portland, Oregon. The Teamsters Union and organized crime were the main topic of these hearings. The details are not important for this report. Below is an excerpt from the *Milwaukee Journal* article of March 2, 1957, reporting on Morgan's testimony:

“He voluntarily appeared before the committee and testified that a Portland beer distributor had told him that the Teamster's Union officials were willing to pay \$10,000 to have one of their men on the Oregon Liquor Commission.

“At that time Morgan was the Oregon State Utility Commissioner.

“Morgan also accused the Teamster's Union of trying 'to take over law enforcement in Oregon from the Multnomah County level right up to the Governor's office.'

“Morgan said in this hearing that Oregon Governor Robert Holmes 'profanely' rejected the offer.

“The bribe, apparently, was to be offered to Holmes, who was running for re-election.” (44)

Of note here is the volunteeristic quality that Morgan displayed, knowing full-well that people who testified against organized crime were ending up dead. Even the former President of the Teamsters Union, Jimmy Hoffa was disappeared, and presumed killed.

Earlier, again blowing the whistle, in 1954, Morgan, whom former Oregon Republican Governor Tom McCall called “*the most brutally caustic man I've ever known,*” (which, I am sure, Morgan took as a compliment) filed charges that the state's Republicans had engaged in crimes by failing to report campaign expenses. (45)

Some Thoughts on All This

Two questions arise in regard to Morgan's term at the FPC and his refusal to serve a second term. Why did Kennedy go back on his pledge to defend the public interest? Was there a different option for Morgan than resignation; should he have stuck it out, with the possibility that a change within the administration and the nation could have shifted the FPC?

Kennedy's presidency, as reported above, was under siege from day one by the anti-American System and British connected forces in the financial community, the military, the intelligence services and the State Department, which really had taken over the country under Truman, and to a lesser extent under Eisenhower. Allied with these forces were the private power companies and the natural gas and oil companies. In short, Kennedy did not control his presidency, though he was gaining more and more control up to the day of his assassination. (27)

In regard to Morgan, it is difficult to judge the man's decision. He was clearly frustrated, and certainly disappointed. A related question is how aware was he of the forces that contained Kennedy in those first two years of his administration? Perhaps some future researcher going through Morgan's papers at the University of Oregon archives will gain more insight into this question than I am able to reach at this time.

He never quit fighting for public power. On April 6, 2001 he wrote an op-ed piece for the *Oregonian* blasting the de-regulation of electricity policy that was wrecking this remaining legacy of FDR. In this piece, Morgan calls for the complete "*public ownership of the entire electrical power industry....*" He goes on to describe what deregulation was designed to do: "*What the British, California and Oregon acts all set out to do was to replace a feebly-regulated monopoly with an unregulated power-generating cartel dominated by a handful of unregulated oligarchs in which any one of them, or several, or all of them acting in concert, can upset the market any time they please to gouge all of their customers, right down to you....*" (See: Appendix IV).

Some months after Morgan's column in the *Oregonian*, I was in Salem meeting with legislators to convince them that the deregulation of electricity was a criminal enterprise designed to wreck the FDR system that worked for the public interest, and would result in the biggest rip-off in U.S. history. One Portland area legislator admitted to me that when Enron had promised to fund a park in her district with \$20,000, she then voted for deregulation.

Within months, as the Enron crimes were revealed and the company collapsed, the workers at Enron owned Portland General Electric, who had been convinced to put their entire retirement funds into Enron stock, learned they had lost virtually all of it. Here are a couple of paragraphs from a *New York Times* article from November 22, 2001:

"At Portland General Electric, the Oregon utility acquired by Enron four years ago, some workers nearing retirement have lost hundreds of thousands of dollars. The utility has lined up grief counselors to help them work through their problems.

"We had some married couples who both worked who lost as much as \$800,000 or \$900,000," said Steve Lacey, an emergency-repair dispatcher for Portland General. "It pretty much wiped out every employee's savings plan."

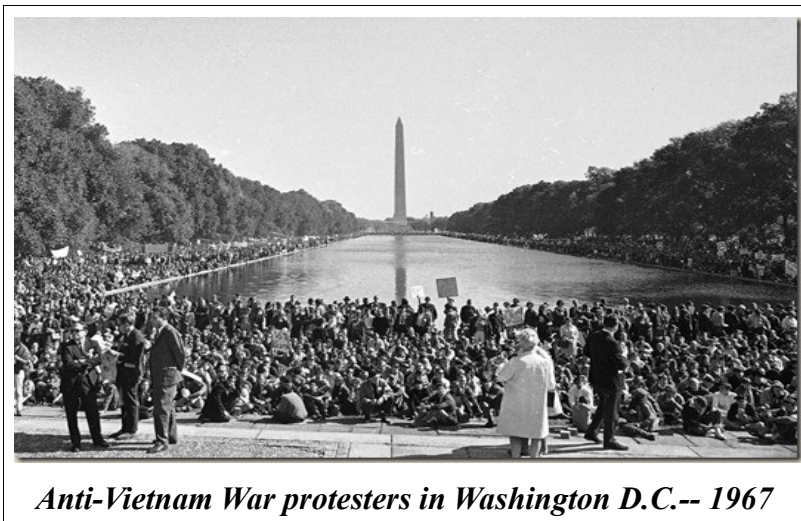
“The loss by Enron’s workers also stands in stark contrast to the profits made by some senior Enron executives, who sold stock during the last few years. Enron’s chairman, Kenneth L. Lay, made \$20.7 million during the first seven months of 2001 by exercising stock options -- and more than \$180 million by exercising options during the three prior years.” (46)

As Morgan had warned in his *Oregonian* column, but the legislators and others-- with visions of dollars in their heads-- would not listen, another of the American System policies were dismantled with disastrous results.

