Were Andrew Jackson's Policies "Good for the Economy"?

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From the point of view of most twenty-first-century Americans, Andrew Jackson was at best a lunatic, at worse a monster. Jackson's unpardonable sins include building his wealth on the backs of slave labor, massacring Native Americans, and trampling the Supreme Court's rulings to send the Cherokee to their doom on the Trail of Tears.[1] In addition, he was a wild man—who married a woman who wasn't yet legally divorced and who carried to the grave festering wounds and bullet fragments from two duels (Remini 1981, 1). His contemporary critics damned him for constantly overstepping his authority, calling him a demagogue whose violent partisanship unsettled the economy. Many of his deeds clearly deserve condemnation. But the majority of the American people seemed to love this war hero and successful businessman, electing him with landslide majorities in both 1828 and 1832.

Were Jackson's policies ultimately good for the economy? The answer to this question hinges on what is meant by "good for the economy" and depends on one's implicit model of how an economy functions—on what it takes for an economy and its people to grow and prosper. What is "the economy"? In a word, it is "us." If we,

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1. When I visited Jackson's home, the Hermitage, last summer, the tour seemed to be equal parts celebration and apology—especially for Jackson's actions as a slave owner. Although his most noted biographer, Robert V. Remini, concludes that Jackson "treated his slaves decently and tried to make certain they were not abused by overseers," he also notes that his behavior toward them "on occasion can only be described as barbaric" (1988, 51).

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the people of the economy, are prospering, then the economy is prospering. The millions of individual decision makers in the economy are us, so "what's good for the economy" means "what's good for us." The thrust of modern economic thinking and much of economic history is that widespread prosperity and economic growth come from establishing a society with (1) secure property rights, which gives people incentives (2) to put their resources into high-valued uses—for example, to develop (not waste) natural resources, to work smart and hard, to take responsible risks, to trade, to become educated—and (3) to develop new technologies (Margo 2013).

Economists often look at the proximate sources of economic growth using mathematical models, which simplify the entire economy into a single equation—a production function that models how the economy turns inputs (such as land, labor, and capital) into specific outputs (such as corn, cotton, and cloth) and ultimately into the gross domestic product (GDP). These models emphasize that the two direct channels to growth in per capita income are increasing the amounts of inputs per person and increasing "total factor productivity" so that the same amount of inputs produce more output, especially because technology improves.

Andrew Jackson would probably have had little use for these models, but he had an intuitive feel for what would allow the American economy—or, more precisely, the American electorate of the early nineteenth century—to grow and prosper. However, it is vitally important to realize that Jackson and his electorate defined "us" much differently than we do today. They defined "us" as white people—excluding American Indians and African Americans, whom they saw as impediments to progress or resources to be exploited or both. The bulk of this essay, therefore, will take on Jackson and his policies from the point of view of the early-nineteenth-century electorate. In these terms, Jackson's policies were arguably pretty good for the economy. However, the moral failures of this outlook and these policies should not and cannot be ignored.

Jackson's Land Policies

Perhaps the most important Jacksonian policy that encouraged growth and prosperity for the electorate was his push for an increase in the amount of land available for cultivation in a country in which 71 percent of the labor force worked in agriculture (Carter et al. 2006, 2:110). Jackson's key policy was Indian removal, which allowed whites access to fertile land, especially in the South Central and upper Midwest regions. The electorate's point of view was that because Indian hunters were using the land very inefficiently, they had no right to it.

An Indian chief explained that "[w]e must have a great deal of ground to live upon. A deer will serve us but a couple days, and a single deer must have a great deal of ground to put him in good condition. If we kill two or three hundred a year, 'tis the same as to eat all the wood and grass of the land they live on, and this is a great deal" (qtd. in Lebergott 1984, 13). Stanley Lebergott calculates that in the early

1800s Indian tribes required almost two thousand acres (or three square miles) per person, but that the white population could meet its food (and whiskey) requirements on a couple acres per person. Thus, "European settlers required fantastically less land than the largely hunting and fishing peoples with whom they came into conflict" (1984, 14–15).

