

## **THE CONSOLIDATION OF STATE POWER VIA RECONSTRUCTION, 1865–1890**

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All radical schemes to reconstruct the South entailed some more or less permanent expansion of central state activity and expenditures.

– Richard Bense, *Yankee Leviathan*

In 1998, I argued that Abraham Lincoln’s ascendancy to the presidency signified a final victory of sorts for the eighteenth- and early-nineteenth-century Hamiltonians’ quest to construct a highly central-ized state that would maintain power via an alliance with government-subsidized businesses.<sup>1</sup> This was always the Whig Party’s agenda, and Lincoln was a Whig for much longer than he was a Republican. The War for Southern Independence was not a war “to free the slaves,” as the high school civics class version of history has been presented by government-run schools for some 135 years. Rather, it was a war between Southerners who wanted to maintain the Founders’ system of limited, decentralized government and Northern Yankees who wanted to replace the Old Republic with a highly centralized, mercantilist state.

An auxiliary myth has it that federal policy in the conquered South was aimed at “binding the nation’s wounds” and establishing a “just and lasting peace,” as Lincoln said. Yes, many Americans sought these noble goals, but they are to be distinguished from *the state*, whose objectives were quite different.

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<sup>1</sup>Thomas J. DiLorenzo, “The Great Centralizer: Abraham Lincoln and the War Between the States,” *Independent Review* 3, no. 2 (Fall 1998), pp. 243–79.

In this article, I will argue that the main purpose (and effect) of the 1865–1877 “Reconstruction” policies was to centralize and consolidate state power and to establish Republican Party political hegemony. It was *not* to “heal the nation’s wounds” or economically revitalize the South. Indeed, Reconstruction created new wounds and economically destroyed the South. Its purpose was to continue the economic plundering of the Southern states for as long as possible, and to establish a national Republican Party political monopoly.

The federal government did not totally succeed in this endeavor, thanks to continued Southern political resistance and a still-vibrant support among the American people for constitutional government. Nevertheless, by 1890, the federal government was vastly larger than the founders ever envisioned, and its purpose had changed from the protection of individual liberty to the quest for empire.

### **THE DUNNING SCHOOL AND THE REVISIONISTS ON RECONSTRUCTION**

A great deal of excellent scholarship on Reconstruction was published during the early twentieth century by such historians as Claude Bowers and the Columbia University historian William Archibald Dunning and his cadre of graduate students.<sup>2</sup> Distinguished historians James Ford Rhodes and James G. Randall also contributed to the view of Reconstruction as a vindictive, abusive, corrupt, political racket.<sup>3</sup> Dunning, Rhodes, Bowers, and Randall were Northerners who documented in great detail how the Republican Party—which is to say the federal government—ignored presidential vetoes and federal court rulings, disenfranchised white Southerners while giving the vote to ex-slaves (who were instructed to vote Republican), formed new state puppet governments run by Republican Party hacks from the North, and used this power to plunder Southern tax-

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<sup>2</sup>Claude Bowers, *The Tragic Era: The Revolution after Lincoln* (New York: Houghton-Mifflin, 1929); William Archibald Dunning, *Reconstruction: Political and Economic* (New York: Harper & Brothers, 1907); and William Archibald Dunning, *Essays on the Civil War and Reconstruction* (New York: Harper & Row, 1965).

<sup>3</sup>James Ford Rhodes, *History of the United States from the Compromise of 1850 to the Final Restoration of Home Rule at the South in 1877* (New York: Macmillan, 1900); and James G. Randall, *The Civil War and Reconstruction* (Lexington, Mass.: D.C. Heath, 1951).

payers for more than a decade after the war.

Beginning in the 1930s, and especially since the 1960s, a group of “revisionist” historians has challenged what has come to be known as the “Dunning School” of Reconstruction scholarship. This group of scholars, dominated by “Marxists of various degrees of orthodoxy,” rarely dispute the facts as established by the Dunning School. They acknowledge that “much of what Dunning’s disciples have said about Reconstruction is true.” Relying heavily on Marxian class conflict theory, they merely painted what they considered a more “enlightened” picture of the era.<sup>4</sup>

These Marxist and “liberal” revisionists argue that Reconstruction wasn’t all *that* bad compared to, say, what happened after the Japanese invaded Nanking in the 1930s, or the Nazi occupation of Europe, or the deeds of the Russian army in Germany at the end of World War II. After all, they argue, there were not even any mass executions of former Confederates after the war.<sup>5</sup> Southerners were indeed “lucky” in this regard, according to the revisionist view.

As Kenneth Stampp smugly remarked, “As ideas about race have changed, historians have become increasingly critical of the Dunning interpretation of Reconstruction.”<sup>6</sup> Because Dunning and his disciples provided accurate descriptions of ex-slaves and their role in Southern politics after the war, Marxist-Liberal revisionists have sought to discredit the Dunning School’s views by labeling them racist.<sup>7</sup> This was

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<sup>4</sup>Kenneth M. Stampp, *The Era of Reconstruction: 1865–1877* (New York: Alfred A. Knopf, 1966), p. 9. For a sample of the revisionist perspective, see, e.g., Kenneth M. Stampp and Leon F. Litwack, *Reconstruction: An Anthology of Revisionist Writings* (Baton Rouge: Louisiana State University Press, 1969). The most prominent contemporary historian of Reconstruction is Marxist Eric Foner, *Reconstruction: America’s Unfinished Revolution* (New York: Harper & Row, 1988).

