The Bank War

Annotation
By the early 1830s, President Andrew Jackson had come to thoroughly dislike the Second Bank of the United States (which, remember, was strengthened by McCulloch vs. Maryland) because he accused it of fraud, corruption, and using their financial influence to help his political opponents (a charge vehemently denied). Jackson then had an investigation done on the Bank which he said established “beyond question that this great and powerful institution had been actively engaged in attempting to influence the elections of the public officers by means of its money.” Although its charter was bound to run out in 1836, Jackson wanted to “kill” the Second Bank even earlier. When a bill introduced to extend the life of the Bank past 1836 Jackson seized this opportunity.

Reading 1: In his message on the veto of the bank Jackson used language which appeared to resonate mostly with the common man of the country, while attacking the predominantly rich or foreign stockholders of the current bank.

It is to be regretted that the rich and powerful too often bend the acts of government to their selfish purposes. Distinctions in society will always exist under every just government... every man is equally entitled to protection by law; but when the laws undertake to add to these ... artificial distinctions, to grant titles, gratuities, and exclusive privileges, to make the rich richer and the potent more powerful, the humble members of society--the farmers, mechanics, and laborers--who have neither the time nor the means of securing like favors to themselves, have a right to complain of the injustice of their government...

Jackson's Veto Message

Reading 2: Supportive of Bank

This (veto) message...denies to the judiciary the interpretation of law, and ... extends the grasp of executive ... over every power of the government. But this is not all....It ... seeks to inflame the poor against the rich; it ... attacks whole classes of the people, for the purpose of turning against them the prejudices and the resentments of other classes.

Daniel Webster's Reply to Jackson's Veto Message

Reading 2: Supportive of Bank

The national bank... is one of the most important and valuable instruments that are used in the ... administration of the government....

As the fiscal (look it up) agent of the executive, it has exhibited a remarkable intelligence, efficiency, energy, and above all, INDEPENDENCE.

... As the regulator of the currency, it has furnished the country with a safe, convenient and copious (look it up) circulating medium, and prevented the mischiefs that would otherwise result from the insecurity of local banks.

As a mere institution for loaning money, it has been...the Providence (guardian angel) of the less wealthy sections of the Union....

The Boston Daily Advertiser defends the second Bank of the United States, 1832
In 1-2 sentences explain why Andrew Jackson opposes recharter of the 2\textsuperscript{nd} Bank of the United States.

1. What 2 criticisms does Daniel Webster provide in his response to Jackson’s veto message? Does this directly respond to Jackson’s criticisms of the Bank?

2. According to \textit{The Boston Daily Advertiser} what positive functions were served by the Bank?

\textbf{Annotation}

The 2\textsuperscript{nd} Bank of the US thrived from the tax revenue that the federal government regularly deposited. Jackson struck at this vital source of funds in 1833 by instructing his Secretary of the Treasury to deposit federal tax revenues in state banks, soon nicknamed “pet banks” because of their loyalty to Jackson’s party.

The 2\textsuperscript{nd} Bank was left with little money and, in 1836, its charter expired and it turned into an ordinary bank in Philadelphia. Five years later, it went bankrupt.
Nullification Crisis

Annotation

Another notable crisis during Jackson’s period of office was the “Nullification Crisis,” or “Secession Crisis,” of 1828-1832, which merged issues of sectional strife with disagreements over tariffs. Critics alleged that high tariffs (i.e. The Tariff of Abominations) on imports of common manufactured goods made in Europe made those goods more expensive than ones from the northern US, raising the prices paid by planters in the South. Southern politicians argued that tariffs benefited northern industrialist at the expense of southern farmers.

The issue came to a head when Vice President John C. Calhoun, who fell out of favor with Jackson and left the capital, supported the claim of his home state, South Carolina, that it had the right to “nullify” – declare void – the tariff legislation of 1828, and more generally the right of a state to nullify any Federal laws which were deemed unconstitutional.

South Carolina Ordinance of Nullification, November 24, 1832.