White Americans generally shared an ancient feeling that land *must* be put to good use. Jackson's predecessor in office, John Quincy Adams, put it this way: "[W] hat is the right of [the] huntsman to the forest of a thousand miles over which he has accidentally ranged in quest of prey? Shall the liberal bounties of Providence . . be monopolized by one of the ten thousand for which they were created?" (qtd. in Lebergott 1984, 18). Likewise, Thomas Jefferson agreed that "[w]henever there is in any country uncultivated lands and unemployed poor, it is clear that the laws of property have been so far extended as to violate natural right. The earth is given as a common stock for man to labor and live on" (qtd. in Lebergott 1984, 19). German immigrant Francis Lieber explained, "The earth is given to mankind for use; and if it be left wholly unused, it fails to obtain its object. . . . While other territories are crowded and many over-peopled . . . no mere declaration 'This belongs to us' can become a bar against the very destiny of so genial a soil" (qtd. in Lebergott 1984, 18). In other words, the Indians' claims to vast tracts of forested lands made no sense to all these European Americans who saw it sitting idle. Lebergott points out that this attitude wasn't directed only toward Native Americans. Early in the eighteenth century, Scotch-Irish immigrants seized lands owned by the Penns, the Proprietors of Pennsylvania, declaring it "against the laws of God and Nature that so much land should lie idle while so many Christians wanted to labour on it" (qtd. in Lebergott 1984, 19).

Whites knew that many of them could prosper on land that would allow far fewer Indians to merely subsist. Jackson obliged them upon becoming president by rapidly removing Indians from the land and then trying to quickly turn it over from the government to settlers—who immediately set out to clear it of trees and plant it (especially with cotton and corn) or turn it into pasture (where cattle, hogs, and other domesticated animals yielded far more calories per acre than the deer that the Indians hunted) or both. During Jackson's eight years in office (1829–37), about seventy treaties were signed by which more than 100 million acres (almost 170,000 square miles) of Indian land were added to the public domain at a cost to the government of about $65 million plus 32 million acres in the new Indian Territory (modern Oklahoma). This was more than twice the acreage ceded by Native Americans in the eight years before Jackson's terms (Remini 1981, 264; Lebergott 1985, 211–12).[2] Jackson made it a priority to get such lands into the hands of the public as soon as

2. To this same end, Jackson campaigned to add Texas to the union, seeking to buy it from Mexico. As a general in 1814, Jackson had forced the defeated Creeks to sign a treaty that ceded 23 million acres of land (Remini 1988, 84).

possible. During his eight years in office, the federal government sold almost 50 million acres to the public out of the 88 million acres sold from 1820 to 1849. The lands opened to farming were almost all in the trans-Appalachian West, which was much more fertile than the land in the East.[3] Most of the electorate saw this Indian removal policy as an immense success.

Beyond this wholesale transfer of land from Native Americans to white voters, Jackson's land policy aided the "little guy" by cutting the minimum acreage of purchases of government land and allowing more squatters to purchase the land they had illegally settled before it was offered for sale to others. Although Jackson had threatened to send federal troops to clear out squatters, he ultimately signed the Preemption Act of 1830, which allowed unauthorized settlers to purchase up to 160 acres on which they had been squatting—living and farming before the land had been sold by the federal government.[4] The Land Act of 1832 cut the minimum lot size sold by the government from 80 to 40 acres and held the minimum price at $1.25 per acre, an amount that a common laborer could earn in about one day (Atack and Passell 1994, 258).[5] Robert Gallman estimates that 41 percent of capital formation in the United States in the 1830s came from land improvements—farmers clearing, breaking, fencing, draining, and irrigating their land—almost twice as high as during any other period in his study (2000, 40). These land improvements helped the economy prosper in the ensuing decades.

The Bank War and Its Aftermath

The key political economy debate of Jackson's era had little to do with land, however; it was instead his "war" against the (Second) Bank of the United States (BUS). Jackson was personally suspicious of banks (and later in life started paying his bills in gold rather than using paper/bank money), but this wasn't the principal reason he wanted to kill the BUS. He aimed to demolish the power of this large interstate bank chartered by the federal government and favored competition among state-chartered banks, and so he vetoed Congress's rechartering of the bank in 1832. His central points were that the BUS amounted to crony capitalism—the federal government had gone into partnership with a favored few, granted them special privileges

3. Fifty-six percent of the land sold during Jackson's terms were in the East North Central states (Ohio, Indiana, Illinois, Michigan, and Wisconsin); twenty-nine percent were in the East South Central states (Kentucky, Tennessee, Alabama, and Mississippi) (Lebergott 1985, 208).