<sup>5</sup>Stampp, *The Era of Reconstruction*, p. 9.

<sup>6</sup>Stampp, *The Era of Reconstruction*, p. 20.

<sup>7</sup>For example, Dunning, in *Reconstruction: Political and Economic*, p. 175, wrote that “It was plausibly argued [by Southerners] that the right of intelligent white women to vote was as worthy an object of a constitutional guarantee as the right of ignorant and degraded black men.” Words like “ignorant” and “degraded” were surely accurate descriptions of the illiterate and propertyless ex-slaves in 1866, but they have generated outrage from Marxist revisionists.

not so much because the facts of the Dunning interpretation have been challenged, but because Dunning and his disciples have been declared “racist” by contemporary, politically correct historians.

However, there is a problem with judging the credibility of Reconstruction scholarship by using the criterion of allegedly racist attitudes: every revisionist is a Lincoln idolater. More than 16,000 books have been written about Lincoln, and it is hard to find one that does not deify him. Myriad excuses have been invented to rationalize his every unsavory act and deed, and many of these excuses have been concocted by the same revisionist historians who reject the Dunning School’s view of Reconstruction. The problem with this is that Lincoln himself was a white supremacist all his life who did not believe that the two races should even mingle. If revisionists are to dismiss Dunning’s interpretation of Reconstruction on the grounds that he and his students were insensitive to blacks, then, to be consistent, they should be just as skeptical of what has been written about Lincoln over the past 100 years.

### LINCOLN ON RACE

Ironically, there is no better illustration of how “ideas about race have changed” than Lincoln’s statement in his September 18, 1858, debate with Senator Stephen Douglas:

I will say then that I am not, nor ever have been in favor of bringing about in any way the social and political equality of the white and black races—that I am not nor ever have been in favor of making voters or jurors of Negroes, nor of qualifying them to hold office, nor to intermarry with white people; and I will say in addition to this that there is a physical difference between the white and black races which I believe will forever forbid the two races from living together on terms of social and political equality. And inasmuch as they cannot so live, while they do remain together there must be the position of superior and inferior, and I as much as any other man am in favor of having the superior position assigned to the white race.<sup>8</sup>

When asked what should be done if the slaves were freed, Lincoln’s response was to send them all back to Africa: “Send them to

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<sup>8</sup>Abraham Lincoln, *The Collected Works of Abraham Lincoln*, ed. Roy Basler (New Brunswick, N.J.: Rutgers University Press, 1953), pp 145–46.

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Liberia, to their own native land. But free them and make them politically and socially our equals? My own feelings will not admit this.”<sup>9</sup> As president, Lincoln encouraged free black leaders to lead an exodus back to Africa, and prepared legislation to send freed blacks to Haiti and Central America—anywhere but the United States. Lincoln, a lifelong supporter of the African colonization proposal championed by his political idol, Kentucky slave-owner Henry Clay, said on December 1, 1862, “I cannot make it better known than it already is. I strongly favor colonization.”<sup>10</sup>

In *Forced into Glory: Abraham Lincoln’s White Dream*, historian and *Ebony* magazine editor Lerone Bennett, Jr., painstakingly makes the case that Lincoln was as much a white supremacist as any man has ever been, that he was always a colonizationist who opposed slavery’s extension into the new territories not out of moral conviction but from a desire to keep the West white, and that the Emancipation Proclamation did not free a single slave but was a public relations stunt designed to discourage European governments from assisting the Confederacy.<sup>11</sup>

Lincoln married into a slave-owning family, and he and his wife, Mary Todd Lincoln, were handsomely subsidized with earnings from the family’s slave plantation in Kentucky. He laughed harder than anyone at black-faced minstrel shows,<sup>12</sup> frequently used the “N” word, supported the Illinois “Black Codes” which rendered most trades and occupations and schools off-limits to black people, personally ordered Union army officers to return escaped slaves to their owners, required every member of his cabinet to sign a pledge supporting the Fugitive Slave Clause of the Constitution, and referred to blacks and Mexicans as “Mongrels.”<sup>13</sup>

While a leader of the Illinois Legislature, Lincoln supported an amendment to the Illinois Constitution that forbade the immigration of blacks into the state. As a member of that legislature, he voted to deny blacks the right to vote, opposed Negro citizenship, opposed

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<sup>9</sup>Lincoln, *Collected Works*, pp. 255–56.

<sup>10</sup>Lincoln, *Collected Works*, p. 685.

<sup>11</sup>Lerone Bennett, *Forced into Glory: Abraham Lincoln’s White Dream* (Chicago: Johnson Publishing, 1999).

<sup>12</sup>Bennett, *Forced into Glory*, p. 90.

<sup>13</sup>Lincoln, *Collected Works*, p. 235.

allowing blacks to serve as jurors or hold public office, and favored laws that taxed blacks to help pay for schools their own children were forbidden to attend.<sup>14</sup> As an Illinois lawyer, Lincoln defended a slave-owner but never a fugitive slave. (The Lincoln establishment's ridiculous excuse for this is that "his heart wasn't really in it," as though it is possible to know what was "in the heart" of a man who lived 150 years ago.)

