

RECONSTRUCTING AMERICA:
CONSOLIDATION OF STATE POWER, 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 a 1998 article published in The Independent Review I argued that the ascendancy of Abraham Lincoln to the presidency signified a final victory of sorts of the eighteenth- and early nineteenth-century Hamiltonians in their quest to construct a highly centralized state that would maintain its power by forming an alliance with government-subsidized businesses [DiLorenzo 1998]. 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. It was a war between Southerners who wanted to maintain the founders' system of limited, decentralized government and Northern Yankees who wanted to overthrow the Old Republic, which they did, and replace it with a highly centralized, mercantilist state.

An auxiliary myth is that federal policy in the conquered South after the war was aimed at "binding the nation's wounds" and establishing a "just and lasting peace," as Lincoln reportedly said. Yes, there were many Americans who sought these noble goals, but they are to be distinguished from *the state*, whose objectives were quite different.

In this paper I will argue that the main purpose (and effect) of the "Reconstruction" policies of 1865-1877 was to centralize and consolidate state power and to establish Republican party political hegemony. It was *not* to "heal the nation's wounds," or to economically revitalize the South (which it did not). Indeed, Reconstruction was economically

destructive to the South. The 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 REVISIONIST VIEW OF RECONSTRUCTION

A great deal of excellent scholarship on Reconstruction was published during the early twentieth century by such historians as Claude Bowers [1929] and the Columbia University historian William Archibald Dunning [1965, 1907] and his cadre of graduate students. The distinguished historians James Ford Rhodes [1906] and James G. Randall [1937] also contributed to the view of Reconstruction as a vindictive, abusive, corrupt, political racket. 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 the taxpayers of the South for more than a decade after the war ended.

Beginning in the 1930s, and especially since the 1960s, there arose a group of “revisionist” historians who have challenged what has come to be known as the “Dunning

School” of Reconstruction scholarship [Stampp and Litwack, 1969]. This group of scholars which, according to Kenneth M. Stampp [1966, 9], has been dominated by “Marxists of various degrees of orthodoxy,” rarely disputed the facts that were set out 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 a more “enlightened” picture of the era. (The most prominent contemporary historian of Reconstruction is the Marxist Eric Foner [1988], who calls Reconstruction “America’s unfinished revolution”).

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 [Stampp 1969, 9]. Southerners were indeed “lucky” in this regard, according to the revisionist view.

Because Dunning and his disciples provided accurate descriptions of the ex slaves and their role in Southern politics shortly after the war, the Marxist/Liberal revisionists have sought to discredit the Dunning School’s views by labeling them as racist.¹ As Kenneth Stampp [1969, 20] smugly remarked: “As ideas about race have changed, historians have become increasingly critical of the Dunning interpretation of Reconstruction.” 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.

But there is a very big problem with using this criterion (allegedly racist attitudes) in judging the credibility of Reconstruction scholarship. Every one of the revisionists is a Lincoln idolater. Over 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 every unsavory act and deed of Lincoln's, and many of these excuses have been concocted by the very same revisionist historians who have rejected the Dunning School's view of Reconstruction.

The problem with this is that Lincoln himself was a white supremacist all his life who didn't believe that the two races should even mingle. If the 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.

There is no better illustration of how "ideas about race have changed" than Lincoln's statement in the September 18, 1858 debate with Senator Stephen Douglas that:

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 for ever 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 [Basler 1953, 145-146].

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 Liberia, to their own native land. But free them and make them politically and socially our equals? My own feelings will not admit this" [Basler

1953, 255-256]. 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 was a lifelong supporter of the African colonization proposal championed by his political idol, the Kentucky slaveowner Henry Clay. "I cannot make it better known than it already is," he said on December 1, 1862, that "I strongly favor colonization" [Basler 1953, 685].

In Forced into Glory: Abraham Lincoln's White Dream, the historian and Ebony magazine editor Lerone Bennett, Jr. [2000], painstakingly makes the case that Lincoln was as much a white supremacist as any man has ever been; that the Emancipation Proclamation did not free a single slave but was a public relations stunt designed to discourage the European governments from assisting the Confederacy; and that he was always a colonizationist who opposed the extension of slavery into the new territories not out of moral conviction but from a desire to keep the west white.

Lincoln married into a slaveowning 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 [Bennett 2000, 90]; frequently used the "N" word; supported the amendment to the Illinois Constitution that forbade the emigration of blacks into the state while a leader of the state legislature; supported the Illinois "Black Codes" which made most trades and occupations and schools off limits to black people; personally ordered Union army officers to return any escaped slaves to their owners; required

every member of his cabinet to sign a pledge in support of the Fugitive Slave Clause of the Constitution; and referred to blacks and Mexicans as “Mongrels” [Basler 1953, 235].