4. As Mark Kanazawa points out, "Historians have noted a marked difference in the positions of the main political parties regarding disposal of public lands during the 1820s. Jacksonian Democrats tended to strongly favor land disposal on terms favorable to settlers. The National Republican party . . . viewed the public lands more for their potential to supplement the federal treasury, from which they expected to benefit disproportionately" (1996, 242–43). His analysis of congressional voting patterns confirms this distinction, although it suggests that ignoring regional differences overstates the effect.

5. Although some economic historians argue that policies like these encouraged the inefficient use of land by encouraging settlement before the land was economically viable, this is not the majority opinion (Whaples 1995).

(e.g., interstate banking, legal-tender status for its banknotes, and the handling of government accounts) that weren't available to others—and that this crony capitalism had corrupted the economic and political system. The bank's owners earned high profits because of their privileged position, paid congressmen retainer fees, and granted loans that weren't always tied to likeliness of repayment but went to prominent politicians and their friends (Remini 1981, 331–73). The rest of the banking system had matured, so this single bank wasn't needed to fill functions that the other banks could now fulfill.

Critics of Jackson understand this point but argue that the BUS had begun acting as a proto–central banker, helping to stabilize the economy. Jackson didn't buy this argument when it was made back then. Neither do Richard Highfield, Maureen O'Hara, and John Wood (1991), whose empirical study of comovements of the BUS's credit extensions and those of other banks concludes that identifying the BUS as behaving like a central banker is supported at most by an episode or two, but more frequently it behaved in the opposite manner. The removal of funds from the bank was chronologically linked to a credit crunch, but Jackson saw this crunch as an act of spite—and simple economic reasoning suggests that when the U.S. government removed funds from the BUS and deposited them in other banks, the total supply of credit shouldn't have contracted. Following the credit crunch, the economy endured a bout of inflation—with prices rising 28 percent from 1833 to 1836, which critics of Jackson attributed to the easy-money policies of the banking sector, which was no longer required to practice sound money policies because the BUS was no longer there to rein it in. However, the 64 percent increase in the money supply during this period can't be attributed to unregulated banks increasing their loan-to-reserve ratios. Rather, more than all of the increase in the money supply from 1833 to 1836 was caused by an increase in specie (gold and silver) in circulation (Atack and Passell 1994, 100).

Peter Temin (1969) pulls data together to argue that most of the macroeconomic instability in the United States during this period was due to international events that triggered flows of specie into and out of the American economy. The inflation seems to have been caused by a combination of events for which Jackson cannot be blamed—including political instability in Mexico (which caused capital flight to the United States plus inflation-driven exports of silver), surging drug addiction in China (which reduced silver flows to China as its imports of opium soared), payment of war reparations, and Europeans taking advantage of what they saw as investment opportunities in the United States.[6] Then, right after Jackson left office, the Panic of 1837 hit, which Temin ties to the Bank of England's decision to

6. Jackson may be culpable for one additional cause of inflation—the Gold Coin Act of 1834, which devalued the gold dollar by 6.6 percent without altering the silver dollar. The objective of the act was to get a gold–silver ratio that would overvalue gold slightly at the mint in order to attract exports of gold from abroad (Timberlake 1997, 514).

raise interest rates to stem the outward flow of specie. A survey of economic historians (Whaples 1995, 142) shows that the vast majority concur with Temin's conclusion that "[t]he inflation and financial crisis of the 1830s had their origin in events largely beyond President Jackson's control and would have taken place whether or not he had acted as he did vis-à-vis the Second Bank of the U.S." (1969, back cover).[7]

The economic boom that occurred in Jackson's second term included an upsurge in land prices. Jackson believed that this was partly driven by rampant land speculation (which many congressmen apparently engaged in), and he sought to prick this "bubble" in 1836 by issuing the Specie Circular, an executive order that required public lands be purchased only with hard money (gold or silver coins), not paper money. Critics have assailed this policy as helping to spark the subsequent recession that hit after Jackson left office (the Panic of 1837), but the boom and bust seem to be due mainly to international supply-and-demand considerations, which saw the price of cotton surge from about nine cents per pound in the early 1830s to eighteen cents per pound in 1835, before returning to ten cents per pound in 1838 (Carter et al. 2006, 3:208). In addition, as Richard Timberlake notes, "the Panic of 1837 was primarily monetary; it had little effect on employment and business activity" because prices and wages were so flexible (1997, 515).[8]

Temin and Timberlake's interpretation has been challenged by Peter Rousseau (2002), whose work was published after the survey of historians (Whaples 1995). Rousseau argues that the Panic of 1837, which occurred only two months after Martin Van Buren's term as president began and Jackson's ended, was caused by their handling of the distribution of federal surplus revenues and the Specie Circular. He argues that these policies drained specie from New York banks, making these banks vulnerable to specie calls from a faltering British economy. "Since the Jackson administration acquiesced to the Deposit Act," which required that budget surpluses be distributed throughout the states rather than in the financial hub, "and initiated the Specie Circular as an executive order, this account calls into question claims that the nation's seventh President was an innocent bystander to the crisis" (2002, 459).