Bennett does a commendable job of illustrating the ludicrous extent to which the Lincoln establishment has gone to make incredible excuses for Lincoln's odious behavior and language. Reading Lincoln's *Collected Works* without the spin put on his speeches by historians and journalists, one gets the clear impression that his close personal friend, Union General Donn Piatt, spoke the truth when he described Lincoln as a man who, descended "from the poor whites of a slave state, through many generations . . . inherited the contempt, if not the hatred, held by that class for the Negro and could no more feel sympathy for that wretched race than he could for the horse he worked or the hog he killed."<sup>15</sup>

## THE POST-WAR ECONOMY

The Southern economy was almost completely destroyed by the federal army and navy during the War for Southern Independence. As described in the *Documentary History of Reconstruction*, "Never had a completer ruin fallen upon any city than fell upon Charleston."<sup>16</sup> In 1870, five years after the war's end, the Tennessee Valley consisted "for the most part of plantations in a state of semi-ruin," with many others "of which the ruin is . . . total and complete. . . . The trail of war is visible throughout the valley in burnt up gin-houses, ruined bridges, mills, and factories . . . and large tracts of once cultivated land stripped of every vestige of fencing."

In Virginia, "from Harpers Ferry to New Market . . . the country was almost a desert. . . . The barns were all burned; a great many of the private dwellings were burned; chimneys standing without

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<sup>14</sup>Bennett, *Forced into Glory*, pp. 194–95.

<sup>15</sup>Allen T. Rice, ed., *Reminiscences of Abraham Lincoln by Distinguished Men of his Time* (New York: Macmillan, 1971), pp. 481–82.

<sup>16</sup>Walter L. Fleming, ed., *Documentary History of Reconstruction* (New York: McGraw Hill, 1966), vol. 1, p. 9.

houses, and houses standing without roofs.”<sup>17</sup> Southern soldiers returning from the war found their homesteads destroyed, their farms devastated, and their communities on the brink of starvation. Roads and railroad beds were mostly destroyed, and in North Georgia there was “a degree of destitution that would draw pity from a stone.”<sup>18</sup> Many Southern women, fearful that their small children would starve, traded sex for food with the hated federal soldiers.

President Andrew Johnson’s wise abolition of all restrictions on interstate trade helped reestablish commercial relationships between all the states, but it took an entire century for the Southern economy to regain the proportional relationship to the North that existed in 1861. Southern state governments were run by military dictatorships in the form of federally appointed U.S. Army generals, for the most part. The sitting governors of Southern states whom the federal army captured at the end of the war were imprisoned without trial.<sup>19</sup>

## RECONSTRUCTION AND REPRESENTATION

The first order of business for these puppet governments was to convene “kangaroo” constitutional conventions that declared invalid the ordinances of secession. Jefferson Davis, in military prison at the time, never had a trial at which he could have made the case for secession; Republican Party political hacks simply declared the right of secession—the very right upon which the nation was founded—to be illegitimate.

President Johnson vetoed the Civil Rights Bill of 1866 on March 27 of that year on the grounds that it federalized law enforcement and was therefore unconstitutional. “The bill embodied an unheard-of intrusion of the Federal government within the sphere of the states, and was a stride toward centralization,” Dunning explained.<sup>20</sup> Moreover,

Never before had Congress been known to arrogate to itself the power to regulate the civil status of the inhabitants of a state. The proposition that United States courts should assume jurisdiction of disputes relating to prop-

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<sup>17</sup>Fleming, *Documentary History of Reconstruction*, p. 10.

<sup>18</sup>Fleming, *Documentary History of Reconstruction*, p. 21.

<sup>19</sup>Dunning, *Reconstruction: Political and Economic*, p. 35.

<sup>20</sup>Dunning, *Reconstruction: Political and Economic*, p. 64.

erty and contracts, and even of criminal actions down to common assault and battery, seemed like a complete revelation of that diabolical spirit of centralization, of which only the cloven hoof had been manifested heretofore.<sup>21</sup>

Congress overrode President Johnson's veto, declared political war on him, and almost succeeded in impeaching him.

Congress blackmailed Southern states into passing the Fourteenth Amendment to the Constitution by otherwise prohibiting congressional representation until they ratified it. In so doing, the federal government effectively seceded from the union—a union which Lincoln never admitted had been broken. Every Southern state except Tennessee voted against ratifying the amendment. Southern legislators objected to the fact that all high-ranking former Confederates were forbidden from running for public office; they believed that the amendment would lead to a strong centralization of power in Washington, and put forth

the contention that, if the communities which the legislatures represented were really states of the Union, the presence of their members in Congress was essential to the validity of the amendment; while if those communities were not states, their ratification of the amendment was unnecessary.<sup>22</sup>

Congress responded to the South's rejection of the Fourteenth Amendment by passing the Reconstruction Act of 1867, which established a comprehensive military dictatorship to run the ten states that were not yet restored to the union. The law, passed under the false pretense that there was little or no protection of life and property in the South, required that a state pass the Fourteenth Amendment before military rule would be ended. And it was indeed a false pretense, since Southern courts had been operating normally since the end of the war.

At the same time, great resources were expended on registering the male ex-slaves to vote, while most Southern white men were disfranchised by a law denying the vote to anyone involved in the late "rebellion." So rigorous were the restrictions placed on white Southern males that anyone who even organized contributions of food and clothing for one's family and friends serving in the Confederate army

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<sup>21</sup>Dunning, *Essays on the Civil War and Reconstruction*, p. 93.

<sup>22</sup>Dunning, *Reconstruction: Political and Economic*, p. 84.

