

Lane, Carl. *A Nation Wholly Free: The Elimination of the National Debt in the Age of Jackson*. Yardley, PA: Westholme Publishing, 2014. 256 Pp.

Contemporary American politics reflects many competing views on a host of important issues. A great number of these friction points involve economic policy. Many of these issues are not new, and accounts of the nation's past can provide valuable context and insights for the political discourse of the present. This is particularly true of the Early Republic and Antebellum periods that stretched from the ratification of the Constitution in 1788 to the outbreak of the Civil War in 1860. Just as "shovel ready jobs," the Federal Reserve, the national debt and global trade are debated today, so were internal improvements, the Second Bank of the United States, the national debt and tariffs over a century and a half ago.

Carl Lane, a professor at Felician University, makes a valuable contribution to the historical literature surrounding political economy during this period in his book entitled *A Nation Wholly Free: The Elimination of the National Debt in the Age of Jackson*. Specifically, his book considers the remarkable story of the effort to extinguish the United States' national debt, which was accomplished in early 1835; this success proved short-lived, lasting a mere thirty-four months. The book focuses on the period from 1815, coinciding with the end of the War of 1812, and 1837, when the brief episode of debt freedom ended. As Lane readily admits, his book "is not intended to challenge any of the rival schools of thought regarding the Age of Jackson. Rather, it aims to call attention to a common factor in Jacksonian public policy that has been largely overlooked." The author understates his case. This book is an important contribution to the literature addressing this time period because it focuses on a topic that has been virtually ignored.

Lane successfully describes this historical episode in both popular and personal terms. Although he does not explicitly state so, the book

nonetheless identifies the tensions between opposing political camps of classical liberals and economic nationalists. These divisions reflected many of the differences from a generation before between Thomas Jefferson's liberalism and Alexander Hamilton's nationalism. The collapse of the First Party System created a brief period of Democrat-Republican hegemony during the time of the Monroe presidency. Economic issues, including the potential elimination of the national debt, contributed to the schism that soon brought about the Second Party System.

The national debt story was also personal. If a single individual deserves particular credit for eliminating the national debt, it would be Andrew Jackson. He was the individual whose single-minded determination ensured that the payoff goal was attained. Although Lane acknowledges that Jackson's bitter and very personal feud with both John Quincy Adams and Henry Clay can be traced to the "Corrupt Bargain" of 1824, he effectively argues that Jackson was also highly motivated by his deep opposition to the pair's nationalist economic policies, which included increased federal spending. The obvious consequence of these policies would be to either delay repayment of the debt or actually increase the federal burden.

The historical Andrew Jackson eludes easy categorization as either an economic nationalist or liberal. For example, his congressional voting record was generally pro-tariff and therefore nationalist. In contrast, he clearly endorsed a liberal viewpoint towards the nation's finances. Lane clearly demonstrates that Jackson as president was every bit determined to eliminate the national debt as he was for ruining the Second Bank of the United States, a fact that has been underemphasized by historians.

Lane does a very good job of describing the relationships between the national debt and the two related issues of the National Bank and distribution. Distribution was the proposal to advance future Treasury surpluses to the states, primarily as a means to support localized investment, and particularly for internal improvements. These specific examples conveniently coincide with the contentious personal and political relationship between Jackson and Clay. The nationalist Clay was

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pro-bank, pro-distribution and ambivalent about paying off the national debt. Jackson vigorously opposed all three of these initiatives.

One element of the book that begs some degree of additional consideration is the interplay between the national debt and the tariff issue. The tariff was every bit as politically prominent as the National Bank at the time. During the two decades after the War of 1812 ended, there were more than a half dozen highly controversial tariff bills that made their way to the floors of Congress, and tariff revenue levels varied significantly during this period. The tariff was integrally related to the national debt issue since duty revenues comprised the majority of federal government revenues, an essential piece of the overall process to attain national debt freedom. While Lane's thesis that the retirement of the national debt is an underreported and underappreciated chapter in early American economic history is persuasive on the merits of the evidence he presents, the failure to more fully integrate the tariff into the overall analysis is a significant part of the story left untold.

On the other hand, Lane provides an excellent and lucid ancillary intellectual contribution that branches off of the primary theme of the book by linking the elimination of the federal debt with the Panic of 1837. He notes that one of the primary consequences of debt freedom in 1835 was a federal government flush with deposits since tariff revenues remained constant and debt repayments ceased. These additional funds were forwarded to "Pet Banks" for deposit. The banks, flush with deposits, began to aggressively lend, including loans for speculative land purchases. In an era before premeditated monetary policy, Jackson's achievement of debt freedom had the unintended consequence of prompting an economic expansion based upon "easy" money. The great irony is that much of the land speculation involved the sale of federal lands, so governmental deposits in state banks were funding loans for purchases that ultimately ended up as land sale revenues paid back to Washington.

There have been a number of excellent books and journal articles authored since 2000 that have greatly enhanced our understanding of business and the economy during the early stages of the history of the United States. Howard Bodenhorn has added to this knowledge of both state and federal banking in a pair of well-researched books. Daniel Peart

has contributed to better understanding special economic interest groups and their impact upon the political system in his book entitled *Era of Experimentation*. Carl Lane's *A Nation Wholly Free* is a worthy addition to this growing genre and deserves a place on the bookshelf of any serious amateur or professional historian seeking to better understand American political economy during the Age of Jackson. Most importantly, this book provides poignant observations that apply to our own time.

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- Bodenhorn, Howard. *A History of Banking in Antebellum America: Financial Markets and Economic Development in an Era of Nation-Building*. New York: Cambridge University Press, 2015.
- Bodenhorn, Howard. *State Banking in Early America: A New Economic History*. New York: Oxford University Press, 2003.
- Peart, Daniel. *Era of Experimentation: American Political Practices in the Early Republic*. Charlottesville: University of Virginia Press, 2014.

Kruse, Kevin M. *One Nation Under God: How Corporate America Invented Christian America*. New York: Basic Books, 2015. 384 pp.

Kevin Kruse cements his reputation as a “conservative-whisperer” in his provocatively titled and argued second book. Once again, the Princeton historian displays an impressive ability to trace the genealogy of the political culture’s present back through its intellectual, institutional, and cultural roots. In his first book, *White Flight: Atlanta and the Making of Modern Conservatism* (2007), he traced the evolution of Southern political culture from one dominated by massive resistance, solid-south