1966 and 1968: Morgan Acts for Humanity and the Nation

The 1960s, following the assassination of President Kennedy, became a decade of hell, and started the nation on the pathway to the destination to which we have now arrived-- the United States, especially under Bush and Obama, is rapidly leading civilization into a dark age.

The Vietnam War was the starting place, and Howard Morgan acted to stop it, recognizing, as he always did, what the consequences of a policy would be far down the road.



Anti-Vietnam War protesters in Washington D.C.-- 1967

In 1966, with the only announced Democratic candidate for the U.S. Senate being Congressman Robert Duncan, who was a strong supporter of President Johnson's war policy, Morgan announced that he was the anti-Vietnam War Democratic candidate for that Senate seat. That war was just then beginning to divide the nation. President Lyndon Johnson, almost immediately after becoming President with the death of Kennedy, had rapidly expanded the U.S. role in that war. With the 1964 “Gulf of Tonkin” incident and the resolution by the Congress that authorized unlimited Presidential power to escalate the U.S. commitment, thousands of U.S. troops began pouring into Vietnam. By early 1968 there were more than 500,000 U.S. troops in that country. Years later, the incident in the Tonkin Gulf was demonstrated to have had as much validity as George Bush's weapons of mass destruction in Iraq in 2003.

Two U.S. Senators, Morgan's ally Wayne Morse (D-OR) and Ernest Gruening (D-AK), were the only Senators to oppose the escalation from the start, voting against the Tonkin Gulf Resolution. It was the

1966 campaign by Morgan that helped to catalyze national opposition to the war. His U.S. Senate race that year was the only state-wide election in the nation that focused solely on Vietnam. Joining him on the campaign trail was Senator Morse. After Morgan lost the Democratic primary, Governor Mark Hatfield defeated Duncan in the general election. The primary was a sharp fight, with the Vietnam War policy the focal point. Ironically, it was the Republican Hatfield, who then positioned himself on the Vietnam issue between Morgan and Duncan, gaining backroom support from Morse, and, perhaps, from Morgan. Morse and Morgan demonstrated once again that principles come before party.

Two years later, 1968 was a Presidential election year. Challenged by U.S. Senator Eugene McCarthy for the Democratic nomination, President Lyndon Johnson, with the albatross of Vietnam around his



Senator Eugene McCarthy



Senator Robert Kennedy

neck, announced that he would not be a candidate for re-election. The unpopularity of the war was now center stage. At that point, Robert Kennedy announced he was now a candidate. Hubert Humphrey, the Vice-President, was also in the race, supporting the Johnson war policy. The remaining primary elections were really a contest between McCarthy and Kennedy. Oregon, with a late May primary, suddenly emerged as a central battleground in the Democratic Presidential primary. Morse was up for re-election and faced the same Robert Duncan that Morgan had faced in 1966. There, too, the war was the issue, though Duncan was quieter than he had been in his race against Morgan.

As reported above, the role of Robert Kennedy in the organized crime-Teamster Senate hearings in 1957, would re-emerge in 1968. It did, with labor, still smarting from Kennedy's role in those hearings, throwing all its support to Humphrey. Morgan was one of the leaders of the McCarthy campaign in the

state. Both the McCarthy and the Kennedy campaigns approached Oregon from a “must win” standpoint. There were only a couple more primaries after Oregon, including the critical state of California. When McCarthy won Oregon, beating Kennedy by 5%, the pressure was on Kennedy to win California. A week later Kennedy did win California, apparently sewing up the Democratic nomination. It was not to be, as Kennedy was assassinated that night in Los Angeles. Humphrey, with the support of the Democratic Party establishment, then bullied himself into the nomination at the national convention, and lost to Richard Nixon in November. Morgan attended that convention held in Chicago, fighting for McCarthy to the bitter end.

Senator Morse narrowly defeated Hunter in the Democratic primary, but lost the general election to Republican Robert Packwood.

The year 1968 marked the end of the political careers of both Morgan and Morse, but what they had done in 1966 and 1968, with their campaigns against the insane war in Vietnam, must be noted as an important contribution to awakening among a significant number of Americans, myself included, that the policies of the nation is their business. That that awakening was used to destroy, over the succeeding decades, all that was good in the nation was not their responsibility. Morse died in 1974, and Morgan continued to wage a rear-guard battle for the policies he had fought for all his adult life.

And, At the Age of 90

In October, 2003 Morgan wrote a “Guest Commentary” for the *Oregonian*, “*A Foolish Focus on Allegedly 'Lethal Dams,'*” which not only demonstrated his continued intellectual power at the age of 90, but also that he had not lost any of his incisive, humorous, ironical and uncompromising ability to do battle. While the entire piece can be found in Appendix III, a few words about and quotations from the column shall close our chapter on Howard Morgan.

The past decades of irrational environmentalism that puts mankind on the level of animals, or even lower, has been accompanied by the same type of selfish corruption that in earlier years Morgan had battled. In his commentary he takes aim at both.

He begins by reporting on the record level of the homecoming mature Salmon going upstream to spawn in contrast to the complaint published in the *Oregonian* that 25 fish were lost because of the jam-up of 45,000 fish at the ladder they climb at the dams. Morgan writes: “*What a strange negative way to announce the glad tidings....,*” and then asks, “*Where is the bad news in any of this?*”

Then he hones in on the corruption, while ignoring political correctness. Referencing the reported remarks by tribal spokesperson that such a large number of fish will depress the market price, Morgan writes: “*That's another strange thing: Although the tribes helped in the campaign to have salmon listed as endangered species, the tribes apparently wound up with the privilege of harvesting salmon—endangered or not-- for the commercial market.*”

Now comes his understated nailing of the hypocrisy, accompanied by Morgan's ironical humor:

“I haven't been able to locate another such exemption from the rules protecting endangered species in general, but let that pass. Still, when obvious good news for everyone is routinely presented to the

public as bad news, one can hardly be blamed for perceiving it as careless, or something fishy, or even something dam fishy. “

I'll leave off here and let the reader go to the entire article in Appendix III.

