

States' Rights and the Economy

Chapter 10

Section 5

The Bank War

- The 2nd Bank of the US was loved by

 - Helped businesses with _____
 - Safe place for _____ to keep money
 - Printed money was _____
 - Increased faith in all banks
- Many southern and western farmers and merchants did not like the bank
 - Restricted loans given out by _____ -2nd
BofUS feared state banks gave out too much money
 - Made it hard for farmers and merchants to _____
 - They blamed 2nd BofUS for economic crisis of 1819

The Bank War

- Most powerful hater of Bank- _____
 - Called it the “monster”
 - Thought it benefited the _____ at expense of _____
 - Especially disliked _____ , bank president
 - Biddle came from wealthy family in Philly
 - Skilled at doing “bank favors” for _____
 - In 1832, 4 years before charter ended, Biddle went ahead and got charter renewed without Jackson knowing
 - Jackson _____ it- became a huge issue in the election v. Henry Clay
 - 1836, 2nd Bank of US expired, no new bank
 - Under Van Buren, economic crisis hit- with no Bank of US, there was little he could do

The Question of States' Rights

- _____ had always been a debate amongst Americans since 1787
- Constitution gives federal gov't a lot of power...but it also includes

– Along with _____, this allows for debate

- VA and KY resolutions
- Hartford Convention
- Alien Sedition

The Nullification Crisis

- Tariff of 1828- put a tax on manufactured goods
- Helped north and some in west...south felt they had to pay more and support an unfair law
- John C Calhoun (now VP), said states had the right of _____

The Nullification Crisis

- Arguments For Nullification
 - To south- this was part of a larger issue:
 - If federal gov't could force south to obey a law it thought was unconstitutional, could it force them to _____?
 - Calhoun based his idea on how he felt the Union was formed- as an agreement between _____
 - States gave the federal gov't its power- so if the states agreed to nullify a federal law, they should have the right to do so

The Nullification Crisis

- Arguments Against Nullification

- Best argument against from

- _____ (MA)

- Said the federal government was formed by _____, not the states

- Jackson vehemently wanted to

- _____ - stared down Calhoun in a banquet during a speech

- Calhoun retorted, _____ are more important

- The line had been drawn- the south felt their rights were more important than preserving the Union

South Carolina Threatens to Secede

- In 1832, the federal government passed another tariff
 - It lowered some tariffs but raised them on iron and textiles
- SC called a state convention- voted to

 - Said the tariffs of 1828 and 1832 did not apply in SC
 - Threatened that if federal gov't tried to force them to obey it, they would _____

South Carolina Threatens to Secede

- Jackson was cheated- said in the Proclamation to the People of South Carolina:
 - “...the Union could no be dissolved. Disunion by armed force is treason.”
 - High tension in DC- Calhoun _____ as VP
- 1833- Jackson asked Congress if he could use _____ to collect tariff in SC if necessary
 - He also agreed to support a bill that would lower tariffs
 - Congress passed both
- No other states supported SC- it repealed its tariff nullification policy
- Debate would continue until 1861

The End of the Jackson Era

- Jackson had hoped _____ would be his successor
 - Was Secretary of State then his VP after Calhoun resigned
- Election of 1836- _____ ran 3 candidates in hopes of taking election to house
- Didn't work- van Buren won majority of popular and electoral votes

The End of the Jackson Era

- The Panic of 1837
 - Van Buren took office at a bad time for economy
 - _____ economy had slowed
 - British bought less _____
 - Caused prices to _____ - many defaulted on loans
 - Caused banks to go _____
 - Economic slump lasted 6 years- ruined van Buren's presidency

The Election of 1840

- Martin Van Buren (Democrat) vs. William Henry Harrison (Whig)
 - Whigs held parades, barbeques, and parties- tried to gain support of _____
 - Portrayed Harrison as a “man of the people”- that he would feel at home in a simple log cabin
 - “log cabin” campaign helped Harrison win easily over van Buren
 - Age of Jackson now over