An ordinance to nullify certain acts of the Congress of the United States, purporting to be laws laying duties and imposts on the importation of foreign commodities.

Whereas the Congress of the United States [enacts] duties [tariffs] … on foreign imports, but in reality intended for the protection of domestic manufactures and the giving of bounties [profits] to classes and individuals engaged in … [manufacturing] , at the expense and to the injury and oppression of other classes and individuals, and by wholly exempting from taxation certain foreign commodities, such as are not produced or manufactured in the United States… hath violated the true meaning and intent of the constitution, which provides for equality in imposing the burdens of taxation upon the several States …

We, therefore, the people of the State of South Carolina… do declare …that the several acts … of the Congress of the United States, purporting to be laws for the imposing of duties …are unauthorized by the constitution of the United States, and violate the true meaning and intent thereof and are null, void, and no law, nor binding upon this State …

…And we, the people of South Carolina, to the end that it may be fully understood by the government of the United States, and the people of the co-States, that we are determined to maintain …do further declare that we will not submit to the application of force on the part of the federal government, to reduce this State to obedience, but that we will consider the passage, by Congress, of any act authorizing the employment of a military or naval force against the State of South Carolina… or any act abolishing or closing the ports of this State… to coerce the State, shut up her ports, destroy or harass her commerce or to enforce the acts hereby declared to be null and void, otherwise than through the civil tribunals of the country, as inconsistent with the …continuance of South Carolina in the Union; and that the people of this State will henceforth hold themselves absolved from all further obligation to maintain or preserve their political connection with the people of the other States: and will forthwith proceed to organize a separate government, and do all other acts and things which sovereign and independent States may of right do.

Source:
Ford, Paul Leicester
### Political Battles of the Jacksonian Era

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<thead>
<tr>
<th>Question</th>
<th>Answer</th>
<th>Citation (line #s)</th>
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<tbody>
<tr>
<td>How, according to the Ordinance, has the US national government acted unconstitutionally?</td>
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<td>What, exactly, is being nullified by the state of South Carolina?</td>
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<td>What will be the result of any attempt to coerce the state into submission to having the tariffs collected?</td>
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<td>What is South Carolina stating that it will do, without actually using the word?</td>
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<td>N/A</td>
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### Annotation

Although Jackson liked to think of himself as a hero of the common man, he was also a strong supporter of a strong union. Jackson (who didn’t like the tariff) attempted to face down Calhoun over the issue, which developed into a bitter rivalry between the two men. Particularly notable was the incident at the April 13, 1830 Jefferson Day Dinner, involving after-dinner toasts. Jackson rose first, glared at Calhoun, and in a booming voice shouted “Out federal Union: It must be preserved!” – a clear challenge to Calhoun. Calhoun glared back at Jackson and, his voice trembling, but booming as well, responded “The Union: Next to our liberty, most dear.”

The next year, Calhoun and Jackson broke apart politically from one another. Martin Van Buren replaced Calhoun as Jackson’s running mate in 1832. In December 1832, Calhoun resigned as Vice President to become a Senator for South Carolina.

In response to South Carolina’s nullification claim, Jackson vowed to send troops to South Carolina to enforce the laws. In December 1832, he issued a resounding proclamation against the “nullifiers,” stating that he considered “the power to annul a law of the United States, assumed by one state, incompatible with the existence of the Union, contradicted the Constitution...inconsistent with every principle on which it was founded, and destructive.” South Carolina, the President declared, stood on the brink of ... treason,” and he appealed to the people of the state to reassert their allegiance to the Union for which their ancestors had fought.

Jackson also denied the right of secession: “To say that any State may at pleasure secede from the Union is to say that the United States is not a nation.”

Jackson asked Congress to pass a “Force Bill” explicitly authorizing the use of military force to enforce the tariff. But it was held up until there was an agreement to a reduced Compromise Tariff. The Force Bill and Compromise Tariff passed on March 1, 1833 and Jackson signed both. The South Carolina Convention then met and rescinded its nullification ordinance. The Force Bill became unnecessary.