A Final Word on Howard Morgan

Howard Morgan was a man of his times, but, ironically, a man of the future that must be. He acted on that mission by defending the policies of the past-- the same policies that Henry Corbett stood for; the same policies for which Abraham Lincoln, Franklin D. Roosevelt and John F. Kennedy gave their lives. As my title for this section states, he was one of the last men standing.

VI. The American System Today: The Challenge and Prospects

As I have reported in this article throughout, the American System, for most Americans, is not even a memory. In the remainder of this report I would like to summarily indicate the challenges facing those who do wish to take responsibility for the future, and some of the key policies which are required.

In general, the strangle-hold on the American political process by the global financial oligarchy, centered in London and Wall Street, must be broken. The bank bailouts and the toleration of their crimes must end. (47) Unless that is done, and soon, the destruction of the collapse of 2008 will be repeated with even more catastrophic consequences. In addition, the policies of both the Bush and Obama administrations of regime change and wars must be brought to an end, before the multiple wars already raging, go completely out of control. In addition, now we have a Presidency that claims the legal right to kill American citizens with no oversight by Congress or the Judicial system. (23)

The first step must be to restore the Franklin Roosevelt 1933 Glass-Steagall banking law, which will, usefully, bankrupt the financial speculative institutions. (48) That will stop the bailouts and the “necessity” for austerity and the devastating cuts proposed by both Obama and the Republicans. We must re-regulate the entire financial system.

Then we must re-establish the American Credit System, by which credit can be issued directly by the Federal government for great projects of physical infrastructure, and thousands of other projects to repair nearly 50 years of attrition against what FDR and JFK had built. The re-regulation of electricity and other public utilities must be high on the agenda.

I believe Howard Morgan would have liked that.

Then we can move on to build the new physical and social infrastructure systems which tomorrows' generations will require. A great mission for all humanity must also be initiated. That mission is the defense of the human race against an “alien” threat. The February 15, 2013, “gift from heaven,” of first, a meteor explosion over Russia, and second the near-miss fly-by of an asteroid, should serve as a wake-up call to humanity. The millions of asteroids in orbits between the Earth and Mars are that alien threat. (49) The policy of this nation, in collaboration with other sovereign countries, must be oriented to the common aims of mankind. The future must determine the present.

The Author's Concluding Statement

If you have made it this far in this report, I would like to leave you with a final word. The real subject I have presented is not really the American System, or Henry Corbett and Howard Morgan. As with a Shakespeare drama or a Beethoven symphony, a writer, or a composer, should always have as his or her intention the stimulation of the thinking processes of the reader or listener-- the audience's own creative potential. That is our real subject. I hope I have been at least minimally successful in this attempt.

Footnotes:

(1) *"What Is, and to What End Do We Study, Universal History?"* Translated by Caroline Stephan and Robert Trout. Translation from "[Friedrich Schiller Poet of Freedom Volume II](#)," published by the Schiller Institute. The website of the Schiller Institute is [schillerinstitute.org](http://www.schillerinstitute.org). Or try the following: http://www.schillerinstitute.org/transl/Schiller_essays/universal_history.html.

On May 26-27, 1789, Schiller delivered this lecture on Universal History at Jena University. It was his first lecture in his new position as Professor of History, a post which Goethe had arranged for him (though without compensation), in January of that year. The young Schiller's reputation was already such, that, for his first lecture the classroom was filled to overflowing. A virtual march of hundreds of students occurred in the street, much to Schiller's amusement, to secure a larger classroom, before Schiller could begin.

(2) *The Federalist Papers, A Commentary on the Constitution of the United States- Being a Collection of Essays written in Support of the Constitution agreed upon September 17, 1787, by the Federal Convention*, by Alexander Hamilton, John Jay and James Madison. This 600 page book is the best discussion of political philosophy and universal principles ever published.

(3) Benjamin Franklin to Robert Morris, Dec. 25, 1783. From *"How Ben Franklin Organized Our Economic Independence."* *Executive Intelligence Review*, October 21, 2011, page 56.

(4) The three reports by Hamilton are: *The Report on Public Credit;* "The Report on Manufacturing," and "The Report on the National Bank."

(5) See *"How John Quincy Adams, The Giant of American Foreign Policy, Created the United States as a Continental Republic,"* by Patrick Ruckert; *The New Federalist*; 1987. Out of print. An updated version is available from the author at patruckert@hotmail.com.

(6) *"How Andrew Jackson Destroyed the United States,"* by the LaRouche Political Action Committee; 2012. Available at larouchepac.com. The following link may work, but if not, go to the website and type the title into the search function. <http://larouchepac.com/andrewjackson>.

(7) Lincoln's Announcement of his candidacy for the State Legislature on March 1, 1832, in a most succinct manner, summarizes the policy of the Whig Party:

"I am humble Abraham Lincoln. I have been solicited by many friends to become a candidate for the

Legislature. My politics are short and sweet, like the old woman's dance. I am in favor of a national bank. I am in favor of the internal improvement system, and a high tariff."

"Life and Works of Abraham Lincoln: Early speeches, 1832-1856," by Abraham Lincoln, Marion Mills Miller, Henry Clay Whitney; Current literature publishing Company, 1907; pg. 1.

