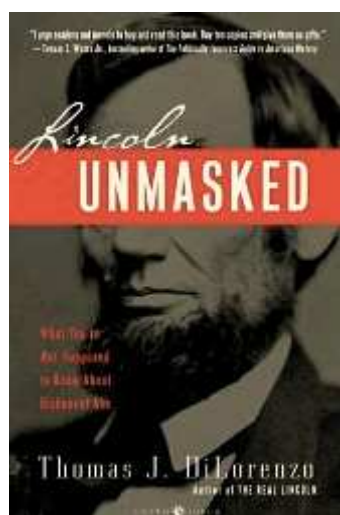


Matt Yglesias

Today at 10:49 am

The Strange Case of Pro-Confederate Monetary Policy



Mike Konczal has a post up about Ron Paul's monetary policy hearing today, in which he notes that one of Rep Paul's key witnesses [is a neoconfederate kook](#):

I like the title: does monetary policy ever really work? As for the witnesses, **Thomas J. DiLorenzo is a senior fellow at the Ludwig von Mises Institute. He's got the Lincoln stuff down pat. He appears to be best known as an author of [">Lincoln Unmasked: What You're Not Supposed to Know About Dishonest Abe](#)** (example, see this interview: "I saw it as my duty to spread the truth about what a horrific tyrant Lincoln was.... I think secession is not only possible but necessary if any part of America is every to be considered "the land of the free" in any

meaningful sense...Lincoln was almost exclusively devoted to Hamiltonian mercantilism — high protectionist tariffs, other forms of corporate welfare, a central bank modeled after the Bank of England to pay for it all, and political patronage and matching politics....The entire agenda of Hamiltonian mercantilism was put into place during the Lincoln administration — along with the first income tax, the first military conscription law, and the creation of the internal revenue bureaucracy, among other monstrosities”).

Konczal situates this in the context of the long-running feud between the supercrank libertarians of the Mises/Paul faction and the more mainstream libertarians of the Koch/Cato faction. And, indeed, the Mises crew’s obsession with the evils of Abraham Lincoln is certainly a distinctive attitude. What’s more, until very recently support of activist monetary policy to support the economy in times of depressed output was deemed an acceptably libertarian approach by Cato types. Milton Friedman, back in those days, counted as a libertarian. The interesting thing, though, is that on the subject of monetary policy the Koch/Cato people have [decided the Mises faction is right](#) and have been loudly denouncing Ben Bernanke as a socialist bound to create ruinous inflation.

Part of the story here is partisan opportunism, and part is genuine economic conversion. The point, however, is that the combination of steep recession with Barack Obama becoming president has led to the mainstreaming of [demand denialism](#) in mainstream center-right circles. This is a big shift from where things were two years ago, when people debating the merits of different demand-bolstering *instruments* (fiscal vs monetary, tax-side vs spending side) but agreed on the overall theory.

The actual CSA, it’s perhaps worth noting, did in fact suffer from ruinous inflation.

Showing 12 comments

Sort by [Subscribe by email](#) [Subscribe by RSS](#)**Matt Parker** Today 11:12 AM

Because it's such a good idea to steal fiscal policy from a nation that has been dead for 150 years and experienced some of the worst and most rapid inflation this side of Zimbabwe...

www.sunstateactivist.org

Like

Reply

Evil_Twin Today 11:14 AM

Well, I'm surprised there's been a comment already and it isn't about (should I say it? Should I continue Matt's trolling?)...gooooo...I can't do it. He won't add to the discussion and we will have to explain everything to him again. I have to work today.

2 people liked this.

Like

Reply

Dan Kervick Today 11:18 AM

Not surprising. The unifying impulse of the radical right is their hatred of the United States government, and their desire to weaken it, drown it in a bathtub, and liberate themselves from its influence over their lives. The southern branches of the right are trying to accomplish through politics what they could not accomplish through war and secession. And Lincoln hatred is a pretty common phenomenon in much of the south.

Like

Reply

ellidc 54 minutes ago

I dread this because I find the monetary history of the U.S. genuinely interesting but hate the way discussing it or the pros and cons of past behavior has become irredeemably kooky.

I think anyone that goes out of his way to demonize Lincoln has some modern political point of view. All that said, what the Union did to fund the war effort was absolutely a watershed in monetary history. What his administration did was temporarily considered unconstitutional by the Supreme Court, including by the chief architect of the policy. It is interesting stuff and there is room for disagreement over how these innovations in the nation's money play into Lincoln's legacy.

Of course also criticizing the union's monetary policy does not imply an endorsement of the CSA monetary policy. The CSA did have a bad inflation problem domestically, it was able to raise funds in Europe by floating a loan payable in cotton. I guess some of the supercranks would like that feature of confederate policy.