While a member of the Illinois legislature Lincoln voted to deny blacks the right to vote; opposed Negro citizenship; opposed allowing black people to serve as jurors or to hold public office; and favored laws that taxed blacks to help pay for schools to which their own children were forbidden to attend [Bennett 2000, 194-195]. As an Illinois lawyer Lincoln defended a slaveowner 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 all of 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, was speaking 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” [Rice 1888, 481-482].

THE POLITICS OF RECONSTRUCTION

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,” [Fleming 1966, 9]. In 1870, five years after the war had ended, 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 houses, and houses standing without roofs” [Fleming 1966, 10]. Southern soldiers returning from the war found their homesteads destroyed, their farms devastated, and their communities on the brink of starvation. The roads and railroad beds were mostly destroyed, and in North Georgia there was “a degree of destitution that would draw pity from a stone” [Fleming 1966, 21]. 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 to reestablish commercial relationships between all the states, but it nevertheless 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 the southern states whom the federal army was able to capture at the end of the war were imprisoned without trial [Dunning 1907, 35].

The first order of business for these puppet governments was to convene “kangaroo” constitutional conventions that declared invalid the ordinances of secession. Jefferson Davis, who at the time was in a military prison, never had a trial where 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.

The Civil Rights Bill of 1866 was vetoed by President Johnson 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,” explained Dunning [1907, 64]. 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 property 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 [Dunning 1965, 93].

Congress overrode the president’s veto, declared political war on Johnson, and almost succeeded in impeaching him.

Congress blackmailed the Southern states into passing the Fourteenth Amendment to the Constitution by prohibiting congressional representation by those states unless they ratified the amendment. In doing this 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; the amendment would lead to a strong centralization of power in Washington; and

upon 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 [Dunning 1907, 84].

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 governments of each of 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 passage of the Fourteenth Amendment before military rule could be ended in a state. And it was indeed a false pretense, since the courts had been operating normally in the South 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 disenfranchised by a law denying the franchise 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 were disenfranchised, as were all those who purchased bonds from the Confederate government [Dunning 1965, 181]. Even if one did not participate in the war effort, voter registration required one to publicly proclaim that one's sympathies were with the federal armies during the war, something that very few white Southerners would dare say.

The so-called "Union Leagues" were run by Republican party hacks (and were federally funded) and 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 [Dunning 1907, 120]. Political office holding was the exclusive prerogative of a small number of white men who professed allegiance to the Republican party. After several years, blacks were permitted to serve in public office.

If Northerners wanted blacks to be given the vote because of their concern for social equality, then one has wonder why Ohio, Michigan, Minnesota, and Kansas would not extend the right to vote to blacks in 1867 and 1868, as they did. Women were not given the right to vote until 1920; 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 that even the most highly educated and accomplished women, of which there were many, did not.

Any local public officials who did not strictly adhere to the Republican party programs were purged from office by the military. 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’” [Dunning 1965, 152]. Before Reconstruction was ended in 1877, the municipal governments of every Southern city of any size were restaffed by the federal military authorities. The rule of law meant next to nothing, for it could at any time be superseded by military order.

After being tyrannized by military dictatorships for a number of years, the southern states consented to the Fourteenth Amendment. But at that point New Jersey and Ohio, disgusted by Republican Party tyranny, voted to revoke their previous ratifications of the amendment. Congress failed to secure the constitutionally-required two-thirds majority, but simply issued a “joint resolution” declaring the amendment valid anyway.

POLITICAL PLUNDERING OF THE SOUTH

What did the Republican party do with its monopolistic political power? The first thing it did was to plunder 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 were shared with the ex-slaves in order to solidify their political support. As Dunning [1907, 206] 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.

One of John C. Calhoun’s great fears, that democracy would evolve into a class warfare system whereby the taxpaying class would be perpetually looted by the tax-consuming class, was enshrined as national policy toward the South [Lence 1992]. As Dunning [1907, 206] 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.

It was a far worse situation than Calhoun ever imagined. The taxpaying “class” was not just outvoted by the tax-consuming class; it was disenfranchised altogether.

Perhaps the most insidious effect of this expansion of state and local government was that it provided for tax-funded government schooling, influenced heavily by the federal government. Generations of Southerners have been taught a politically-correct version of history (and of many other subjects) in the federalized, government-run schools.

The biggest item on the agenda of the Republicans was government subsidies to the corporations that bankrolled the Republican party. The Confederate Constitution outlawed such corporate welfare [DeRosa, 1992], but with the defeat of the Confederate armies there was no longer any opposition to it.