(8) James Fenimore Cooper was a leader of the second generation of American patriots. He was both a prolific writer, keen observer and active participant in some of the most important historical battles in the United States and Europe from the 1820s until his death in 1852. See *"The Fight for the Republic: James Fenimore Cooper and The Society of the Cincinnati,"* by Patrick Ruckert; *Executive Intelligence Review*; October 26, 2007.

http://www.larouchepub.com/eiw/public/2007/eirv34n42-20071026/62-71_742.pdf.

(9) *Second Inaugural Address*, by Abraham Lincoln, March 4, 1865.

http://avalon.law.yale.edu/19th_century/lincoln2.asp.

(10) *"Merchants, Money and Power: The Portland Establishment 1843-1913,"* by E. Kimbark MacColl with Harry H. Stern; The Georgian Press, 1988, pg. 195-196.

(11) *"History of Portland, Oregon with Illustrations and Biographical Sketches of Prominent Citizens and Pioneers,"* by Harvey Whitefield Scott; D. Mason and Company, 1890.

(12) *"Merchants, Money and Power: The Portland Establishment 1843-1913,"* by E. Kimbark MacColl with Harry H. Stern; The Georgian Press, 1988, pg. 313.

(13) *"Merchants, Money and Power: The Portland Establishment 1843-1913,"* by E. Kimbark MacColl with Harry H. Stern; The Georgian Press, 1988, pg. 303.

(14) *"Merchants, Money and Power: The Portland Establishment 1843-1913,"* by E. Kimbark MacColl with Harry H. Stern; The Georgian Press, 1988, pg. 304.

(15) *"From California.: Col. E.D. Baker's Speech—An Immense Mass Meeting of Republicans....;"* *The New York Times*; November 14, 1860.

(16) *"History of Portland, Oregon with Illustrations and Biographical Sketches of Prominent Citizens and Pioneers,"* by Harvey Whitefield Scott; D. Mason and Company, 1890.

(17) *"Merchants, Money and Power: The Portland Establishment 1843-1913,"* by E. Kimbark MacColl with Harry H. Stern; The Georgian Press, 1988, pg. 360.

(18) *"The Civil War and the American System: America's Battle with Britain, 1860-1876,"* by W. Allen Salisbury; Second edition, 1992; *Executive Intelligence Review*; Washington, D.C.

(19) Abraham Lincoln: *"First Annual Message to Congress,"* December 3, 1861.

<http://www.presidency.ucsb.edu/ws/index.php?pid=29502>.

(20) *“Merchants, Money and Power: The Portland Establishment 1843-1913,”* by E. Kimbark MacColl with Harry H. Stern; The Georgian Press, 1988, pg. 360.

(21) *“Merchants, Money and Power: The Portland Establishment 1843-1913,”* by E. Kimbark MacColl with Harry H. Stern; The Georgian Press, 1988, pg. 361.

(22) *“Merchants, Money and Power: The Portland Establishment 1843-1913,”* by E. Kimbark MacColl with Harry H. Stern; The Georgian Press, 1988, pg. 360.

(23) *The Shooting Gallery: Obama and the Vanishing Point of Democracy,* by Henry A. Giroux, Truth Out, February 12, 2013. <http://truth-out.org/opinion/item/14483-the-shooting-gallery-obama-and-the-vanishing-point-of-democracy>.

This article is shocking. The following excerpt just gives a small taste of the contents:

“...Excessive torture, cruel and unusual punishment, secret detention and the violation of civil liberties are not only deeply ingrained in American history; they also have become normalized in both popular culture and in government policy...

“...As Tom Engelhardt points out, what has not sunk in for most Americans, including the mainstream media, is that the United States has become a lockdown state, or more appropriately an authoritarian state, as evidenced by the fact that the Obama administration can:

torture at will; imprison at will, indefinitely and without trial; assassinate at will (including American citizens); kidnap at will anywhere in the world and 'render' the captive in the hands of allied torturers; turn any mundane government document (at least 92 million of them in 2011 alone) into a classified object and so help spread a penumbra of secrecy over the workings of the American government; surveil Americans in ways never before attempted (and only 'legalized' by Congress after the fact, the way you might back-date a check); make war perpetually on their own say-so; and transform whistleblowing - that is, revealing anything about the inner workings of the lockdown state to other Americans - into the only prosecutable crime that anyone in the complex can commit.”

(24) See my lecture: *“The Fight to Build the Grand Coulee Dam and the Economic Revolution that Transformed the Nation,”* by Patrick Ruckert;” September 25, 2012. The lecture is available on YouTube at: *“Grand Coulee Dam - History of the Battle to build it - By Patrick Ruckert.”* https://www.youtube.com/watch?v=znWVTrD_FcU. The transcript, with the graphics used in the lecture, is unpublished, but available from the author at patruckert@hotmail.com.

(25) Franklin D. Roosevelt was inaugurated as President of the United States on March 4, 1933. Virtually everyone recognizes this quote from his inaugural address, *“We have nothing to fear but fear itself...”* What is missing is the rest of that sentence. The entire sentence reads: *“So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance.”*

FDR gave back to the American people not only their courage and hope, but, as he also said in that speech, he would give them “action.” That he did.

In his introduction to *“The Public Papers and Addresses of Franklin D. Roosevelt-- Volume Two: 1933 the Year of Crisis,”* Roosevelt, writing in 1938, goes back to 1933 and explains what he did and why he

did it. His action, without doubt, not only saved lives, but saved the nation from a similar fate Germany had already fallen into, as Hitler was consolidating his dictatorship just as FDR was being inaugurated. On page five of the introduction to this book, Roosevelt explains the New Deal. I think that the following quotation from that introduction should demonstrate that he not only knew what he was doing, but did so on the basis of a deep understanding of the American System:

“The New Deal was fundamentally intended as a modern expression of ideals set forth one hundred and fifty years ago in the the Preamble of the Constitution of the United States-- 'a more perfect union, justice, domestic tranquility, the common defense, the general welfare and the blessings of liberty to ourselves and our posterity.'”

