The Economics of Dracula

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Another Halloween is upon us, bringing its late autumnal burst of costumes, candy, and merriment. Ghosts, witches, mummies, zombies, Frankenstein's monster, film and television characters, and others will make appearances, as will the quintessential Halloween figure: Dracula.

Most people are familiar with Count Dracula's first literary appearance in Bram Stoker's 1897 Gothic horror novel *Dracula*. And many are also aware that the undead villain was loosely based on a real historical figure, Vlad Tepes III — "Vlad the Impaler" (sometimes "Vlad Dracula") — who ruled mid-15th century Wallachia, a region of modern day Romania.

Incredibly, though, there is a real but lesser-known horror story behind Dracula — a story of the long-term effects of inflationary policies and a consequent campaign of economic nationalism, rather than of a mythic, powerful undead creature: interventionism pursued terrifyingly, diligently, to its logical ends.

The Real Dracula

In 1431, Vlad Tepes III, the man who would become the inspiration for Count Dracula, was born in Transylvania. With his father, Vlad II, on the Wallachian throne, early in life he and his brother were sent to the Ottoman court of Mehmet the Conqueror to act as living guarantors of their father's fidelity ("loyalty hostages"). While his brother, Radu, flourished, Vlad III was insolent and regularly experienced beatings and imprisonment.

Typical for that time, a host of intrigues swirled about the court of Vlad II, compounded by Wallachia's critical location as a buffer kingdom between the Ottoman and Holy Roman Empires; changes in leadership could bring about changes in policy, swiftly impacting trade and fortunes. In December of 1447, Vlad II was murdered during a coup. The Ottomans responded swiftly, appointing young Vlad III to his father's former throne. A Hungarian force in turn responded, driving Vlad to flee to Moldavia where he undertook diplomatic duties alongside his uncle.

In 1453, Constantinople fell, and Ottoman forces surged through the Balkans. When the Hungarian occupiers left Wallachia to support their allies and help staunch the flow of invaders, Vlad III, now 23, leapt into action, organizing and leading a successful invasion of his native land.



Wreckage

On retaking the throne, Vlad was stunned to find Wallachia in a state of utter social and economic decay. Where once a brisk trade in "salt, cattle … honey, wine … wax" and many other goods had prospered, the economy was now utterly destroyed.[[1]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note1)

In fact, throughout the century prior to Vlad III's return, the Wallachian economy had been systematically destroyed by liberal use of a well-known policy strategy: currency manipulation. Previous rulers of Wallachia had repeatedly implemented monetary "reform,"

each [of which] led to the introduction of a more debased … lighter weight type of *ducat* … [in order to] increase of the amount of the coinage needed by … expanding political payments.[[2]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note2)

The previous Wallachian leaders' motives were timeworn as well: "Wallachia was confronted, almost permanently, with excessive military expenses … as well as an active international policy."

Thus, there were "serious threats … [to] the monetary stability in Wallachia during the entire 14th–15th century."[[3]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note3)

Consistent expansion of the money supply had created insecurity within the realm, and Vlad immediately took action to create security, making his ruling objectives clear:

My sacred mission is to bring order.… There must be security for all in my land.… When a prince is powerful at home, he will be able to do as he wills. If I am feared by the right people, [we] will be strong.[[4]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note4)

Over the next six years, he implemented policies according to three rough tenets: class warfare/redistribution, protectionism, and welfare statism. Accounts of Vlad III's murderous efforts in these pursuits rival, in their sanguineous ingenuity, the most nightmarish accounts of both *La Terreur* of revolutionary France and the concentration camps of Nazi Germany. In [*Roumania Past and Present*](http://www.amazon.com/gp/product/1475039263?ie=UTF8&camp=1789&creativeASIN=1475039263&linkCode=xm2&tag=misesinsti-20), historian James Samuelson notes, regarding the legends surrounding Vlad Tepes III, "if one-tenth of what has been related to him [is] true … [he is] one of the most atrocious and cruel tyrants who ever disgraced even those dark ages."[[5]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note5)

However, Vlad III was more than just a sadist; his victims were chosen according to their usefulness with respect to fulfilling his vision for a revitalized Wallachia. Indeed, several historians agree that "it is beyond any doubt that [among other] reasons, Vlad the Impaler was … guided by economic ones."[[6]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note6)

Class Warfare

A bulwark of the social and economic landscape of Wallachia — and most of Eastern Europe, at this time — was the *boyar* class: a social rank of landowners, merchants, and military elites one level below the ruling nobility. Vlad III blamed the merchants and elites for the economic troubles of the time. Consequently, a centerpiece of his plan to right the economic ship of Wallachia focused on persecuting the boyars and seizing their property: leveraging the masses' *schadenfreud* to harness the considerable power of envy and, in turn, greater breadth to the reach of his throne.