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was disfranchised, as were all who purchased bonds from the Confederate government.<sup>23</sup> Even if one did not participate in the war effort, voter registration required a *public* proclamation that one's sympathies had been with the federal armies during the war, something very few white Southerners would say.

The so-called "Union Leagues," run by Republican Party hacks and federally funded, administered the voter registration of the ex-slaves to assure Republican Party hegemony. For years, these men, along with government bureaucrats associated with the "Freedmen's Bureau," promised blacks that if they voted Republican, they would be given the property of the white population.

The result was that by 1868, ten of the fourteen Southern U.S. senators, twenty of the thirty-five representatives, and four of the seven governors were Northern Republicans who had never met their constituents until after the war.<sup>24</sup> Political office holding was the exclusive prerogative of a small number of white men who professed allegiance to the Republican Party. Only after several years were blacks permitted to hold public office.

If Northerners, out of concern for social equality, wanted blacks to have the vote, then one has to wonder why Ohio, Michigan, Minnesota, and Kansas would not extend the right to vote to blacks in 1867 and 1868. Women were not given the right to vote until 1920, but there was no agitation by Northern Republicans in the 1860s and 1870s to extend the franchise to women. If voting was such an important civil right, one has to wonder why Republican politicians thought that illiterate and propertyless ex-slaves deserved it, but the many highly educated and accomplished women did not.

The military purged from office any local public officials who did not strictly adhere to the Republican Party programs. In May of 1868, "the mayor, chief of police and other municipal officers of Mobile [Alabama] were summarily removed, and their places were filled with 'efficient Union [i.e., Republican Party] men'."<sup>25</sup> Before Reconstruction was ended in 1877, federal military authorities restaffed the municipal governments of every Southern city of any size. The rule of law meant next to nothing, for it could at any time be superseded by military order.

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<sup>23</sup>Dunning, *Essays on the Civil War and Reconstruction*, p. 181.

<sup>24</sup>Dunning, *Reconstruction: Political and Economic*, p. 120.

<sup>25</sup>Dunning, *Essays on the Civil War and Reconstruction*, p. 152.

After years of such tyranny at the hands of military dictatorships, the Southern states consented to the Fourteenth Amendment. By then, though, New Jersey and Ohio, disgusted by Republican Party tyranny, had voted to revoke their previous ratifications of the amendment. Congress failed to secure the constitutionally required three-fourths majority, but simply issued a “joint resolution” declaring the amendment valid anyway.

What did the Republican Party do with its monopolistic political power? It first plundered Southern taxpayers by greatly expanding state and local governmental budgets. Little of this governmental expansion benefited the general public; the main beneficiaries were the thousands of “carpetbaggers” (and a few “scalawags”) who populated the newly bloated governmental bureaucracies and who benefited from government contracts. A few crumbs went to ex-slaves to solidify their political support. As Dunning observed:

[T]he expenses of the governments were largely increased; offices were multiplied in all departments; salaries were made more worthy of the now regenerated and progressive commonwealths; costly enterprises were undertaken. . . . The result of all this was promptly seen in an expansion of state debts and an increase of taxation that to the property-owning class were appalling and ruinous.<sup>26</sup>

One of John C. Calhoun’s greatest fears, that democracy would evolve into a class warfare system whereby the tax-consuming class would perpetually loot the tax-paying class, was enshrined as national policy toward the South.<sup>27</sup> As Dunning further remarked, the property-owning class, which paid most of the taxes, “was sharply divided politically from that which levied them, and was by the whole radical theory of the reconstruction to be indefinitely excluded from a determining voice in the government.”<sup>28</sup> It was a far worse situation than Calhoun ever imagined. The tax-consuming “class” did not just outvote the tax-paying class, it disfranchised it altogether.

Perhaps the most insidious effect of the expansion of state and local government was that it provided for tax-funded government school-

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<sup>26</sup>Dunning, *Reconstruction: Political and Economic*, p. 206.

<sup>27</sup>Ross M. Lence, *Union and Liberty: The Political Philosophy of John C. Calhoun* (Indianapolis, Ind.: Liberty Fund, 1992).

<sup>28</sup>Dunning, *Reconstruction: Political and Economic*, p. 206.

ing, influenced heavily by the federal government. Generations of Southerners have been taught a politically correct version of history (and of many other subjects) in federalized, government-run schools.

### **CORPORATE WELFARE AND POLITICAL CORRUPTION**

The biggest item on the Republican agenda was the government subsidizing corporations that bankrolled the Republican Party. The Confederate Constitution had outlawed such corporate welfare,<sup>29</sup> but the defeat of the Confederate armies left no viable opposition to such a policy. From 1866 to 1872, the eleven Southern states amassed nearly \$132 million in state debt for railroad subsidies alone.<sup>30</sup> In countless instances, bonds were issued but backed by no property of any value. In many states, bonds were sold before work began on railroads, and “dishonest promoters sold these bonds for what they could get and never built the roads.”<sup>31</sup>

Not surprisingly, “railways that had been owned in whole or in part by the states were grossly mismanaged, and were exploited for the profit of politicians.”<sup>32</sup> And, to no one’s surprise,

the progressive depletion of the public treasuries was accompanied by great private prosperity among [Republican] politicians of high and low degree. . . . Bribery became the indispensable adjunct of legislation, and fraud a common feature in the execution of the laws.<sup>33</sup>

Railroad companies bribed legislators to sell state railroad holdings to them for next to nothing. In Alabama, General James H. Clanton observed that “in the statehouse and out of it, bribes were offered and accepted at noonday, and without hesitation or shame,” the effect was “to drive the capital from the state, paralyze industry, demoralize labor, and force our best citizens to flee Alabama as a pestilence.”<sup>34</sup>

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<sup>29</sup>Marshall DeRosa, *The Confederate Constitution of 1861* (Columbia: University of Missouri Press, 1992).