From 1866 to 1872 the eleven southern states amassed nearly \$132 million in state debt for railroad subsidies alone [Dunning 1907, 208]. In countless instances bonds were issued but were 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” [Coulter 1947, 150].

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” [Dunning 1907, 208]. 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” [Dunning 1907, 209].

Railroad companies bribed legislators to sell state railroad holdings to them for next to nothing. In Alabama, a 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,” and 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” [Coulter 1945, 151].

The revisionist historians do not dispute any of this. Foner [1988, 380] wrote of how “every Southern state extended munificent aid to railroad corporations” which had to be abandoned, however, by the early 1870s due to gross mismanagement and the fact that the subsidies “opened the door to widespread corruption.”

The railroad debacle was a replay of the Whig/Republican pipe dream of creating prosperity through mercantilism rather than free markets. It was a replay because the same thing happened but on a national scale the last time the same political coalition exerted national influence, in the late 1830s. At that time the Whig Party was quite successful in many states and was able to enact massive railroad and canal-building subsidies. The results, according to John Bach McMaster [1914, 628] in his History of the People of the United States, 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.” Things were so bad that the country endured a national recession.

Abraham Lincoln at the time was the leader of the Whig Party in Illinois and was the one man most responsible for Illinois' adoption of mercantilism. The result, as described by Lincoln's law partner, William H. Herndon [1983, 161], 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 . . . " The "internal improvement system," "the adoption of which Lincoln had played such a prominent part, had collapsed, with the result that Illinois was left with an enormous debt and an empty treasury" [Herndon 1983, 161].

One of Dunning's students, Ellis Coulter [1947, 148-149], catalogued the myriad ways in which Republican party hacks figured out how to loot southern taxpayers some twenty years later.

By 1870 the cost of printing alone to the government of Florida exceeded the entire state budget for 1860. The legislature sold to its friends (and to itself) over 1 million acres in 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 \$1000 in compensation after he lost \$1000 on a horse race.

Before the war a session of the Louisiana legislature cost about \$100,000 to run; after the war the cost exceeded \$1 million because of lavish spending on lunches, alcohol, womens' apparel, and even coffins. The Louisiana legislature also purchased a hotel for \$250,000 which

had just sold for \$84,000; chartered a navigation company and purchased \$100,000 in stock even though the company never came into being; and 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.

Taxes on property were increased by intolerable amounts so that the governmental rulers could then confiscate the property for “unpaid taxes.” As explained by a South Carolina politician: “Land in South Carolina is cheap! We like to put on the taxes, so as to make it cheap!” [Coulter 1945, 155]. 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 were, on average, about four times what they were in 1860, although in South Carolina they were thirty times higher [Coulter 1945, 156; Foner 1988, 376].

Much of this money was stolen by the tax collectors. More than half a million dollars in taxes collected in 1872 were never turned into the Florida treasury [Coulter 1945, 156]. Since very few of the ex-slaves 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 which sought tax relief.

Although the South was destitute, a punitive five cents per pound federal tax was placed on cotton which made 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 was raised for 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” [Fleming 1966, 28]. In many instances the 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 . . .” [Fleming 1966, 31].

In order to help 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.

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 wealth in four years [Bowers 1929, 363]. 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” [Remini 1991].

MONOPOLY GOVERNMENT

“During the decade in which the Union first suppressed the Confederacy through war . . . the Republican party exercised without significant challenge central state authority in the name of northern-led nationalism.”

-- Richard Bense, Yankee Leviathan

As stated in the introduction the election of Lincoln signified the final political victory of the Hamiltonian centralizers, whose banner was carried beginning in the 1830s by the Whigs, and then from 1856 on, by the Republican party. These were the advocates of centralized state power, corporate welfare, protectionism, and central banking, i.e., of 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 protectionist tariffs and corporate subsidies were outlawed by the Confederate Constitution, and that it was a southerner, Andrew Jackson, who abolished the Bank of the United States and temporarily put an end to central banking.

With the Confederate army out of the way, and no one making principled, constitutional arguments against such vast expansions of state power, the Republicans went to work creating a highly centralized, mercantilist state which 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 [Remini 1991].

In 1865 General Ulysses S. Grant was itching to invade Mexico. Just one month after Lee surrendered at Appomatox he 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 from that country [Dunning 1907, 153]. 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 the damage to the Union that such trade 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 [Dunning 1907, 160]. Several bands of Irish Americans, with the implicit approval of the U.S. government, invaded Canada but were quickly driven back, further antagonizing the British.

