

Jackson and the Bank

Essential Question

How do economic issues affect the president and presidential elections?

Reading Guide

Content Vocabulary

veto (p. 349) laissez-faire (p. 351)
depression (p. 350)

Academic Vocabulary

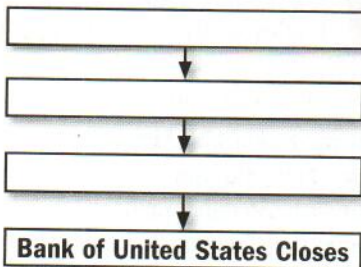
institution (p. 349) symbol (p. 352)

Key People and Events

Henry Clay (p. 349)
Daniel Webster (p. 349)
Martin Van Buren (p. 349)
William Henry Harrison (p. 351)
John Tyler (p. 351)
James Polk (p. 352)

Reading Strategy

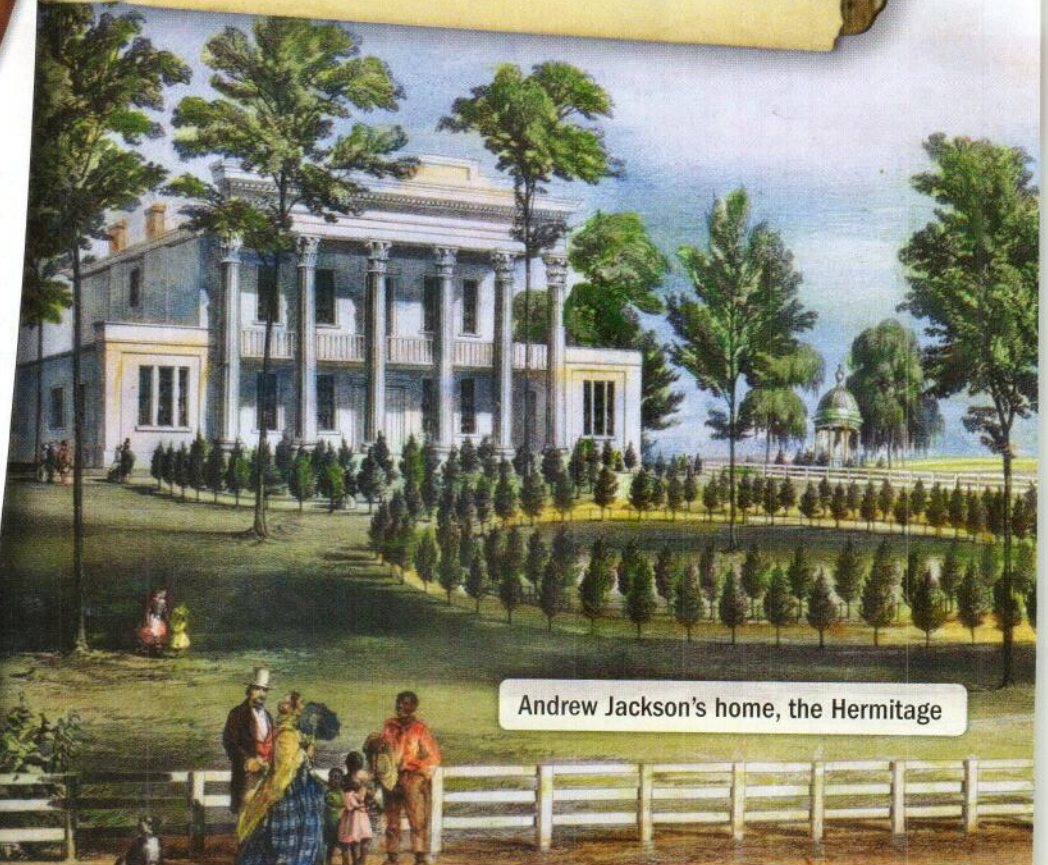
Taking Notes As you read, use a diagram like the one below to identify the actions by Andrew Jackson that put the Bank of the United States out of business.



American Diary

President Jackson rested at the Hermitage, his home outside of Nashville, Tennessee, when he wanted to escape his critics in Washington. Many accused him of considering himself a "king," especially when he wanted to dissolve the national bank. To explain his actions Jackson declared the president must protect, "the liberties and rights of the people and the integrity of the Constitution against the Senate, or the House of Representatives, or both together."