“The Public Papers and Addresses of Franklin D. Roosevelt-- Volume Two: 1933 the Year of Crisis;” Random House, 1938; pg 5.

I also recommend the reading of FDR's Second Inaugural address, in which he again directly references the content of the Preamble of the U.S. Constitution. It can be found at the link below, or on multiple websites. <http://historymatters.gmu.edu/d/5105>.

(26) *“As He Saw It: The Story of the World Conferences of F.D.R.,”* by Elliot Roosevelt; 1946; Duell, Sloan and Pearce; New York, New York; 270 pages.

(27) (a) *“Who We Were-- America Before the British Coup,”* by Anton Chaitkin. This two hour video is the most in-depth documentation of the forces that Eisenhower and Kennedy faced during their Presidencies. Available on YouTube at: <https://www.youtube.com/watch?v=NnirPO3YJaQ>.

(b) *“Class on President John F. Kennedy, by Frank DeFalco.”* A two hour video focused on Kennedy the man, his Presidency and the attempt by the President to reign in those powers which threatened the nation and civilization. Available on YouTube: [“**Class on President John F. Kennedy by Frank Defalco.**”](https://www.youtube.com/watch?v=Vi0HB4EXJt0) <https://www.youtube.com/watch?v=Vi0HB4EXJt0>.

(c) *“Battling Wall Street : The Kennedy Presidency,”* by Donald Gibson, 1994, Sheridan Square Press; 195 pages.

(28) See: *“JFK Speeches Toward a Nation Wide TVA 1962-1963.”* <http://larouchepac.com/reclaimjfk>. This wonderful video features six speeches by President Kennedy from 1962-1963 on the subject of natural resources. They are speeches in which President Kennedy is dedicating water projects, mostly in the Western part of the United States. He demonstrates in all of these speeches his commitment, to not only the general welfare of the people of the nation, but more importantly, his deep understanding of the principles of the American System-- that what we build today is for the benefit of those future generations to come.

(29) *“President John F. Kennedy inaugural speech,”* January 20, 1961. I include here just a couple of paragraphs from that speech to give the reader a sense of the challenge and beauty of soul the President was invoking and calling forth from the American people:

“In your hands, my fellow citizens, more than in mine, will rest the final success or failure of our

course. Since this country was founded, each generation of Americans has been summoned to give testimony to its national loyalty. The graves of young Americans who answered the call to service surround the globe.

Now the trumpet summons us again — not as a call to bear arms, though arms we need; not as a call to battle, though embattled we are — but a call to bear the burden of a long twilight struggle, year in and year out, 'rejoicing in hope, patient in tribulation' — a struggle against the common enemies of man: tyranny, poverty, disease, and war itself."

For Kennedy's entire inaugural speech see: <http://www.ushistory.org/documents/ask-not.htm>.

(30) *"Special Message to the Congress on Urgent National Needs."* President John F. Kennedy speech to Congress; May 25, 1961. jfklibrary.org.

(31) President John F. Kennedy speech at Rice University, September 12, 1962. <http://er.jsc.nasa.gov/seh/ricetalk.htm>.

(32) In contrast see, *"Franklin Roosevelt's speech at Madison Square Garden, New York City October 31, 1936."* In that speech the following excerpt demonstrated his uncompromising war against Wall Street. Especially note the last sentence.

"For twelve years this Nation was afflicted with hear-nothing, see-nothing, do-nothing Government. The Nation looked to Government but the Government looked away. Nine mocking years with the golden calf and three long years of the scourge! Nine crazy years at the ticker and three long years in the breadlines! Nine mad years of mirage and three long years of despair! Powerful influences strive today to restore that kind of government with its doctrine that that Government is best which is most indifferent.

"For nearly four years you have had an Administration which instead of twirling its thumbs has rolled up its sleeves. We will keep our sleeves rolled up.

"We had to struggle with the old enemies of peace—business and financial monopoly, speculation, reckless banking, class antagonism, sectionalism, war profiteering.

"They had begun to consider the Government of the United States as a mere appendage to their own affairs. We know now that Government by organized money is just as dangerous as Government by organized mob.

"Never before in all our history have these forces been so united against one candidate as they stand today. They are unanimous in their hate for me—and I welcome their hatred."

The full speech is available at: <http://www.presidency.ucsb.edu/ws/index.php?pid=15219>.

(33) *"Howard Vincent Morgan papers,"* 1953-1973; Special Collections and University Archives, University of Oregon Libraries. <http://nwda.orbiscascade.org/ark:/80444/xv10183>.

(34) *"Tribute to My Father (read by a friend today at his memorial service),"* by Sarah Corbett Morgan. <http://www.scmorgan.com>.

(35) *"Howard Morgan Begins Report of Russian Visit;"* *The Bulletin*, Bend, Oregon; September 18, 1962.