President Grant proposed the annexation of Santo Domingo, another expansionist venture that ultimately failed. Before being elected president, and while still Commander of the U.S. Army, Grant gave General Sherman the assignment, in July of 1865, of conducting a campaign of ethnic genocide against the Plains Indians to make way for the government-subsidized railroads. “We are not going to let a few thieving, ragged Indians check and stop the progress of the railroads,” Sherman wrote to Grant in 1866. “We must act with vindictive earnestness against the Sioux, even to their extermination, men women and children” [Fellman 1995, 264].

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 that was 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 that states' rights created was destroyed.

The kind of 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 there was an emphasis on speed, not workmanship; Republican legislators accepted bribes in return for appointing railroad commissioners who were political supporters with no railroad experience; and by May of 1869 the corruption and inefficiency was so rampant that both the Union Pacific and Central Pacific railroads were bankrupt [Folsom 1991].

As an apparent reward for mass murdering the Plains Indians and confiscating their land for the benefit of the railroads, General Sherman was sold land near Omaha at less than one-third of the market price [Folsom 1991, 21]. Credit Mobilier company stock was given to Congressmen as a form of bribery, and 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, and 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" [Johnson 1997, 544]. The

Reconstruction era Republican Party was such a band of thieves that historian Mark Summers [1993] wrote an entire book about them appropriately entitled “The Era of Good Stealings.”

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

In 1861 America was essentially an anarcho-capitalist society, or at least as close as any society in memory has been. As Richard Bense [1995, ix] 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 . . . an account of the American state formation can begin with the Civil War . . . “

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 which exercised its greatly-expanded powers on behalf of the Northern industrial and financial interests who funded its political operations. It was a Mercantilist State. Among the closest parallels to this situation, writes Bense [1995, x], are the “PRI in Mexico, the Congress Party in India, and the Bolsheviks in the early years of the Soviet Union . . . “

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. State banks were driven out of business by a prohibitive 10 percent tax on the issuance of their bank notes.

As discussed above, the taxing and money-creating powers of the central government were used to finance 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 the great (unsubsidized) railroad entrepreneur James J. Hill did [Folsom 1991]. As historian Leonard Curry [1968, 247] 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. . . “

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. The public lands were given away or sold at below-market prices to corporate interests 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 they were not permitted by the U.S. Constitution. But during the war the

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 created the federal government as their agent through state political conventions which voted to adopt the Constitution. The federal government was therefore created by a voluntary association of states, several of which (New York, Rhode Island, and North Carolina) specifically reserved the right to withdraw from the union at any time, while the other states all understood that this right existed. This form of government was abolished by the Republican party and replaced 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 the centralization of state power that was initiated by the Party of Lincoln. Grover Cleveland (1885-1889) was perhaps the last president of the United States 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 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” [Degregorio 1996, 328].

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.

WHAT DID THE REVISIONISTS REVISE?

The Reconstruction revisionists, the most prominent of whom is the Marxist historian Eric Foner, claim to have “overturned” the Dunning School’s interpretation of Reconstruction while admittedly agreeing with many (perhaps most) of the facts that Dunning and his disciples presented. 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” [Foner 1988, xxii]. But Johnson did “respond” by explaining his veto of the Civil Rights Bill as being based on his opposition to the federalization of law enforcement, something that had never been done before. He just didn’t “respond” in the way Foner would like. 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 the ex-slaves during Reconstruction, noting how 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 is a red herring.

Foner next claims that because there were “efforts to revitalize the devastated Southern economy” the Dunning School is wrong on 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 conquerers. Reconstruction policies hampered the Southern recovery rather than helping it, just as similar policies plunged the entire economy into a deep recession in the late 1830s when the Whigs attempted a similar scheme.

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 edited by Kenneth Stampp and Leon Litwack [1969]. In that article, Cohen argues that since there were disagreements among Northern business interests, i.e., some wanted lower tariffs and 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. This argument hardly makes any sense, for the fact is that Northern business interests favoring higher tariffs and railroad subsidies did in fact 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' [Foner 1988, xxii].

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 quite 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 quite equaled the North in terms of political corruption. It was the expansion of government, which Reconstruction facilitated, that caused such corruption.

As stated in the quotation by Richard Bensele at the beginning of this paper, virtually every program enacted under Reconstruction caused a permanent expansion of the power of the central government. Once one recognizes that the 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 byproduct of the quest for "social equality," as the revisionist historians argue, but the intended effect all along. William Archibald Dunning and his students got it right.

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FOOTNOTE

¹ Dunning [1907, 175] wrote, for example, 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 quite accurate descriptions of the illiterate and propertyless ex-slaves in 1866, but they have generated outrage by the Marxist revisionists.