—from *The American Presidency*



Andrew Jackson's home, the Hermitage

War Against the Bank

Main Idea President Jackson forced the National Bank to close, and economic problems split the Democratic Party.

History and You Do you have a bank account? What would happen to your money if an economic crisis occurred? Read to find out about the economic problems of the 1830s.

For years, Jackson attacked the Bank of the United States as being an organization of wealthy Easterners that ordinary citizens could not control. The Bank of the United States was a powerful **institution**, or organization. It held the federal government's money and controlled much of the country's money supply. However, many western settlers, who borrowed money to run their farms, were unhappy with the Bank's strict lending policies. Although the Bank was chartered by Congress, it was run by private bankers rather than elected officials.

The Bank's president, Nicholas Biddle, represented everything Jackson disliked. Jackson prided himself on being a self-made man who started with nothing. Biddle, however,

came from a wealthy Philadelphia family and had a good education, social status, and experience in financial matters.

The Bank as an Election Issue

In 1832 Jackson's opponents gave him the chance to take action against the Bank. Senators **Henry Clay** and **Daniel Webster**, friends of Biddle, planned to use the Bank to defeat Jackson in the 1832 presidential election. They persuaded Biddle to apply early for a new charter—a government permit to operate the Bank—even though the Bank's current charter did not expire until 1836.

Clay and Webster believed the Bank had popular support. They thought that an attempt by Jackson to veto the charter would lead to his defeat and allow Henry Clay to be elected president.

When the bill to renew the Bank's charter came to Jackson to sign, he was sick in bed. Jackson told his friend **Martin Van Buren**, "The bank . . . is trying to kill me. But I will kill it!" Jackson **vetoed**, or rejected, the bill. Jackson felt the Bank was unconstitutional despite the Supreme Court's decision to the contrary in *McCulloch v. Maryland* (1819).

Primary Source "King Andrew the First"



◀ This political cartoon of Andrew Jackson shows him being a tyrant who was trampling on the rights of all Americans.

Critical Thinking

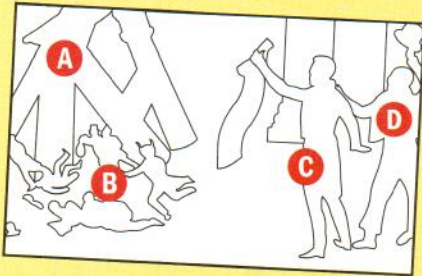
Interpreting What tells you the cartoonist is depicting Jackson as a dictatorial leader? What is Jackson seen walking on?

INTERPRETING POLITICAL CARTOONS

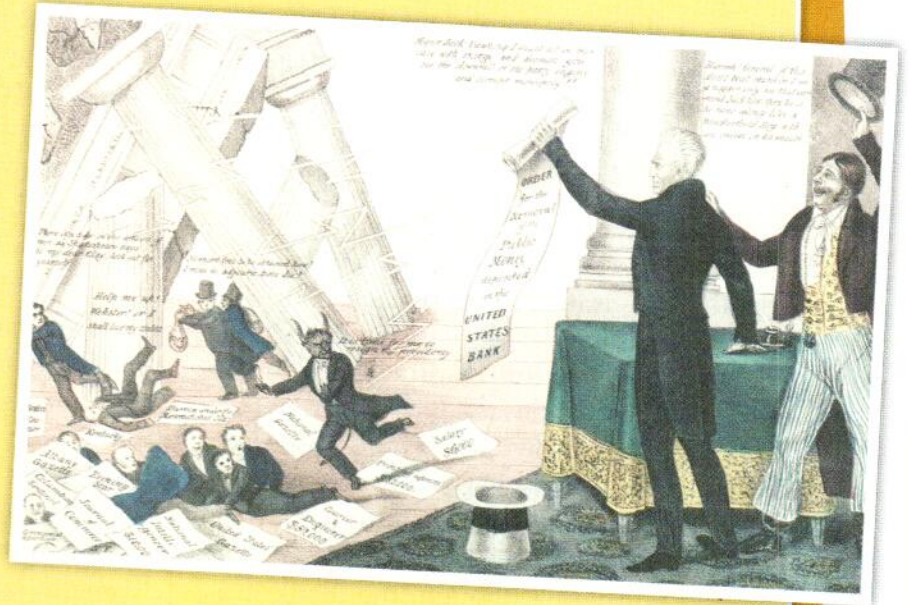
President Andrew Jackson struck a fatal blow to the Bank of the United States when he ordered the withdrawal of all federal deposits from the Bank.