- (36) *“The Wicked Wine of Democracy: A Memoir of a Political Junkie, 1948-1995,”* by Joseph S. Miller; 2008; University of Washington Press; Seattle, WA. Pages 6, 15, 18, 21-22, 28.
- (37) *“The Making of the Modern Democratic Party in Oregon: An Interview with Howard Morgan,”* Oregon Historical Quarterly, Vol. 95, No. 3, *“Postwar Politics in Oregon,”* Fall, 1993, pp. 368-385. Published by: Oregon Historical Society. <http://www.jstor.org/stable20614611>.
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- (40) *“Drew Pearson on the Washington Merry-Go-Round,”* March 23, 1961. Courtesy of American University Library-- Special Collections, Washington, D.C.
- (41) *“Drew Pearson on the Washington Merry-Go-Round,”* January 23, 1963. Courtesy of American University Library-- Special Collections, Washington, D.C.
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- (43) *“Howard Morgan Explains Accusation of Automobile Tire Theft,”* *The Oregonian*, November 13, 1953, pp. 13.
- (44) *The Milwaukee Journal*, March 2, 1957, pp. 12.
- (45) *“Morgan, Howard,”* *Our Campaigns*. <http://www.ourcampaigns.com>.
- (46) *“Employees' Retirement Plan Is a Victim as Enron Tumbles;”* By Richard A. Opiel, Jr.; *The New York Times*, November 22, 2001.
- (47) (a) *“Secrets and Lies of the Bailout”* by Matt Taibbi, *Rolling Stone*; January 17, 2013. If the link does not work, go to [rollingstone.com](http://www.rollingstone.com) and type title into the search function.
www.rollingstone.com/politics/news/secret-and-lies-of-the-bailout-20130104#ixzz2HIrDzuGI.
- (b) *“Ending 'Too Big to Fail': A Proposal for Reform Before It's Too Late (With Reference to Patrick Henry, Complexity and Reality);”* Remarks before the Committee for the Republic, Washington, D. C. January 16, 2013. Speech by Richard W. Fisher, President of the Dallas Federal Reserve Bank: There seems to be a problem with the link below, but the speech can be found on the Dallas Federal Reserve website: <http://www.dallasfed.org/>.
<http://www.dallasfed.org/news/speeches/fisher/2013/fs130116.cfm>"><http://www.dallasfed.org/news/speeches/fisher/2013/fs130116.cfm>.
- (c) *“The Untouchables: How the Obama administration protected Wall Street from prosecutions,--A new PBS Frontline report examines a profound failure of justice that should be causing serious social unrest,”* by Glenn Greenwald; *The Guardian*; January 23, 2013.

<http://www.guardian.co.uk/commentisfree/2013/jan/23/untouchables-wall-street-prosecutions-obama/print>.

(d) “*Gangster Bankers: Too Big to Jail*,” By Matt Taibbi, *Rolling Stone*; February 13, 2013. <http://readersupportednews.org/opinion2/304-justice/16022-focus-gangster-bankers-too-big-to-jail>.

(48) (a) “*Glass-Steagall Resolution is Introduced to the 113th Congress; Pass HR 129 to Restore Glass-Steagall*.” At larouhepac.com. http://larouhepac.com/files/20130107-gs-activate_0.pdf.

(b) “*Congressional Co-Sponsors to HR-129*.” <http://larouhepac.com/print/25215>.

(c) “*Glass-Steagall: Signing a Revolution*,” February 14, 2013. A compact 15 minute video presenting the principles and current political fight for restoring Glass-Steagall. <http://larouhepac.com/node/25497>.

(d) “*Draft Legislation to Restore the Original Bank of the United States*,” LaRouche Pac; February, 2013. http://larouhepac.com/files/20130226_pamphlet_national-bank_1.pdf.

(49) On February 15, 2013, two events issued a wake-up call to humanity. First, a meteor exploded over a major city in Russia, injuring 1,100 people. Later in the day an even larger asteroid, “2012 DA14” passed within 17,000 miles of the Earth.

Reality is not known to us through our senses, since they only give us a narrow and limited picture of the entire universe. In fact, it is those processes of the universe and our Solar System which are of crucial importance for humanity to know and understand, if we are survive as a species far, far into the future. The five items listed below are, 1) a 25 minute video from February 14, 2013. 2) two articles about specific, potentially dangerous asteroids; 3) an interview with scientists working on the problem; and 4) a more lengthy overview of the whole question.

(a) “*SDE Update: Asteroid 2012 DA14 Flyby*,” by Ben Denison, February 14, 2013. <http://larouhepac.com/node/25496>

(b) “*How Asteroid 2012 D.A14 Will Give Earth Close Shave*” (*Infographic*), by Karl Tate, *Space.com*, February 7, 2013. <http://www.space.com/19669-asteroid-2012-da14-earth-flyby-explained-infographic.html>.

(c) “*Asteroid Apophis: Potentially Devastating Rock Filmed In Near-Miss With Earth*,” By Michael Rundle; *Huffington Post UK*; January 10, 2013. [.http://www.huffingtonpost.co.uk/2013/01/10/asteroid-apophis-video-pictures_n_2445347.html](http://www.huffingtonpost.co.uk/2013/01/10/asteroid-apophis-video-pictures_n_2445347.html).

(d) “*Strategic Defense of Earth: Hypervelocity Asteroid Deflection*,” November 23, 2012, at larouhepac.com. <http://larouhepac.com/node/24563>.

(e) “*The Strategic Defense of Earth*,” September 15, 2013, at larouhepac.com. <http://larouhepac.com/sde>.