Rousseau's findings are important, but they don't sweep away the fact that the panic also coincided with a 17 percent drop in the price of cotton—the main American export crop—which may have been the ultimate trigger for the panic, but, more importantly, it's hard to condemn Jackson's policies because at the

7. Despite this apparent absolution, most economic historians see Jackson's stance against the BUS as muddled. Hugh Rockoff, for example, characterizes his veto message as "full of anger and confusion," concludes that some items on Jackson's list of the bank's ill effects are "hard to understand," and notes that many scholars tie Jackson's position to "a frontiersman's lack of financial sophistication combined with [the] personal experience . . . [of losing] a large sum of money in a bank failure" (2000, 649). However, Rockoff also notes one praiseworthy idea from the veto message—that if Congress thought a bank were really needed, the government could allow competitors to bid for the bank's charter.

8. Temin concurs that the deflation of 1837 "does not seem to have caused major distress in the economy" (1969, 120). However, Rousseau (2002) links the panic to continued economic weakness that caused declines in investment and drops in business incorporations that continued until the early 1840s.

time no one could have anticipated these effects. As Rousseau puts it, Jackson and Treasury Secretary Levi Woodbury "used the tools at their disposal to end a speculative boom in public lands, yet the Specie Circular had the *unanticipated* effect of drawing the nation's specie away from its commercial center" (2002, 487, emphasis added). Although Rousseau concludes that "the demise of the Second Bank of the United States . . . left the nation without a lender of last resort to sustain New York's reserves as the public began to lose confidence" (487), it is not clear that the BUS could or would have fulfilled this role and thus erased a postboom panic, especially in light of the Bank of England's shortcomings as a lender of last resort during the same period. Despite the existence of the Bank of England, the British economy suffered from a financial "crisis in 1837, followed by an uneven recovery in 1838–40 and a deep depression in 1841–42" (Glasner, Goodhart, and Santoni 1997, 36). "Banking scholars agree that the Bank of England in the last third of the nineteenth century was the lender of last resort par excellence. More than any central bank before or since" (Humphrey 1989, 8), but it took a while for it to learn how to fulfill this role, and it is heroic to suggest that the BUS would have saved the day in a period in which its mentor, the Bank of England, was still struggling to learn the ropes.

Likewise, critics of Jackson have characterized the "free banking" era that emerged after the demise of the BUS as a chaotic free-for-all of rampant *unregulated* banking, but Hugh Rockoff (1974) shows that the cumulative losses to note holders due to bank failures during the decades after Jackson destroyed the BUS were miniscule—less than one one-hundredth of one percent of national income—largely because sensible state banking rules and the prudence of bankers and their customers meant that banks had high levels of equity (for example, specie) backing their operations. The gains to customers in terms of lower interest payments due to banking competition would have far exceeded such loses.

More importantly, some critics of Jackson's BUS veto blame it for creating *decades* of chaos until the Federal Reserve was created about eighty years later. For example, Richard Grossman identifies the destruction of the first and second incarnations of the BUS as one of nine "economic policy disasters," concluding that if the BUS had survived, "America's financially turbulent nineteenth century would have been far calmer" (2013, 35).[9] However, there are strong reasons to suspect otherwise. The BUS itself is generally credited with having worsened the Panic of 1819, and the track record of the ultimate U.S. central bank—the Federal Reserve—is checkered. Milton Friedman and Anna Jacobson Schwartz's (1965) indictment of the Fed in turning the Recession of 1929 into the Great Depression still stands, and George Selgin, William Lastrapes, and Lawrence White have marshaled evidence

9. As Grossman points out, "Historically, central banks were often established for the purpose of lending money to the government" (2013, 35), which helps explain the demise of the BUS in the 1830s, when the government's debt was extinguished.

showing that "[t]he Fed's *full* history (1914 to present) has been characterized by more rather than fewer symptoms of monetary and macroeconomic instability than the decades leading to the Fed's establishment" (2012, 569, emphasis added).