1. Making Inferences Are the members of Congress supporters or opponents of the Bank? How do you know?

2. Interpreting What meaning does the cartoonist convey with his portrayal of Major Jack Downing?



A. Bank of the United States B. members of Congress C. President Andrew Jackson D. Major Jack Downing, mythical character representing the average citizen



Jackson angrily stated his beliefs about the Bank to Congress:

PRIMARY SOURCE

"When the laws . . . make the rich richer and the potent more powerful, the humble members of society . . . who [lack] . . . the means of securing like favors to themselves, have a right to complain of the injustice of their government."

—Andrew Jackson, on vetoing the Bank's charter

The Election of 1832

The Bank did play a large part in the election of 1832. The strategy for gaining support for Clay as president, however, backfired. Most people supported Jackson's veto, and Jackson was reelected. Jackson decided on a plan to "kill" the Bank ahead of the 1836 schedule. He ordered the withdrawal of all government deposits from the Bank and placed the funds in smaller state banks. In 1836 he refused to sign a new charter for the Bank, and it closed.

The Panic of 1837

When Jackson decided not to run for a third term in 1836, the Democrats chose Martin Van Buren, Jackson's friend and vice president. Van Buren faced opposition from the Whigs, a new party that included former National Republicans and other anti-Jackson forces. The Whigs nominated three different candidates, each of whom had a following in a different part of the nation. Jackson's popularity and his personal support helped Van Buren win easily.

Soon after the election, the country entered a severe economic **depression**, a period in which business and employment fall to a very low level. The depression began with the Panic of 1837. Land values dropped, investments declined, and banks failed. Thousands of businesses closed. Many people lost their jobs. In the South, cotton prices fell to record lows. Farmers plunged into debt and lost their land. In the cities, many people could not afford food or rent.

President Van Buren believed in the principle of **laissez-faire**—that government should interfere as little as possible in the nation’s economy. Van Buren persuaded Congress to establish an independent federal treasury in 1840. The government would no longer deposit its money in private banks as it had been doing during Jackson’s presidency. Instead, the government would store its money in the federal treasury. The private banks had used government funds to back their banknotes. The new treasury system would keep banks from using government funds in this way and help prevent further bank crises.

Van Buren and his supporters hailed the new law as a “second declaration of independence.” Members of Van Buren’s own Democratic Party, however, along with the Whigs, criticized the act. The split in the Democratic Party gave the Whigs a chance to win the presidency in 1840.

✓ Reading Check Explaining What was the purpose of the new treasury system?

The Whigs Take Power

Main Idea After Harrison’s death, Tyler took the presidency in a direction that went against the Whigs’ goals, and the Whigs lost power.

History and You Do you think political ads portray candidates as they really are? Read to find out how the Whigs came to power.

The Democrats had been in control of the presidency for 12 years. With the country still in the depths of depression, though, the Whigs thought they had a chance to win the election in 1840.

The Log Cabin Campaign

The Whigs nominated **William Henry Harrison**, a hero of the War of 1812, to run against President Van Buren. **John Tyler**, a planter from Virginia, was Harrison’s running mate. Because Harrison had gained national fame by defeating Tecumseh’s followers in the Battle of Tippecanoe, the Whigs’ campaign slogan was “Tippecanoe and Tyler Too.”

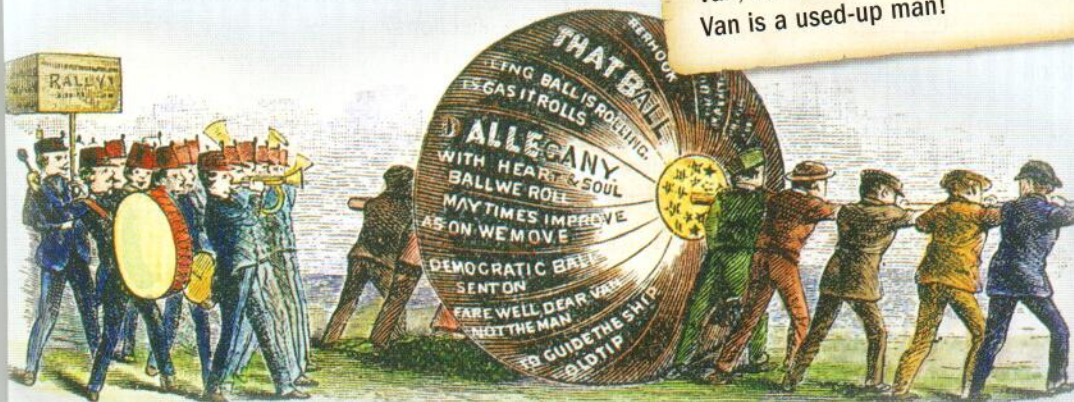
Primary Source Harrison’s Log Cabin Campaign