Appendix I: Resonance

Resonance in both music and social processes is little understood. Without a lengthy discussion of that topic here, I will just let the great English poet Percy Bysshe Shelly speak, so to say. The following is the final paragraph of his essay, *A Defence of Poetry*:

“The second part will have for its object an application of these principles to the present state of the cultivation of poetry, and a defence of the attempt to idealize the modern forms of manners and opinions, and compel them into a subordination to the imaginative and creative faculty. For the literature of England, an energetic development of which has ever preceded or accompanied a great and free development of the national will, has arisen as it were from a new birth. In spite of the low-thoughted envy which would undervalue contemporary merit, our own will be a memorable age in intellectual achievements, and we live among such philosophers and poets as surpass beyond comparison any who have appeared since the last national struggle for civil and religious liberty. The most unfailing herald, companion, and follower of the awakening of a great people to work a beneficial change in opinion or institution, is poetry. At such periods there is an accumulation of the power of communicating and receiving intense and impassioned conceptions respecting man and nature. The person in whom this power resides, may often, as far as regards many portions of their nature, have little apparent correspondence with that spirit of good of which they are the ministers. But even whilst they deny and abjure, they are yet compelled to serve, that power which is seated on the throne of their own soul. It is impossible to read the compositions of the most celebrated writers of the present day without being startled with the electric life which burns within their words. They measure the circumference and sound the depths of human nature with a comprehensive and all-penetrating spirit, and they are themselves perhaps the most sincerely astonished at its manifestations; for it is less their spirit than the spirit of the age. Poets are the hierophants of an unapprehended inspiration; the mirrors of the gigantic shadows which futurity casts upon the present; the words which express what they understand not; the trumpets which sing to battle, and feel not what they inspire; the influence which is moved not, but moves. Poets are the unacknowledged legislators of the world.”

Appendix II: The American System vs the British System

That the American System proponents understood that that system was in conflict with oligarchical systems, especially the British Empire, is clearly stated here in an excerpt from the book, *“The Harmony of Interests: Agricultural, Manufacturing & Commercial,”* published in 1851 by Henry C. Carey, the leading 19th Century American System economist and an adviser to President Abraham Lincoln. Carey, and his father Mathew, were both allies of Congressman Henry Clay, the man who coined the term, “American System.”. Mathew was brought to the United States from Ireland by Benjamin Franklin just after the American Revolution.

Notice in this excerpt that Carey identifies the same kind of looting policy that characterized the British system then that the globalization policy of free trade and deregulation represents today.

From: *“The Harmony of Interests: Agricultural, Manufacturing & Commercial,”* by Henry C. Carey; 1851; pp. 228-229. Republished by Augustus M. Kelley-Publishers; New York; 1967.

Two systems are before the world; the one looks to increasing the proportion of persons and of capital engaged in trade and transportation,...; while the other looks to increasing the proportion engaged in the work of production, and diminishing that engaged in trade and transportation....

One looks to compelling the farmers and planters of the Union to continue their contributions for the support of the fleets and armies, the paupers, the nobles and the sovereigns of Europe; the other to enabling ourselves to apply the same means to the moral and intellectual improvement of the sovereigns of America.....

One looks to increasing the necessity for commerce; the other to increasing the power to maintain it. One looks to underworking the Hindoo, and sinking the rest of the world to his level; the other to raising the standard of man throughout the world to our level. One looks to pauperism, ignorance, depopulation, and barbarism; the other in increasing wealth, comfort, intelligence, combination of action, and civilization. One looks towards universal war; the other towards universal peace.

One is the English system; the other we may be proud to call the American system, for it is the only one ever devised the tendency of which was that of elevating while equalizing the condition of man throughout the world.

Such is the true mission of the people of these United States. . . . To raise the value of labor throughout the world, we need only to raise the value of our own. . . . To improve the political condition of man throughout the world, it is that we ourselves should remain at peace, avoid taxation for maintenance of fleets and armies, and become rich and prosperous. . . . To diffuse intelligence and to promote the cause of morality throughout the world, we are required only to pursue the course that shall diffuse education throughout our own land, and shall enable every man more readily to acquire property, and with it respect for the rights of property. To substitute true Christianity for the detestable system known as the Malthusian, it is needed that we prove to the world that it is population that makes the food come from the rich soils, and food tends to increase more rapidly than population, thus vindicating the policy of God to man.

Appendix III: “A Foolish Focus on Allegedly 'Lethal Dams,'” by Howard Morgan

A Foolish Focus on Allegedly 'Lethal' Dams

by Howard Morgan

Guest Commentary, The Oregonian, October 20, 2003

News headlines from The Oregonian: "Salmon jam up at dam's ladder" and "Biologists unsure of reason for fatal tangle" (Metro section, Sept. 19).

What a strangely negative way to announce the glad tidings: This is the third (or is it the fourth -- I've lost count) consecutive annual record-setting run of homecoming mature salmon, mostly fall Chinooks, bound upstream to their spawning grounds and overtaxing the fish ladders in the process. One would have thought that everybody, especially the tribal elders, would have reason to be cheery about the whole thing. Instead, the emphasis was on the 25 lost fish out of the more than 45,000 that made it

successfully upstream on a single day. Not to mention a number of other days of almost equal success. And the run is not completely over yet. Something between 800,000 to 1 million total fall Chinook are expected. And every one of them will be counted at stations for that purpose at the ladders they will climb. Where is the bad news in any of that?

A tribal spokesperson, identified as a scientist, was predictably grumpy and offered the quoted complaint that the multitude of available salmon will depress the going market price! That's another strange thing: Although the tribes helped in the campaign to have salmon listed as endangered species, the tribes apparently wound up with the privilege of harvesting salmon -- endangered or not -- for the commercial market.

I haven't been able to locate another such exemption from the rules protecting endangered species in general, but let that pass. Still, when obvious good news for everyone is routinely presented to the public as bad news, one can hardly be blamed for perceiving it as careless, or something fishy, or even something dam fishy.

For decades the tribes and others have claimed that the Columbia and [Snake River](#) dams are principally responsible for the decline of salmon on the rivers, despite the glaring fact that the major part of the decline, including the disappearance of most of the salmon-canning industry on the Columbia, occurred before any of the dams were built. And the tribes and others have worked up computer-modeled "studies" purporting to show that as little as 5 percent of upstream smolts ever get past the dams to reach the sea, despite the fact that neither the total number of upstream smolts, nor the number of upstream smolts reaching the sea, is known or can be known.