<sup>30</sup>Dunning, *Reconstruction: Political and Economic*, p. 208.

<sup>31</sup>E. Merton Coulter, *The South During Reconstruction* (Baton Rouge: Louisiana State University Press, 1947), p. 150.

<sup>32</sup>Dunning, *Reconstruction: Political and Economic*, p. 208.

<sup>33</sup>Dunning, *Reconstruction: Political and Economic*, p. 209.

<sup>34</sup>Coulter, *The South During Reconstruction*, p. 151.

Revisionist historians do not dispute any of this. Foner, for example, wrote of how “every Southern state extended munificent aid to railroad corporations” which had to be abandoned by the early 1870s due to gross mismanagement and the fact that the subsidies “opened the door to widespread corruption.”<sup>35</sup>

The railroad debacle replayed the Whig/Republican pipe dream of creating prosperity through mercantilism rather than through free markets. It was a replay because the last time the same coalition exerted national influence, in the 1830s, the same thing had happened but on a national scale. At that time, the Whig Party was successful enough in many states to enact massive railroad and canal-building subsidies. The result was that

in every State which had gone recklessly into internal improvements the financial situation was alarming. No works were finished [None!]; little or no income was derived from them; interest on the bonds increased day by day and no means of paying it save by taxation remained.<sup>36</sup>

Things were so bad that the country suffered a national recession.

At the time, Abraham Lincoln was Illinois Whig Party leader and the man most responsible for that state’s adoption of mercantilism. The result, as described by Lincoln’s law partner, William H. Herndon, was

a debt so enormous as to impede the otherwise marvelous progress of Illinois. . . . The burdens imposed by this Legislature under the guise of improvements became so monumental in size it is little wonder that at intervals for years afterward the monster [of debt] repudiation often showed its hideous face.<sup>37</sup>

The “internal improvement system, which Lincoln had played such a prominent part in adopting, had collapsed, with the result that Illinois was left with an enormous debt and an empty treasury.”<sup>38</sup>

One of Dunning’s students, Ellis Coulter, catalogued the myriad

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<sup>35</sup>Foner, *Reconstruction: America’s Unfinished Revolution*, p. 380.

<sup>36</sup>John Bach McMaster, *1830–1842*, vol. 6 of *A History of the People of the United States* (New York: D. Appleton, 1914), p. 628.

<sup>37</sup>William H. Herndon and Jesse W. Weik, *Life of Lincoln* (New York: Da Capo Press, 1983), p. 161.

<sup>38</sup>Herndon and Weik, *Life of Lincoln*, p. 161.

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ways in which Republican Party hacks figured out how to loot Southern taxpayers.<sup>39</sup>

- By 1870, Florida's state government printing costs alone exceeded the entire state budget for 1860. The legislature sold to its friends (and its members) more than 1 million acres of public land for five cents an acre.
- The South Carolina legislature paid supporters \$75,000 to take a state census in 1869, although the federal government was to do the same thing a year later for \$43,000. It also paid the House Speaker an extra \$1,000 after he lost \$1,000 on a horse race.
- Before the war, a session of the Louisiana legislature cost about \$100,000; after the war, the cost exceeded \$1 million because of lavish spending on lunches, alcohol, women's apparel, and even coffins. The Louisiana legislature purchased for \$250,000 a hotel that had just sold for \$84,000, and chartered a navigation company and purchased \$100,000 in stock even though the company never came into being. The chief justice of the state supreme court and his business partners purchased a railroad from the state for \$50,000 after the state had spent more than \$2 million on it.

Property taxes were increased by intolerable amounts so that government officials could then confiscate property for "unpaid taxes." As a South Carolina politician explained: "Land in South Carolina is cheap! We like to put on the taxes, so as to make it cheap!"<sup>40</sup> In Mississippi at one point, about one-fifth of the entire state was for sale. In Arkansas, a 228-page book was needed to advertise all the tax-delinquent land sales there. By 1872, property taxes in the South averaged about four times what they were in 1860, and in South Carolina, they were thirty times higher.<sup>41</sup>

Tax collectors, in turn, stole much of this money. In Florida in 1872, more than half a million dollars collected in taxes collected was never turned over to the state treasury.<sup>42</sup> Since few ex-slaves

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<sup>39</sup>Coulter, *The South During Reconstruction*, pp. 148–49.

<sup>40</sup>Coulter, *The South During Reconstruction*, p. 155.

<sup>41</sup>Coulter, *The South During Reconstruction*, p. 156; and Foner, *Reconstruction: America's Unfinished Revolution*, p. 376.

<sup>42</sup>Coulter, *The South During Reconstruction*, p. 156.

had the resources with which to purchase significant tracts of land, one can reasonably assume that the main beneficiaries of these tax sales were carpetbaggers and scalawags. Once the ex-slaves began advancing economically and owning property, many of them joined with Southern whites to form tax-resisting associations that sought tax relief.