The implicit message behind Vlad III's policy was an enduring one, as states go: that the wealthy and productive live off and at the expense of the multitude. In fact, governments are the true vampires, clandestinely siphoning the productive output of all citizens while pitting them against each other through propaganda and prevarication.

In Easter 1456, Vlad III invited a number of prominent boyars to his castle, some of whom he suspected of taking being part in the conspiracy to murder his father. Suddenly, without warning, the

able-bodied were chained together and forced to march for sixty miles through the rugged countryside to the ruins of Poienari in the Argest valley. Many of them died enroute.… The prisoners were forced to form a human chain under the whip to convey building materials up the mountainside. The restoration work lasted for two months and very few of the captives survived the ordeal.[[7]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note7)

Throughout the remainder of his reign, Vlad III decimated the landowning and merchant population and at the same time seized their wealth and property. Throughout his reign, in fact, he devoted extensive time and effort to "systematically eradicate the old boyar class of Wallachia."[[8]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note8) In August of 1459, one account reports that he "had thirty thousand merchants and *boyars*" killed.[[9]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note9)

Vlad III had something in common with other murderous class avengers throughout history: he was from the very economic stratum that he persecuted. He began his life among the boyars, and like them was traveled, literate, and cultured. Indeed, even while persecuting them, he unwittingly revealed shared social mores. One of his aristocratic pet peeves was against boyar men who, in his opinion, didn't dress fancily enough; their wives were executed.

Protectionism

He also enacted several protectionist measures. One, which specifically targeted Transylvanian merchants coming to Wallachia, restricted them from trading outside designated market towns.[[10]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note10) Another imposed high tariffs on goods sold by Saxon German craftsmen who exported raw commodities from Germany to Wallachia for completion, no doubt capitalizing on cheaper labor. This included creating a border patrol to inspect carts entering the region. In response, a small rebellion erupted, composed of the craftsmen who, between trips, gathered in small village settlements in northern Wallachia. It was crushed quickly as Vlad III's troops descended on them, "pillaging, looting, and burning them to the ground."[[11]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note11) The survivors, most of whom fled to Germany, provided some of the earliest accounts of Vlad III's brutality.

Welfare Statism

Vlad III also launched a hybrid welfare initiative, coupling a "war on poverty" with what might best be dubbed "DraculaCare":

Vlad Dracula … once notice[d] that the poor, vagrants, beggars, and cripples had become very numerous in his land. Consequently, he issued an invitation to all the poor and sick in Wallachia to come to Tirgoviste for a great feast, claiming that no one should go hungry in his land. As the poor and crippled arrived in the city, they were ushered into a great hall where a fabulous feast was prepared for them. The guests ate and drank late into the night.[[12]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note12)

And, in an episode singularly epitomizing the immemorial tradeoff between freedom and security,

Vlad himself then made an appearance and asked them, "What else do you desire? Do you want to be without cares, lacking nothing in the world?" When they responded positively, Vlad ordered the hall boarded up and set on fire. None escaped the flames.[[13]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note13)

That horrific affair over, Vlad met with the hitherto most oppressed class in Wallachia. He "explained his action to the *boyars* by claiming that he did [it] 'in order that they represent no further burden to other men, and that no one will be poor in my realm.'"[[14]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note14)

Blowback

As most of the boyars were killed off and survivors both heavily taxed and impressed into military service, they (most unsurprisingly) began shifting their loyalties toward the Ottoman Empire.[[15]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note15) While leading troops in a series of brilliant guerilla campaigns against Ottoman forces in 1476, Vlad III was killed in battle. One wonders if his evil had finally come home to roost. There are several accounts of his death, all somewhat mysterious:

Some reports indicate that he was assassinated by … Wallachian boyars just as he was about to sweep the Turks from the field. Other accounts have him falling … surrounded by the ranks of his loyal Moldavian bodyguard. Still other reports claim that Vlad, at the moment of victory, was accidentally struck down by one of his own men.[[16]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note16)

In the end, the fallout from Vlad III's economic "reforms," which largely consisted of killing of merchants and landowners en masse, as well as erecting barriers to trade, was far-reaching:

[Soon] Wallachia lost a harbor which had been a gateway for its trade with the Eastern world. This is the backdrop against which the main trade directions begin to be gradually retraced, so the economic circuit in Southern and Eastern Europe, from the Mediterranean and the Black Sea, stops being the centre piece. The bulk of international Trade [was] shifted slowly towards the west of the Continent and the Atlantic.[[17]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note17)

The central plain of Wallachia was "heavily depopulated" toward the end of the 14th century owing to "frequent military operations" that continued after Vlad III's demise. In addition, his tyranny fed even more of the political intrigue that plagued his father's reign, leading to a succession of "short and unworthy reigns."[[18]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note18)

Legacy

In the decades after his death, Vlad III's memory has, in some circles, been whitewashed. One may soberly wonder how it is that a man responsible for the brutal deaths of up to 100,000 of his own people might be remembered positively, let alone warmly, but to do so would be to ignore the debauchery of power and politics.

Under the czars in pre-revolution Russia, "[Vlad] Dracula was presented as a cruel but just prince whose actions were directed toward the greater good of his people."[[19]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note19) The czars were executed by communists, whose actions were quite explicitly undertaken in the name of the "greater good of the people," and were no less appreciative of bloody tactics. On the 500th anniversary of Vlad III's death, "the man who so terrorized Wallachia's aristocracy [and] was a champion of the craftsmen and the laboring classes" was secularly canonized by the leftist regime in Romania.[[20]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note20)



One incredible example of this admiration was the manner in which the … anniversary of Dracula's death was celebrated in 1976. Throughout Romania eulogies and panegyrics were ordered by Communist Party members; monographs, novels, works of art, a film — even a commemorative stamp was issued — to praise the Impaler.[[21]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note21)

Worse yet, imitation remained the sincerest form of flattery:

It is no wonder that Romania's Communist dictator, Nicolae Ceausescu, would emulate Vlad Tepes, for he was able to frighten his own people.… [His] policies constituted a modern and very real version of nationalism that included isolationist economic arrangements and attempts to suppress the ethnic rights of Hungarians and German Saxons in Transylvania, as well as the Swabians in the Banat. The destruction of the predominantly Hungarian-populated Transylvanian villages … was one of the triggers of [the] 1989 uprising.[[22]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note22)

Vlad the Impaler — and by extension his literary incarnation, Count Dracula — are products of monetary inflation and economic nationalism. But there is a solidly silver (and gold) lining to the black cape of Vlad Tepes III's legacy, and it has taken root over the last century, facilitated by the greatest liberating force in the history of the world: capitalism. The Dracula character, and *vampirism* as a broader fantasy/horror genre, have vastly outgrown their humble origins in Stoker's novel. Over 200 different film adaptations have been made; countless fiction and interpretive books published (in the former category, the hugely successful *Twilight* series comes immediately to mind). A 2005 book about Vlad III, in fact, fostered an assemblage of superlatives:

*The Historian* was the first debut novel to land at number one on *The New York Times* bestseller list in its first week on sale, and as of 2005 was the fastest-selling hardback debut novel in U.S. history. The book sold more copies on its first day in print than *The Da Vinci Code* — 70,000 copies were sold in the first week alone. As of the middle of August 2005, the novel had already sold 915,000 copies in the U.S. and had gone through six printings. (For comparison, according to *Publishers Weekly*, only ten fiction books sold more than 800,000 hardcover copies in the US in 2004.)[[23]](http://mises.org/daily/6244/The-Economics-of-Dracula%22%20%5Cl%20%22note23)

On cable television, *True Blood* dominates ratings, and Sesame Street's "Count" character has taught tens of millions of children around the world how to read numerals.

Though it hardly passes for justice, being mass-marketed, minimized, and revamped (pun intended) renders a wonderfully sardonic twist to the final memory of a genocidal central planner — better and more ironic still, a memory this productive: many millions are employed by and consume from businesses centered on or involving vampire themes. They include actors, writers, musicians, video-game programmers, retailers and merchandisers, service people in the restaurant and tourism industry, and more. A major component of the Dracula "franchise" will begin shortly after school gets out today; over the past few weeks, an estimated $5 billion dollars has been spent on Halloween candy, decorations, costumes (not least of which plastic fangs, fake blood, rubber bats), and the like.

It is this author's hope that this not an isolated phenomenon — more specifically, that even if it takes a few hundred years, one day Count Chocula might find heated competition at breakfast tables by the productive, market-borne resurrection of another homicidal guerilla fighter — possibly in the form of "Guevara O's."

Happy Halloween!