Paying Off the National Debt

Jackson was an economizer when it came to the federal government. He believed that the administrations of his predecessors, James Monroe and John Quincy Adams, had become bloated and corrupt (Remini 1981, 12–14). Investigations turned up numerous cases of self-dealing, bribery, and kickbacks among government officials, so he launched a campaign of downsizing and throwing out corrupt and incompetent government employees. Critics tarred this behavior as "to the victor go the spoils," but there's not much evidence of this. Jackson argued that the so-called Era of Good Feelings was really the Era of Corruption,[10] and he seems to have tried to root it out wherever it was found—in the Treasury, in the Indian Affairs office, in War Department fort building and military supply contracts, and even in overseas consulates (which took bribes to understate the taxes paid on imports)—in an attempt to clean out the "Augean Stables" (but not doing quite as good a job as Hercules) (Remini 1981, 12–26, 183–88). There was no wholesale purging of government employees, however—only about 10 percent of all officeholders were fired or replaced during Jackson's eight years, but that was a much higher rate than for previous administrations (Remini 1981, 191–92).

The "core of his program contained something major: the reduction of government to end corruption and restore republicanism. His stance was antipower and he was prepared to make whatever changes necessary to limit government" (Remini 1981, 169). Accordingly, the sleekest feather in Jackson's cap is that he is the only president in history under whom the entire national debt was paid off—a feat that was accomplished largely by holding down spending and scrutinizing the details of every appropriations bill authorized by Congress (Remini 1981, 217).

On January 8, 1835, Jackson's supporters in Washington (including Vice President Van Buren, the entire cabinet, and many congressmen) even threw a bash to celebrate paying off the debt, jointly celebrating the twentieth anniversary of the Battle of New Orleans. Colorful Senator Thomas Hart Benton (who had a shootout with Jackson before becoming one of his staunchest allies) proclaimed, "The national debt is paid!" and the crowd roared back its "Huzzas!" (Remini 1981, 295–96). The national debt, swollen by the War of 1812, had reached $127 million by 1815 but had been substantially, if slowly, reduced over the next thirteen years, reaching $58 million in 1828, the year before Jackson took office. Jackson accelerated this pace. In his last

10. Remini summarizes things this way: "As the economy generated new wealth, men scrambled to grasp everything they could. And none had a longer grasp than government officials" (1981, 15).

two years in office, the federal government ran surpluses of about $20 million per year and began distributing the extra funds to the states (Carter et al. 2006, 5:80).

In a democracy, the people often get what they want, and a large national debt and wasteful government spending were seen as evils in the early nineteenth century—especially by Jackson, who thundered, "I will not borrow a cent except in cases of absolute necessity!" and argued that the people have a right to expect a "prudent" government that will "authorize the reduction of every tax to as low a point as" the "national safety and independence will allow" (qtd. in Remini 1981, 253–54). How things have changed—o tempora, o mores!

Jackson's administration, however, wasn't immune to venality (which one ever has been?), and he didn't always delegate authority to honest people. The worst case may be the head of the New York Customs House, Samuel Swartwout, who is alleged to have embezzled more than $1.2 million during his term in office, which equaled about 5 percent of tariff revenue during this period (Remini 1981, 199).[11] Sadly, the Indian removal process was rife with corruption, theft, mismanagement, and inefficiency, too, and Jackson used patronage contracts to support a new newspaper, the *Washington Globe*,[12] which was a mouthpiece for his faction (Remini 1981, 273). In addition, when Jackson removed government funds from the BUS and deposited them in selected state banks, it was alleged that these favored "pet" banks were chosen based on political connections.

Downsizing the Federal Government—What Might Have Been

Jackson's Treasury secretary, Louis McLane, went as far as proposing that all the public lands held by the federal government be sold to the states in which they lay and the proceeds from the sale distributed to all the states (Remini 1981, 337). Jackson held that states deserved *all* the powers not delegated to the federal government in the Constitution, but when they threatened to usurp the latter powers—especially South Carolina's moves to nullify the federal tariff within its borders—he went on the offensive as a fierce defender of the federal union.

