



▲ U.S. Custom House in Charleston, South Carolina

An Interfering Government

“We must be blind to the lessons of reason and experience not to see that the more a government interferes with the labor and wealth of a community, the more it exacts from one portion and bestows on another. . . .”

—Vice President John C. Calhoun, protesting tariffs collected by U.S. Customs agents, 1832

States’ Rights and the Economy

Objectives

- Describe the disagreement over the Bank of the United States.
- Discuss the differing viewpoints on the balance of federal and state powers.
- Explain why South Carolina threatened to secede from the Union.
- Describe the economic crisis that began in 1837.

Reading Skill

Identify Multiple Causes Just as events can have multiple effects, so too can they have multiple causes. Major events in history often have many causes. As you read Section 5, look for events that have multiple causes.

Key Terms and People

nullification	William Henry Harrison
Martin Van Buren	

Why It Matters The issue of states’ rights versus the power of the federal government had been debated since the founding of the United States. The debate became more urgent when Americans disagreed on important economic measures.

Section Focus Question: How did old issues take a new shape in the conflict over a national bank and tariffs?

The Bank War

Between 1816 and the early 1830s, the second Bank of the United States earned strong support from business people. They liked the fact that the Bank made loans to businesses. Moreover, the Bank was a safe place for the federal government to keep its money. The paper money it issued formed a stable currency. Its careful policies helped create confidence in banks all over the country.

On the other hand, many Americans disliked the Bank. They opposed the way the Bank restricted loans made by state banks. Fearing that state banks were making too many loans, Bank directors often limited the amount of money banks could lend. This angered farmers and merchants who wanted to borrow money to buy land. Many southerners and westerners blamed the Bank for the economic crisis that broke out in 1819. In that crisis, many people lost their farms.

The Bank’s most powerful enemy was Andrew Jackson, who called the Bank “the Monster.” According to Jackson, the Bank allowed a small group of the wealthy people to enrich themselves at the expense of ordinary people. Jackson believed that the wealthy stood for unfair privilege. Jackson especially disliked Nicholas Biddle, the Bank’s president. Biddle, who came from a wealthy Philadelphia family, was skilled at doing favors for powerful politicians.

Biddle got Congress to renew the Bank's charter in 1832, although the charter still had four years to go. The news reached Jackson when he was sick in bed. The President vowed, "The Bank . . . is trying to kill me, but I will kill it!"

Jackson immediately vetoed the bill. The fight over the Bank became a major issue in the 1832 presidential election. Henry Clay, who ran against Jackson, strongly supported the Bank. But most voters stood solidly behind Jackson's veto of the Bank bill. Jackson won reelection by a huge margin.

Jackson's victory over the Bank helped to increase the powers of the presidency. It showed that a determined President could stir up the voters and face down powerful opponents in Congress.

The second Bank ceased to exist when its charter ran out in 1836. Unfortunately for Jackson's successor, an economic crisis struck a few months after Jackson left office. Without a Bank of the United States, it was harder for the new President to end the crisis.

✓Checkpoint What were the arguments for and against the second Bank of the United States?

The Question of States' Rights

Since the founding of the United States, Americans had debated what should be the balance between the powers of the states and the powers of the federal government.

King Andrew the First



A king's crown



Trampling on rights



Reading Political Cartoons

Skills Activity

The national press ridiculed Jackson for his quick temper and steely will.

- Detect Points of View**
Name two negative images in the cartoon. Why do you think Jackson is shown stepping on the bank document?
- Distinguish Relevant Information**
Would this cartoon have the same impact in Britain if, instead of Jackson, it showed a British leader? Explain your answer.

Vocabulary Builder

resolve (ree SAHLV) *v.* to decide;
to solve

The Constitutional Convention of 1787 had created a government based on federalism, the division of power between the national government and the states. The Constitution gave the federal government many significant powers. At the same time, the Tenth Amendment set limits on federal power. It states that any powers not specifically given to the federal government are "reserved to the States respectively, or to the people."

Over the years, the issue of balancing federal and state power had come up repeatedly. The Alien and Sedition acts had raised the issue. So had the Virginia and Kentucky resolutions and the Hartford convention. The issue could never be fully **resolved**. During Andrew Jackson's presidency, arguments over federal power and states' rights caused a serious crisis.

 **Checkpoint** How does the Tenth Amendment limit federal powers?

The Nullification Crisis

The crisis erupted when Congress passed a law in 1828 raising the tariff on iron, textiles, and other products. The tariff helped manufacturers in the North and some parts of the West. But it made southerners pay more for manufactured goods. It seemed to southerners that the federal government was forcing them to obey an unfair law.

Vice President John C. Calhoun of South Carolina argued that the states had the right of **nullification**, an action by a state that cancels a federal law to which the state objects. If accepted, Calhoun's ideas would seriously weaken the federal government.

Arguments for Nullification To many southerners, the tariff issue was part of a much larger problem. If the federal government could enforce what they considered an unjust law, could it also use its power to end slavery?

John C. Calhoun had based his theory of nullification on his view of how the Union was formed. He said the Union grew from an agreement between the various states. After the Union was formed, each state kept certain powers. One of them was the power to nullify federal laws the people of the state considered unfair.