Although the South was destitute, a punitive five cents per pound federal tax was placed on cotton, making it difficult, if not impossible, for many cotton growers to stay in business. A military order was issued that anyone who had sold cotton to the Confederate government must give up their cotton to the U.S. government. Hundreds of U.S. Treasury agents swarmed over the South, confiscating cotton with the backing of armed U.S. troops. Little money made it to the U.S. Treasury, however, for the Treasury agents embezzled much of it (which was actually a better use of the money than fueling a bigger central government). As described by Sherrard Clemens, an investigator employed by President Andrew Johnson, “The local Agent divides these proceeds [from selling confiscated cotton] with the sub-Agents, or fails to make any return to the Treasury Department at all,” so that the agents all “share the unlawful plunder.”<sup>43</sup> In many instances, Treasury agents were simply shakedown artists who “would propose to seize a man’s property in the name of the United States, but abandon the claim on the payment of heavy bribes.”<sup>44</sup>

One can get an idea of how wealthy some Republican politicians became through this racket by the example of Illinois native Henry Clay Warmoth, the governor of Louisiana who, on an \$8,000 per year salary, “accumulated” more than \$1 million in four years.<sup>45</sup> Governor Warmoth was most appropriately named, for the whole corrupt system of corporate welfare, protectionism, and central banking that the Republican Party championed was Clay’s own “American System.”<sup>46</sup> To keep this corrupt system running, the Republican-controlled governments subsidized pro-Republican newspapers to the tune of tens of thousands of dollars annually and, in some cases, granted them legal monopolies in the newspaper business in particular towns.

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<sup>43</sup>Fleming, *Documentary History of Reconstruction*, p. 28.

<sup>44</sup>Fleming, *Documentary History of Reconstruction*, p. 31.

<sup>45</sup>Bowers, *The Tragic Era*, p. 363.

<sup>46</sup>Robert V. Remini, *Henry Clay: Statesman for the Union* (New York: Norton, 1991).

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Lincoln's election signified the final political victory for the Hamiltonian centralizers, whose banner was carried by the Whigs starting in the 1830s, and by the Republicans from 1856 on. They advocated centralized state power, corporate welfare, protectionism, and central banking—i.e., mercantilism. Once the Republican Party established itself as a political monopolist during Reconstruction, it immediately went to work expanding all the planks of the old Whig platform. It is important to recall that the Confederate Constitution outlawed protectionist tariffs and corporate subsidies. Likewise, a Southerner, Andrew Jackson, had abolished the second Bank of the United States, temporarily putting an end to central banking. The political economy of the North was as opposite as it could be from that of the South.

### FROM REPUBLIC TO EMPIRE

With the Confederate army out of the way and no one in a position to make principled, constitutional arguments against such vast expansions of state power, the Republicans went to work creating a highly centralized mercantilist state that they hoped would keep them in power indefinitely. They were also imperialists in the tradition of the party's political inspiration, Henry Clay, who, upon entering Congress, urged his colleagues to attempt to conquer Canada.<sup>47</sup>

Similarly, in 1865, General Ulysses S. Grant was itching to invade Mexico. Just one month after Lee surrendered at Appomattox, Grant sent General Philip Sheridan to Texas with orders to “assemble a large force on the Rio Grande” for a possible invasion of Mexico to expel the French.<sup>48</sup> Fortunately, the planned invasion never materialized.

The U.S. government next began antagonizing the British, who had traded with the Confederate government during the war. Led by Charles Sumner, the government began demanding “reparations” for Union damage that such trade had supposedly caused. On July 26, 1866, Congress modified the neutrality laws to permit warships and military expeditions to be fitted out against friendly powers, such as England.<sup>49</sup> Several bands of Irish Americans, with the implicit approval

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<sup>47</sup>Remini, *Henry Clay*.

<sup>48</sup>Dunning, *Reconstruction: Political and Economic*, p. 153.

<sup>49</sup>Dunning, *Reconstruction: Political and Economic*, p. 160.

of the U.S. government, invaded Canada but were quickly driven back, further antagonizing the British.

President Grant proposed another expansionist venture that ultimately failed, the annexation of Santo Domingo. In July of 1865, before his election as president, while still Commander of the U.S. Army, Grant gave General Sherman the assignment to conduct a campaign of ethnic genocide against the Plains Indians to make way for government-subsidized railroads. Sherman wrote to Grant in 1866,

We are not going to let a few thieving, ragged Indians check and stop the progress of the railroads. We must act with vindictive earnestness against the Sioux, even to their extermination, men women and children.<sup>50</sup>

The character of the American state had changed almost overnight from one whose primary responsibility was protecting the lives, liberty, and property of its citizens to an expansionist, imperialistic power more willing than ever to trample on individual rights and abandon the Constitution to achieve these ends. This was especially easy to accomplish once the check on centralized power, created by states' rights, was destroyed.

The corruption that accompanied railroad "construction" in the South was multiplied many times over through the massive subsidies for transcontinental railroads funded by the federal government. Per-mile subsidies created incentives to build wildly circuitous routes in order to collect more subsidies, cheap construction materials were used, and the emphasis was on speed, not workmanship. Republican legislators accepted bribes in return for appointing railroad commissioners who were political supporters with no railroad experience. By May of 1869, the corruption and inefficiency were so rampant that both the Union Pacific and Central Pacific railroads were bankrupt.<sup>51</sup>

As an apparent reward for mass murdering the Plains Indians and confiscating their land for the benefit of the railroads, General Sherman acquired land near Omaha at less than one-third of its market

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<sup>50</sup>Michael Fellman, *Citizen Sherman: A Life of William Tecumseh Sherman* (Lawrence: University of Kansas Press, 1995), p. 264.