During Jackson's second term, Speaker of the House John Bell proposed another economizing reform that might astound or appeal to modern readers—privatizing the Post Office. Post Office critics increasingly complained that it was inefficient and wracked by patronage problems. Many postmasters obtained their positions to benefit from the franking privilege, which allowed them to send mail for free. They were paid on a commission basis when addressees picked up their mail, but they provided no local delivery or pick-up services and often earned money by

11. However, the details of the Swartwout case are complex, and his guilt is contested, for example, by B. R. Brunson (1989).

12. The *Globe*'s motto read "The World Is Governed Too Much."

attracting traffic to their other businesses. In large cities, they made substantial incomes by renting out post boxes, which freed patrons from the need to stand in long lines to receive mail. The arrival of railroads and steamboats brought considerable competition to the Post Office in the 1830s. Entrepreneurs began offering to carry private mail between cities and by 1845 carried about two-thirds of the mail. Other businesses sprang up to offer delivery of mail within cities, providing innovations including home delivery, street corner letterboxes, and postage stamps. Unfortunately, the idea of privatization was sunk by the political clout of postal employees and transportation contractors as well as by politicians' desire to reward supporters with postal positions (John 1995).

Internal Improvements

The emerging Whig opposition to Jackson's policies pushed federal support for internal improvements as an important route to economic growth, and transportation improvements and infrastructure played a significant role in increasing economic efficiency during this period. But Jackson argued that when the benefits of transportation were local, they should be paid for at the local level. The era's most important improvement was the Erie Canal, which was paid for at the state and local level in New York. Jackson favored federal funding of transportation if it improved national security (in an era not far removed from the War of 1812, clashes with Spain—led by General Jackson—over Florida, and numerous Indian Wars). One key transportation link was the National Road, which provided a convenient route from the Eastern Seaboard across the Appalachian Mountains to the Mississippi River system. In the 1830s, a traveler, such as Jackson, heading from Nashville to Washington couldn't take Interstate 81 across the mountains. He would take a circuitous river route north and west along the Cumberland, then up the Ohio to Wheeling, then across the National Road to Cumberland, Maryland, thence down the Potomac (Remini 1981, 157–58). The National Road was vital, but Jackson was skeptical of pushing federal involvement too far, and so he emphatically vetoed[13] the Maysville Road bill, which would have spent federal funds completing a road entirely within Kentucky (Remini 1981, 251–56, 280). He argued that Kentuckians could build this road themselves because it would benefit only them—thus nipping in the bud incipient logrolling for similar projects. The private sector filled the transportation void, with steamboats plying all the major waterways and the railroad industry springing into existence (often with help from state and local governments)—although the federal government continued to play an important role by clearing rivers of navigational hazards and improving ports, thus facilitating *interstate* commerce (Goodrich 1960; Fishlow 2000).

13. Jackson signed the Cumberland Road Act granting additional money to the National Road but vetoed more acts that all previous presidents combined.

Tariffs and Trade

Jackson wasn't a low-tariff man, but neither was he a high-tariff man. He knew that the tariff was the primary source of government funds, but he didn't want the federal government to have too much money, which would have had a corrupting influence. He was not a free-trader, believing that true national independence from our recent foe meant that British merchants and manufacturers shouldn't have an upper hand over American businesses. He was not a Hamiltonian (he didn't accept the idea that a strong federal government could do much to jump-start economic development), but he did seem to have a bit of Hamilton's infant industry protectionism in mind. All in all, he was also a shrewd enough politician to know how to tweak the tariff schedule to help his party and his own election prospects. He knew that the New England states were unlikely ever to vote for him, so he focused his protectionism on industries (such as wool and iron) in swing states such as New York, Pennsylvania, and Ohio. In 1828, just before Jackson became president, Congress enacted the so-called Tariff of Abominations, which put tariffs at their highest level in American history. In reaction, South Carolina passed the Ordinance of Nullification in 1832, which stated that the federal tariffs of 1828 and 1832 were unconstitutional and therefore null and void within the sovereign boundaries of South Carolina. Jackson reacted harshly to this threat, letting South Carolina know that he would take military action if needed to enforce these laws. However, in light of the extinguishing of the national debt and the widespread belief that these tariffs were abominably high, Jackson supported a substantial reduction of tariffs from an average of more than 50 percent to less than 20 percent—a rate that was well below the nineteenth-century norm (Remini 1981, 137, 359–60; Carter et al. 2006, 5:510).[14]

Jackson also achieved some breakthrough trade agreements: ending restrictions on British ships coming from the West Indies in exchange for American trade access to the West Indies; gaining most-favored-nation status with Turkey; and signing trade treaties with Russia, Morocco, Mexico, Columbia, Chile, Venezuela, Peru, Siam, and Muscat. In addition, he successfully concluded negotiations for reparations from hostile actions to American shipping in the Napoleonic War period—winning a $12.5 million indemnity from France—and was successful in ending depredations against American ships as far off as Sumatra (modern Indonesia) (Remini 1981, 283–88, and 1988, 287–88).