Except for those transported by barge, there are no counting stations for smolts in transit and there never will be. It's an impossible task in such a large, complex river system. So how can a percentage relationship between two unknown and unknowable numbers be calculated? Glib reference to computer models will not do. Numbers can be verified or they can be faked. And if we are not careful, instances of the latter will come to outnumber those of the former.

Consider this: The present record-breaking run of fall Chinook returning upstream to spawn is composed entirely of mature 3- and 4-year-olds which passed downstream through the dams as smolts four years ago. And it was exactly three and four years ago that hired hands with [scientific degrees](#) appended to their names were circulating the flat statement that only 5 percent of smolts from upstream were able to reach the sea because the allegedly "lethal" dams were killing the other 95 percent.

What are they saying now?

They are saying as little as possible, an understandable but not very scientific tactic.

This present extended upsurge is an abrupt and drastic surprise, causing one Oregon Fish and Wildlife official to exclaim, "I would never have believed that this could happen." Well, reality does happen, troublesome though it may be to some.

It is apparent that a change in climate and ocean conditions, following El Nino and La Nina, and affecting the salmon's feeding and rearing areas in the far Pacific is the cause of this wonderful change, which may not be permanent. Much of it is beyond human influence, let alone control, but control limits on overfishing of the oceans can be achieved with time and patience. The Grand Banks of the north Atlantic, now under very tight restrictions after feeding Europeans and North Americans for centuries, is an example.

But while this wonderful change persists, it demonstrates beyond serious question the following:

- The steady year-to-year production of Columbia River smolts, proclaimed by a number of experts to be heading ever downward to final disaster, have proved numerous and hardy enough, given improved conditions at sea, to please a great many people and confound the rest.
- They have done this with all eight Columbia and Snake dams and fishways intact and functioning as designed.
- The present fish-friendly program of in-river and in-dam improvements is working as planned and certainly must be continued.

Not all the problems reside within the river, or within the sea, or on either shore of the Pacific. To take single-aim at only one target is to invite failure.

We should promptly get over the romantic notion that it is possible or desirable to reconstruct the rivers to resemble what Lewis and Clark saw 200 years ago. Ten million highly industrialized people and all their industries and occupations now reside in the Columbia Basin. Equally drastic changes have occurred on land and at sea on both sides of the Pacific and all of them must be faced with maturity, intelligence and determination. It simply has to be done or we shall surely lose what our forebears strived to pass on to us.

Howard Morgan of McMinnville is a former chairman of the Oregon Public Utility Commission and former vice chairman of the Federal Power Commission.

[*A Foolish Focus on Allegedly 'Lethal' Dams*](#)

The Oregonian, October 20, 2003

Appendix IV: “In My Opinion,” by Howard Morgan

“Slow Down, Oregon, or Prepare to be Gouged; Let's Put the Brakes on Deregulating Electricity and Send the Proposal Back to the Legislature for at Least Two Years of Additional Study,” by Howard Morgan; Column: In My Opinion; The Oregonian, April 6, 2001.

Nearly two years ago the Oregon Legislature, declaring an "emergency," passed into law a bill purportedly ending state regulation of [electricity rates](#) and relying on competition to do that job simply and effectively. That law is scheduled for full implementation next fall under rules yet to be drafted, regardless of the terrifying morass a similar law has created in California.

Industry lobbyists and the PUC tell us not to worry -- "Our law is very different from California's; all will be well." Let's take a look.

In the eye-glazing preamble to the Oregon act, lurking among nine different "whereases," we find this:

"Whereas the divestiture or functional separation [of electrical power](#) generation from the distribution functions is (emphasis added) the most effective means of stimulating competition . . ." Is? Who says it is? Where, when and by whom has it been proved that this is a statement of fact? As the man said, "It depends on what your definition of 'is' is."

We are talking about the prime assumption, the active heart, of not only the Oregon act but of the California act as well. In fact, it is the heart of Margaret Thatcher's deregulation experiment that since 1990 has fastened sky-high [electric rates](#) on Great Britain. And as both the Blair administration in Britain and the Davis administration in California have discovered, once this set-up has been frozen in place by the preceding administration, it is desperately hard and expensive to correct.

Quite possibly the simplest and most sensible correction could turn out to be public ownership of the entire electric power industry, something now being seriously discussed in California for the first time since the days of Hiram Johnson and Upton Sinclair. Are we ready for that? Are we even ready to get ready? I don't think so. But that is one of the more logical outcomes we may be flirting with, after great stress and dislocation, if we proceed down a road we already know to be hazardous.

What the British, California and Oregon acts all set out to do was to replace a feebly-regulated monopoly with an unregulated power-generating cartel dominated by a handful of unregulated oligarchs in which any one of them, or several, or all of them acting in concert, can upset the market any time they please to gouge all of their customers, right down to you. And what section of any of these acts, including Oregon's, is designed to rein them in? There isn't one. Look and see for yourself. There is no fallback, no Plan B.

So what do you expect here, other than what is going on now in Britain and California? We will be dealing not with saints but with corporate executives who must answer to their shareholders who want one thing: more money. You don't need an MBA to predict what the executives will do. They are doing it now in Britain, California and every copycat jurisdiction.

The whole thing should be taken back to the Legislature for at least two years for serious interim study by disinterested persons who have the public interest at heart and, equally important, who know something about the subject at hand. In fact, some legislative leaders this week began urging exactly such a delay.

There was really no regulatory emergency two years ago and there is none now. We are blessed with time. Let's invest it to good purpose.

As we have seen, the alternative can be disaster.

Howard Morgan of McMinnville is a former Oregon legislator, former chairman of the Oregon PUC and former vice chairman of the Federal Power Commission.

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