<sup>51</sup>Burton Folsom, *Entrepreneurs versus the State* (Herndon, Va.: Young America's Foundation, 1988).

price.<sup>52</sup> Credit Mobilier company stock was given to congressmen as a form of bribery; during the Grant administrations (1869–1877), it was revealed that Schueler Colfax, the Speaker of the House and Grant’s vice president, had been given Credit Mobilier stock, as had more than a dozen prominent Republican congressmen. Grant’s Secretary of War, W.W. Belknap, was forced to resign for having accepted bribes. His private secretary, Orville Babcock, was involved with a ring of stock swindlers. Treasury Secretary W.W. Richardson was implicated in a tax swindle. Even Grant’s ambassador to England, Robert Schenck, had to plead diplomatic immunity to avoid being arrested for selling Londoners worthless stock in American “mining companies.”<sup>53</sup> The Reconstruction-era Republican Party was such a band of thieves that historian Mark Summers wrote a book about it appropriately entitled *The Era of Good Stealings*.<sup>54</sup>

Republicans were not necessarily more corrupt than were Democrats (or anyone else, for that matter), but the expanded size and scope of government, and its centralization in Washington, guaranteed such actions. Government power corrupts.

## THE PERMANENT EFFECTS OF RECONSTRUCTION

In 1861, America was essentially an anarcho-capitalist society, or, at least, came as close to it as any society in recent memory. As Richard Bensel wrote in *Yankee Leviathan*,

the American state emerged from the wreckage of the Civil War. The state that early American nationalists [i.e., the Hamiltonians] had previously attempted to establish at the Constitutional Convention in 1787 had become a mere shell by 1860—a government with only a token administrative presence in most of the nation and whose sovereignty was interpreted by the central administration as contingent on the consent of the individual states. [A]n account of the American state formation can begin with the Civil War.<sup>55</sup>

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<sup>52</sup>Folsom, *Entrepreneurs versus the State*, p. 21.

<sup>53</sup>Paul Johnson, *A History of the American People* (New York: Harper Collins, 1998), p. 544.

<sup>54</sup>Mark W. Summers, *The Era of Good Stealings* (New York: Oxford University Press, 1993).

<sup>55</sup>Richard Bensel, *Yankee Leviathan* (Cambridge: Cambridge University Press,

During the war and until the 1880s, when Southern Democrats began to reassert their influence in Congress, the Republican Party *was* the state. It was a monopoly government exercising its greatly expanded powers on behalf of the Northern industrial and financial interests who funded its political operations. Among the closest parallels to this mercantilist state, Bensel writes, are the “PRI in Mexico, the Congress Party in India, and the Bolsheviks in the early years of the Soviet Union.”<sup>56</sup>

The Republican Party used its monopoly power to raise tariff rates to historically high levels and keep them there for the rest of the century. A federal internal revenue bureaucracy was created for the first time, and has never been scaled back. Myriad federal excise taxes were enacted during the war, only some of which were repealed when the war ended. A system of national banks was re-established with the National Currency Acts of 1863 and 1864. A prohibitive ten percent tax on the issuance of bank notes drove state banks out of business.

As discussed above, the taxing and money-creating powers of the central government financed corporate welfare schemes to railroad, canal-building, and other private companies. The mass murder of the Plains Indians, under the direction of Generals Grant, Sherman, and Sheridan, was a form of veiled corporate welfare for the railroads, who could have alternatively paid the Indians for rights of way through their property, as did the great (unsubsidized) railroad entrepreneur James J. Hill.<sup>57</sup> As historian Leonard Curry observed, “Throughout the remainder of the nineteenth century (and beyond), corporate interests—apparently insatiable—returned again and again to demand direct and indirect federal subsidies.”<sup>58</sup>

Farm welfare was established for the first time with the creation of the U.S. Department of Agriculture, and military pensions for Union Army veterans constituted the first federal welfare program with a large contingent (veterans) of lobbyists for its expansion. Public lands were given away or sold at below-market prices to corporate interests

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1990), p. ix.

<sup>56</sup>Bensel, *Yankee Leviathan*, p. x.

<sup>57</sup>Folsom, *Entrepreneurs versus the State*.

<sup>58</sup>Leonard P. Curry, *Blueprint for Modern America: Nonmilitary Legislation of the First Civil War Congress* (Nashville, Tenn.: Vanderbilt University Press, 1968), p. 247.

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that supported the Republican Party, while having served in the Confederate Army disqualified one from participating in public land sales.

Before the war, all of these interventions faced strong opposition from those who argued that the U.S. Constitution did not permit them. But during the war, Republicans adopted the novel theory of “war powers” which they used to justify any and all economic and social legislation. After the war, they continued their attack on the Constitution by, among other means, arguing that although their programs may not, strictly speaking, be constitutional, they were at least in the “spirit” of the document.

In the late eighteenth century, the states, through state political conventions that voted to adopt the Constitution, created the federal government as their agent. The federal government was therefore created by a voluntary association of states, several of which (New York, Rhode Island, and Virginia) specifically reserved the right to withdraw from the union at any time, while the other states all understood that this right existed. The Republican Party abolished this form of government and replaced it with the opposite system whereby the states are totally subservient to the central government.