Milestones in the States' Rights Debate

1787: The Constitution divides power between the states and federal government.

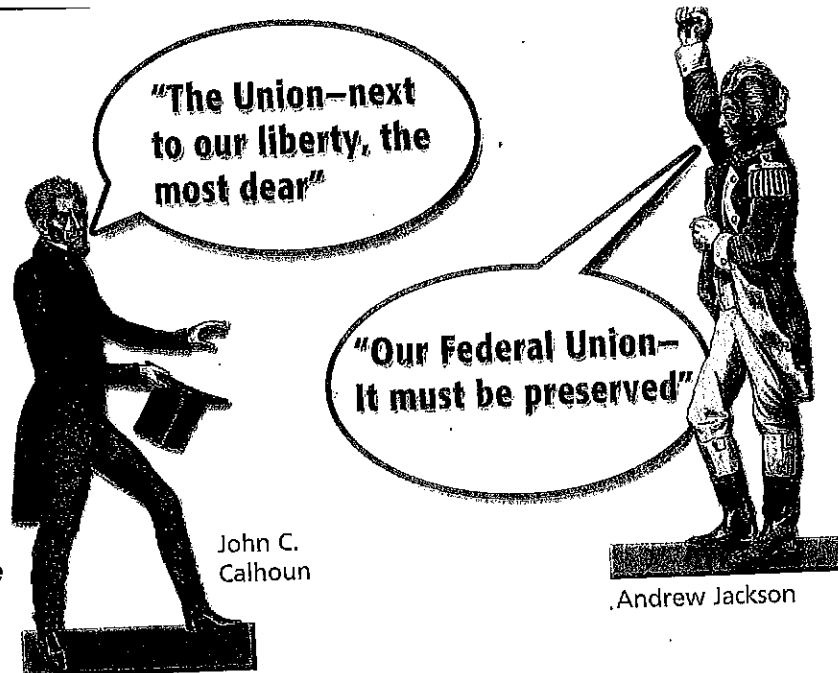
1814–1815: At the Hartford Convention, opponents of the War of 1812 insist that states have the right to secede.

1798: Kentucky and Virginia claim that states can nullify laws deemed unconstitutional.

1832: South Carolina claims the right to nullify tariffs, but it backs down when President Jackson threatens to use force against it.

Federal Power Versus States' Rights

President Andrew Jackson and Vice President John C. Calhoun took opposing views on states' rights and nullification. They had once been friends. However, by 1830, the two men were fierce enemies. **Critical Thinking: Detect Points of View** How may Andrew Jackson's views about nullification have been affected by his responsibility as President of the United States?



Arguments Against Nullification The clearest argument against nullification came from Massachusetts Senator Daniel Webster. He argued that the United States had not been formed by the states, but by the entire American people. In a dramatic speech on the floor of the Senate in January 1830, Webster defended his belief, saying "We are all agents of the same supreme power, the people."

A few months later, President Jackson dramatically defended the Union. At a banquet, Jackson stared directly at Vice President Calhoun and said, "Our Federal Union—It must be preserved." Ominously, Calhoun responded: "The Union—next to our liberty, the most dear." The challenge was clear. To Calhoun, states' rights was more important than saving the Union.

South Carolina Threatens to Secede In 1832, Congress passed another tariff law. Although it lowered some tariffs, it passed high tariffs on iron and textiles. South Carolina then called a state convention, which voted to nullify the tariffs. The tariffs of 1828 and 1832, it said, did not apply to South Carolina. The state also warned the federal government not to use force to impose the tariffs. If it did, South Carolina would secede from the Union.

A furious Jackson responded strongly. In December 1832, he put federal troops in South Carolina on alert. Then he issued a "Proclamation to the People of South Carolina." It said that the Union could not be dissolved. It also warned that "disunion by armed force is treason." With tensions running high, Calhoun resigned as Vice President.

Early in 1833, Jackson asked Congress to allow the federal government to collect its tariff in South Carolina by force if necessary. At the same time, he supported a compromise bill that would lower the tariffs. In March 1833, Congress passed both laws.

Unable to win support for its position from other states, South Carolina then repealed its tariff nullification. Many Americans breathed a sigh of relief. The crisis had been settled peacefully.

Vocabulary Builder

dissolve (dih ZAHlv) *v.* break up into smaller parts

The Election of 1840

Both the Whigs and the Democrats tried new methods in the presidential election of 1840. They broadened their appeal, hoping to win the vote of the "common man."

Critical Thinking: Link Past and Present How are presidential campaigns today similar to the 1840 campaign? How are they different?



Jackson had successfully defended federal power, while states' rights supporters had suffered a setback. However, the issue of states' rights would not go away. Americans would continue to debate the balance between states' rights and federal powers until the Civil War broke out in 1861.

☒ **Checkpoint** What was the position of Vice President John C. Calhoun on nullification?

The End of the Jackson Era

A weary Andrew Jackson retired from office after two terms. Martin Van Buren was Andrew Jackson's choice to succeed him. Van Buren, the son of a New York tavern owner, had played a central role in organizing Jackson's first election victory in 1828. He had been secretary of state during Jackson's first term and Vice President during his second term. He had long been a close political adviser to Jackson.