Like

Reply

TGGP 36 minutes ago

While many at LvMI are anti-Lincoln, they rarely have an actual good word to say for the Confederacy. "The Democratic South doesn't get off lightly either, though; both sides in the conflict are shown to have resorted to increased regulation and monetary inflation, with (to Austrians) predictable results in terms of economic chaos and hardship. But of course the Union victory meant it was the Republican version of statism that prevailed."

<https://mises.org/daily/1741>

Some of that crowd debate the relative evils of the CSA and Union and how libertarians should position themselves here:

<http://hnn.us/readcomment.php?...>

Like

Reply

AnthonyML 32 minutes ago [in reply to TGGP](#)

Ron Paul = neo-confederate racist.

Like

Reply

halfkidding 31 minutes ago

Hitler was pro healthy eating and very anti smoking so obviously a great all around guy. Therefore it follows that anyone deeply critical of the Greenspan/Bernake eras monetary policy is a neo Confederate nut job.

Poorly stated but you get my drift.

OK then, start the presses. I am disarmed. The monetary system and it's management represent the best of all possible worlds. We can continue to borrow against the future, in every sense, forever.

Like

Reply

DonxWilliams 20 minutes ago

The evils of slavery overrode any contrary arguments against Lincoln -- although Lincoln himself said that he would allow slavery to continue in the South if it would preserve the Union. Lincoln fought to coerce people into the Union via force -- not to free Afro-Americans other than as an economic warfare measure.

If you take out the abolition issue, then the malign nature of Lincoln becomes a lot clearer. He did not so much free Afro-Americans as he enslaved the rest of us. You now have a country in which 550 thoroughly corrupt members of Congress claim the right to do anything they want to 300 Million Americans while whoring for the 1 percent of the population that now gets almost 25 percent of the national income. The Ninth and 10th Amendments are dead letters and One through Eight are looking kinda shaky.

Oh -- and a lot of blacks ain't all that well off 150 years after the great Union victory.

Like

Reply

SLC 13 minutes ago [in reply to DonxWilliams](#)

Obviously, Lincoln must have been a Zionist agent, so evil were his policies.

Like

Reply

BobRoddis 14 minutes ago

Yglesias, you miserable lying little creep. Like your pathetic minions, you haven't the slightest familiarity with Austrian School theory whatsoever, so you resort to pathetic name-calling. Lew Rockwell a "neo-confederate"? That must be why he champions the work of Thaddeus Russell.

<http://tinyurl.com/6zbf4su>

As Russell recently wrote at the Huffington Post:

During the War of Independence a culture of pleasure and freedom blossomed in American cities. Non-marital sex, including adultery and relations between whites and blacks, was ubiquitous and rarely punished. Because divorce was unregulated, it was easily and frequently obtained, often by women. Brothels were legal and abundant and prostitutes were rarely prosecuted. Black slaves, Irish indentured servants, Native Americans, and free whites of all classes commingled extensively in saloons and in the streets. Pirates who settled in the port cities brought with them a way of life that embraced both general revelry and homosexuality. On nearly every block in every 18th-century American city, there was a public place where one could drink, sing, dance, have sex, argue politics, gamble, play games, or generally carouse with men, women, children, whites, blacks, Indians, the rich, the poor, and the middling. Rarely have Americans had more fun. And never have America's leaders been less pleased by it.

To the Founding Fathers the culture of personal liberty was a more serious threat to their project of creating an independent republic than the British Army.

<http://tinyurl.com/4rb7mcl>

This type of name-calling is similar with what did not work on Tom Woods when Woods proved that nullification was employed by the state of Wisconsin to fight the federal Fugitive Slave Act and was never the basis of defending slavery.

<http://www.youtube.com/watch?v...>

It's only natural that you miserable "progressives" would side with the Dred Scott Supreme Court of the late 1850s.

This type of crap from you clowns only demonstrates your desperation and complete intellectual bankruptcy. You cannot deal with a fair and open debate and you know you would lose such a debate.

Like Reply

[Bob Roddis](#) 4 seconds ago [in reply to BobRoddis](#)

Once again little matty fails to demonstrate the slightest familiarity with the Austrian school. Tom Woods involvement in founding the League of the South does not make him a "neo-confederate."

<http://tinyurl.com/2d8fhf>

Like Reply

[Jonathan Justice](#) 9 minutes ago

More sensible persons might point to the consideration that by paying off almost all of its Civil War debt over the next four decades, as it had already done with the Revolutionary War debt, the United States government hugely enhanced the standing of government debt as an investment.

Like Reply

Real-time updating is **enabled**. ([Pause](#))

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