A Baltimore journalist made fun of William Henry Harrison, writing, “Give him a barrel of hard cider, and . . . he will sit the remainder of his days in his log cabin by the side of the fire and study moral philosophy!” The Whigs turned the insult to their advantage by creating the log cabin campaign, which depicted Harrison as a man of the people.

Stunts and Songs Harrison supporters from Kentucky rolled a large paper ball from Kentucky to Baltimore in support of their candidate (below). This event inspired a campaign jingle. ▶

What has caused this great commotion, motion
Our country through?
It is the ball rolling on
For Tippecanoe and Tyler too
And with them we’ll beat the little
Van, Van, Van
Van is a used-up man!

Campaign Practices The Whigs used the symbol of the log cabin to present Harrison as a simple farmer. The party raised money to support their candidate by selling memorabilia, such as this china pitcher (above left).



Critical Thinking

Summarizing How did the log cabin insult backfire?

To win the election, Harrison had to gain the support of the laborers and farmers who had voted for Jackson. The Whigs adopted a log cabin as their **symbol**, or an object that represents something else. Political cartoons in newspapers showed Harrison, a wealthy man from Virginia, in front of a log cabin. The Whigs wanted to show that their candidate was a “man of the people.”

The Whigs also ridiculed Van Buren as “King Martin,” a wealthy snob who had spent the people’s money on fancy furniture for the White House. The log cabin campaign seemed to work, and Harrison went on to defeat Van Buren by a wide margin. William Henry Harrison became the first Whig president.

Inauguration day, 1841, was bitterly cold. Harrison, however, insisted on delivering his speech without a hat or coat. He died of pneumonia 32 days later. Harrison served the shortest term of any American president. John Tyler of Virginia became the first vice president to gain the presidency because the elected president died in office.

Tyler’s Presidency

Although Tyler had been elected vice president as a Whig, he had once been a Democrat. Whig party leaders had placed Tyler on the ticket with Harrison mainly to attract Southern voters. As president, Tyler vetoed several bills sponsored by Whigs in Congress, including a bill to recharter the Bank of the United States. His lack of party loyalty outraged many Whigs. Most of Tyler’s cabinet resigned. Whig leaders in Congress expelled Tyler from the party.

It seemed that the Whigs could not agree on their party’s goals. Increasingly, Whigs voted according to sectional ties—North, South, and West—not party ties. This division may explain why the Whig candidate, Henry Clay, lost the election of 1844 to Democratic candidate **James Polk**. After only four years, the Whigs were out of power again.

 **Reading Check** **Describing** How did the Whigs lose power in the election of 1844?

Section 3 Review

History ONLINE
Study Central™ To review this section, go to glencoe.com.

Vocabulary

1. Define each of the following terms and use each word in a sentence: *institution, veto, depression, laissez-faire, symbol.*

Main Ideas

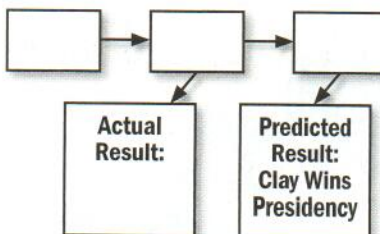
2. **Explaining** Why did President Van Buren do little to solve the nation’s economic problems?
3. **Describing** How did the log cabin campaign help Harrison win the election?

Critical Thinking

4. **Interpreting** Reread Andrew Jackson’s quote about the

National Bank. Based on his words, why did Jackson want to close the Bank of the United States?

5. **Diagramming** Use a diagram like the one below to describe Henry Clay’s strategy to win the 1832 election. Explain the actual result.



6. **Creative Writing** Write a “catchy” campaign slogan for either Andrew Jackson or Henry Clay that would help the candidate win the 1832 presidential election.

7. Answer the Essential Question

How do economic issues affect the president and presidential elections?