In the election of 1836, the Whigs ran three candidates, each from a different region of the country. Their goal was to prevent any candidate from receiving a majority of electoral votes. This would throw the election into the House of Representatives. However, the strategy did not work. Van Buren received a majority of both the electoral and the popular vote.

The Panic of 1837 Van Buren took office at a time when the American economy was beginning a severe slump. Because Britain was experiencing an economic slowdown, British manufacturers were buying less cotton. This caused cotton prices to fall sharply. American banks could not collect on the loans they had made to cotton growers. As a result, hundreds of banks went bankrupt.

The result was an economic collapse in the United States called the Panic of 1837. The economic hard times that followed lasted six years. The hardships of those years ruined Van Buren's presidency.

The Election of 1840 Van Buren ran for reelection in 1840 against the Whig candidate, William Henry Harrison. This time the Whigs ran a skillful campaign. They used parades, barbecues, and other forms of entertainment to reach ordinary voters. They portrayed Harrison as a "man of the people" who would feel right at home in a simple log cabin. Helped by his "log cabin" campaign, Harrison easily defeated Van Buren. The Whigs were in power and the Age of Jackson was over.

Checkpoint What was the main cause of the Panic of 1837?

Looking Back and Ahead Throughout the administrations of John Quincy Adams, Andrew Jackson, and Martin Van Buren, Americans continued to push westward. By the 1830s, Americans had settled most of the land east of the Mississippi River. By the 1840s, they were crossing the Mississippi in large numbers. You will read about this movement in the next unit.

Identify Multiple Causes

In 1837, the United States experienced an economic collapse. What were two causes of this collapse?

Section 5 Check Your Progress

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Comprehension and Critical Thinking

- (a) **Recall** Why did states' rights become an issue in the 1820s?
(b) **Distinguish Relevant Information** Agree or disagree with the following statement and provide relevant facts to support your position: "The issue of states' rights had plagued the nation from the time of the Constitutional Convention."
- (a) **Summarize** What were John C. Calhoun's and Daniel Webster's positions on nullification?
(b) **Detect Points of View** What did John C. Calhoun mean when he said, "The Union—next to our liberty, the most dear"?

Reading Skill

- Identify Multiple Causes** After the nullification crisis, South Carolina repealed its nullification of the federal tariffs. What were two causes of the state's action?

Key Terms

- Write two definitions for the key term **nullification**. First, write a formal definition for your teacher. Second, write a definition in everyday English for a classmate.

Writing

- Correct the errors in grammar, spelling, and punctuation in the following passage. **Passage:** The Nullification Crises represent a conflict between the South and the federal government. president Jackson at a banquet said that the Union must be preserved. John Calhoun answered "The Union—next to our liberty, the most dearest."



Identify Bias

21st Century Learning

Bias is slanted writing that communicates a certain point of view about an idea or event. The writer either leaves out information or purposely changes the facts in order to create a certain impression. Bias is different from objective writing, which presents the facts in a balanced way.

The following excerpt, from Andrew Jackson's seventh annual message to Congress, focuses on his Indian removal policy.

Primary
Source

"... The plan of removing the [native] people to ... country west of the Mississippi River approaches its [conclusion]. ... All preceding experiments for the improvement of the Indians have failed. It seems now to be an established fact that they can not live in contact with a civilized community and prosper. ...

The plan for their removal ... is founded upon the knowledge we have gained of their character and habits, and has been dictated by a spirit of [generosity]. A territory exceeding in extent that [given up] has been granted to each tribe. Of its climate, fertility, and capacity to support an Indian population the representations are highly favorable. ...

A country west of Missouri and Arkansas has been assigned to them, into which the white settlements are not to be pushed. ... A barrier has thus been raised for their protection ... guarding the Indians as far as possible from those evils which have brought them to their present condition."

—Andrew Jackson, December 7, 1835

Learn the Skill

Use these steps to identify bias.

- 1 **Identify the source.** Knowing the speaker or writer and the audience helps you understand why the point of view might be biased.
- 2 **Find the main idea.** Summarize the main point in the primary source.
- 3 **Compare the primary source with objective writing.** Look for differences between the biased writing and an objective account of the same subject. Does the biased writer leave out information or alter facts? Does the biased writer use broad generalizations that support a particular point of view? Does the biased writer use emotionally charged words?
- 4 **Draw conclusions.** What does the writer or speaker hope to accomplish?

Practice the Skill

Answer the following questions about the primary source on this page.

- 1 **Identify the source.** (a) Who is the author? (b) Why might the author's position be biased?
- 2 **Find the main idea.** What is the main point of the speech?
- 3 **Compare the primary source with objective writing.** Read the information about the government's Indian removal policy in Section 4. (a) What is one way that this account differs from the account in Section 4? (b) What is an example of a broad generalization that creates a biased view? (c) What information about the real reason for Indian removal is not included?
- 4 **Draw conclusions.** What message does the author want to present to the audience?

Apply the Skill

See the Review and Assessment at the end of this chapter.