

Monetary Policy Hearing Today, or: Ron Paul Versus the Kochtopus.

By [Mike Konczal](#) on 02/09/2011 – 6:57 am PST [Leave a Comment](#)

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Ron Paul is holding one of his first monetary [policy](#) hearings today, and he hasn't sold out. Ron Paul is from the school of libertarians that hates D.C. libertarians, which is weird since Ron Paul is one of the most well-known libertarians in D.C. How does that work?

The term Kochtopus was originally used as a slur by some libertarians to describe the Koch brothers funded wing of the libertarian movement (Cato, Reason, etc.). There's a lot of fighting over ideology, purity, [funding](#) and intellectual legacies between two groups of libertarians that splintered in the late 1970s/early 1980s, and Paul is on the other side of that divide. Here's a representative explanation by Lew Rockwell:

This is yet another example of how the Koch Brothers operate. While their ideological institutions on public campuses or Capitol Hill operate under a veneer of libertarianism or even Austrian economics, the actual policies they push expand the State: massive money printing (for the big banks and big companies), school vouchers (to deliver private schools into the hands of [government](#)), the [Ownership](#) Society (every person a homeowner through Greenspan's housing bubble), [Social Security](#) Privatization (a new layer of forced savings on top of the present SS taxes, to benefit Wall Street), etc. Is it

any wonder that the Kochs have never, in 28 years, invited Ron Paul — the only public official for honest money — to their annual monetary conference, but instead invite and hail the central bankers who can do the plutocrats so much good?

Chris Hayes had a short history of the two, where he described the paleolibertarians, centered around the Mises Institute, and cosmopolitan libertarians of the Cato Institute. Cosmopolitan libertarians is too nice a gloss on it. We know how they roll – they'll criticize QEII for pushing inflation expectations, but not state that any activity of the Federal Reserve is legalized government counterfeiting. They'll make clever historical arguments about Hayek having a lot to say about the welfare state instead of the more important argument that Abraham Lincoln was modernity first great dictator. They'll talk about coco bonds and ratings agencies when it comes to financial reform, without making the argument that 1870 was the last time we had a free and functioning banking system. Pushed into a corner, they'll probably even mumble some argument about how there could be situations for defending deposit insurance, fractional reserve banking and not having a gold standard, instead of proudly stating that these are all boots stamping on a human face forever.