The Bottom Line

GDP statistics and alternative measures of economic well-being for this period are less than ideal, but one standard series estimates that annual real GDP per capita (in year 2009 dollars) rose from about $1,737 in the year before Old Hickory took office

14. Tariff duties as a percentage of all imports fell to 16.05 percent in 1837—there were lower percentages in only three other years during the 1800s (1859–61).

(1828) to $2,050 (1836) and $2,010 (1837) as he left office (Williamson 2013). *Historical Statistics of the United States* identifies the 1830s as having an overall real GDP per capita growth rate of 0.9 percent per year (Carter et al. 2006, 3:5)—the second strongest decade in the first half of the nineteenth century. One man didn't cause this growth—it was the millions of individual actors who deserve credit—but Jackson's policies overall are broadly consistent with spurring the growth that emerged during this period.

This essay is not meant to lionize or overinflate Jackson. We should be wary of "big man" theories, especially when it comes to the economy. Economic historians emphasize that the nation's system of firm property rights and incentives to work hard, save, invest, innovate, and take prudent risks have been so strong and pervasive that U.S. growth was and has been virtually unstoppable. Nobel laureate economic historian Robert Fogel (1964) convincingly demonstrated that American economic growth during the 1800s would have been robust even if the entire railroad sector had never existed![15] Andrew Jackson's impact on the economy was certainly far smaller than that of the entire railroad industry. During his terms in office, the first steam railroad in the United States opened for operation, Morse received his first telegraph patent, and McCormick's first mechanical reaper came onto the market. Jackson doesn't deserve credit for these or other momentous technological changes that were sweeping the economy.[16] Credit goes to thousands of innovators as well as to the economic and social system—already in place when Jackson came into office—that encouraged them with secure property rights, abundant social capital, and incentives to work hard and smart.[17] Jackson's accomplishment is that he ably encouraged this process.

Although Andrew Jackson's policies were quite harsh toward Americans outside the electorate—tightening the grip of slavery on the economy by strengthening the profitability of slave owners through access to the rich cotton-growing lands in the lower Mississippi Valley and hastening the often-brutal removal of American Indians from east to west of the Mississippi—Jackson may be credited with reining in the growth of government, pushing competition in the financial sector, and, most importantly, increasing the resource base available to citizens by helping to put fertile land into the hands of the voting public.

What conclusions should be draw about Jackson? As Richard Vedder and Lowell Gallaway note, "Jackson is something of an enigma to libertarians . . . who like his suspicion of central power and his successful efforts to rid America of central banking

15. The survey on consensus among American historians found that 89 percent of economic historians disagreed with the proposition that "[w]ithout the building of the railroads, the American economy would have grown very little during the nineteenth century" (Whaples 1995, 143).

16. However, as Paul McGouldrick argues "Jacksonians did very well in laying the foundation for sound, sustainable growth of the manufacturing sector; or at least, they did not harm that growth as earlier historians had alleged" (1985, 17).

17. Observers, such as Alexis de Tocqueville, who toured America during Jackson's administration (1831–32), point out the importance of voluntary organizations—"social capital"—during this period.

but dislike his expansionist view of the federal government" (2001, 1). They rate presidential success by creating an index based on success in restraining government growth and attaining price stability. Based on these criteria, Jackson does quite well—eighth among the thirty-nine presidents in their study.[18] Were Jackson's policies "good" for the American economy? Such questions cannot be answered definitively, but my estimation of the success of Jackson's policies has grown as I've learned more about the issues confronting the economy during his terms in office. My conclusion is that his policies were better than most.

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18. This is variant 2 from table 4 (Vedder and Gallaway 2001, 19). Interestingly, two other presidents considered in this symposium are also in the authors' top ten—Coolidge (4) and Cleveland (9). But Ivan Eland (2009) ranks Jackson twenty-seventh out of forty-two presidents, with an overall rating as "bad" for achieving peace, prosperity, and liberty.

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