Reconstruction ended in 1877, after which the Democratic Party in general, and Southern Democrats in particular, slowly gained influence in Washington. The result was a temporary slowdown of the relentless march toward centralization of state power that the party of Lincoln had initiated. Grover Cleveland was perhaps the last U.S. president (1885–1889) who waged principled battles against unconstitutional usurpations of power by the centralized state. He vetoed hundreds of pension and welfare bills that would have expanded veterans’ pensions to thousands of “veterans” who had never seen combat, and would have created a welfare-dependent class. He vetoed income tax legislation and sought to cut tariffs, which he called “a vicious, inequitable, and illogical source of unnecessary taxation.”<sup>59</sup>

But a mere decade later, William McKinley would declare war on Spain, with the result being the imperialistic acquisition of Puerto Rico, Guam, and the Philippines, and the setting of the stage for further military intervention in World War I.

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<sup>59</sup>William A. Degregorio, *The Complete Book of U.S. Presidents* (New York: Wing Books, 1993), p. 328.

## CONCLUSION: REVISIONISTS AND RECONSTRUCTION

Reconstruction revisionists, the most prominent of whom is Marxist historian Eric Foner, even while admittedly agreeing with many (perhaps most) of the facts that Dunning and his disciples presented, claim to have “overturned” the Dunning School’s interpretation of Re-construction. They admit that government became greatly centralized (which they applaud), that there was massive corruption, that Southern property owners were effectively looted for twelve more years (which they also applaud), and that the railroad subsidies were a scandal. What, then, have they revised?

Foner summarizes what he believes are the reasons for the “demise” of the Dunning School. First, the revisionists claim to have uncovered the “real” Andrew Johnson as “a stubborn, racist politician” incapable of “responding to the situation that confronted him.”<sup>60</sup> But Johnson did “respond,” explaining his veto of the Civil Rights Bill as based on his opposition to the federalization of law enforcement, something that had never been done before. He simply didn’t “respond” in the way Foner would have liked. And the *ad hominem* attack on Johnson as “racist” is not an argument at all, for, as discussed above, such a criterion would mean that the words and deeds of the sainted Lincoln should also be dismissed.

Foner spends much of his 690-page book celebrating the political activism of ex-slaves during Reconstruction, noting that, in many communities, black voter turnout exceeded 90 percent. But then he claims that revisionists like himself have “proven” that “Negro rule” was a myth concocted by the Dunning School. By Foner’s own admission, however, black voters were indeed influential in the South during Reconstruction, just as the Dunning School said. The notion that they “ruled” the white population, however, is a red herring.

Foner next claims that because there were “efforts to revitalize the devastated Southern economy,” the Dunning School is wrong in its critique of economic interventionism as well. Yes, “efforts” were made, but to the extent that the Southern economy recovered, it was despite, not because of, the high taxes and extraordinarily high levels of debt imposed on it by its conquerors. Reconstruction policies hampered, rather than helped, the Southern recovery, just as similar

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<sup>60</sup>Foner, *Reconstruction: America’s Unfinished Revolution*, p. xxii.

policies had plunged the entire economy into a deep recession when the Whigs attempted a similar scheme in the late 1830s.

Foner's claim that the revisionists have also "proven" that the Republican Party was not merely the political vehicle of Northern industrialists and financiers simply should not be taken seriously. Among the research Foner alludes to in this regard is an article by Stanley Cohen in an anthology of revisionist work. In that article, Cohen argues that since there were disagreements among Northern business interests—i.e., some wanted lower tariffs, others wanted higher tariffs—the Republican Party was not uniformly behind using its political power during Reconstruction to serve "Northern business interests" as the Dunning School had argued.<sup>61</sup> This argument hardly makes any sense, for the fact is that Northern business interests favoring higher tariffs and railroad subsidies did have their way, despite some opposition among other Northern businesses.

Finally, Foner and the other revisionists admit that there was indeed massive corruption during Reconstruction, as documented in great detail by Dunning and his students. But the revisionists' "rebuttal" of this evidence is to argue that corruption was even worse in the North! "[C]orruption in the Reconstruction South paled before that of the Tweed Ring, Credit Mobilier scandal, and Whiskey Rings in the post-Civil War North."<sup>62</sup>

Corruption was undoubtedly worse in the North, for there was more government there than in the South. The practice of granting government subsidies to private businesses was common in the North (as was the attendant corruption), and it was this corrupt system that was introduced to the South on a massive scale during Reconstruction. The fact that corruption was even worse in the North proves the Dunning School's point: since massive corporate welfare was relatively new to the South, it hadn't equaled the North in terms of political corruption. It was the expansion of government, which Reconstruction facilitated, that caused such corruption.

As Richard Benschel stated in the quotation at the beginning of this paper, virtually every program enacted under Reconstruction caused

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<sup>61</sup>Stanley Cohen, "Northeastern Business and Radical Reconstruction: A Re-examination," in Stampp and Litwack, *Reconstruction: An Anthology of Revisionist Writings*.

<sup>62</sup>Foner, *Reconstruction: America's Unfinished Revolution*, p. xxii.

a permanent expansion of the central government. Once one recognizes that Republican Party politicians were the political heirs to the Whigs, who were themselves heirs to the Hamiltonians, it becomes clear that this result was not just a by-product of the quest for “social equality,” as revisionist historians argue, but the intended effect all along.

In short, William Archibald Dunning and his students got it right.

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