Andrew Jackson & the National Bank

Background.
The First Bank of the United States ceased operation in 1811. Congress then created the Second Bank of the United States (BUS) in 1816. The Second BUS was the most powerful bank in the United States. It held government funds and issued money. Its president, Nicholas Biddle, set policies that controlled the nation's money supply. President Jackson hated the bank. He said that the BUS was too powerful and that it favored the rich and hurt the common man. The BUS also regulated loans of state banks, which angered Southerners and Westerners who needed money to buy land. The cotton industry was rapidly moving west.

The Plot.
In 1832, Nicholas Biddle asked Congress to renew the Bank of the United States' charter, a written grant to operate, even though it didn't expire until 1836. It was an election year, so Biddle thought Jackson would agree to renewal and not risk angering supporters. He was wrong.

Jackson vs. the BUS.
Jackson vetoed the BUS' renewal bill, claiming it was unconstitutional. He claimed that the Bank was a monopoly, a company or group with complete control over a product or service. However, the Supreme Court ruled in McCulloch v. Maryland (1819) that the BUS was allowed because of the elastic clause. Jackson argued that only states could charter banks. His veto showed contradiction: it said that the BUS was too powerful but he expanded his federal power to oppose it. Jackson declared "war" on the Bank. To the Whig party's surprise, Jackson beat Henry Clay in the election of 1832 by a large margin.

Jackson wanted to destroy the Bank of the United States before the charter ran out. He took government funds and deposited them in pet banks, or state banks. Because there was no money in the BUS, it closed in 1836 when its charter ran out.

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Results of Jackson's War on the Bank.

Most of the nation prospered during Jackson's last years in office. Because it was easier to borrow money, people took out loans to buy public lands, and the economy boomed. But, the pet banks issued too much paper money. This rise in the money supply made each dollar worth less. As a result, prices rose. This is called inflation. To fix this situation, Jackson ordered people to buy land with gold and silver, not paper money.

Jackson left office proud of the nation's prosperity. However, like a balloon, it had little substance and was bound to pop!

Panic of 1837.

Martin Van Buren, Jackson's Vice-President, became President after Jackson. Within two months in office, he faced a major crisis, the Panic of 1837.

People took their paper money to the bank to exchange it for gold and silver, but the banks quickly ran out of both. Many banks went out of business and forced to close. A depression, or severe economic slump, followed.

The depression lasted three years. During that time, almost 90% of the factories in the East closed, unemployment rose, and people could not afford to buy food or clothes. They lived in shelters or on the streets with many people freezing in the winter. Every section of the country suffered, but depression hit hardest in the cities. Farmers hurt less, because they could at least grow their own food.

Van Buren wanted to leave the economy alone, and not have the government get involved. Daniel Webster of Massachusetts and Henry Clay of Kentucky thought the government should get involved. The Whig Party was eventually formed, opposing strong presidencies created by "King Andrew."

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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...But when the laws undertake to...make the rich richer and the potent more powerful, the humble members of society...have a right to complain of the injustice of their Government.

- Andrew Jackson, veto message, July 10, 1832

I have always deplored making the Bank a [political] question, but since the President will have it so, he must pay the penalty of his own rashness...[my hope is that it will contribute to relieve the country of the domination of these miserable [Jackson] people...]

- Nicholas Biddle, from a letter to Henry Clay dated August 1, 1832

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Since the 1600s, white settlers had pushed Native Americans westward. By the 1820s, about 100,000 remained east of the Mississippi. To avoid conflict, Native Americans assimilated many aspects of white culture. The major tribes were the Cherokee, Chickasaw, Choctaw, Creek, and Seminole. Whites called them the Five Civilized Tribes because they had adopted many aspects of white culture. They held large areas of land in Georgia, the Carolinas, Alabama, Mississippi, and Tennessee.
The Cherokee Nation

More than any other Southeastern tribe, the Cherokee had adopted white customs, like the clothes that they wore. Cherokees owned prosperous farms and cattle ranches. Some even had slaves. They developed their own written language and published a newspaper. Some of their children attended missionary (religious) schools. In 1827, the Cherokee wrote a constitution based on the U.S. Constitution and founded the Cherokee Nation.

Literacy

For 12 years, a brilliant Cherokee named Sequoya (sih KWOY uh) tried to find a way to “teach the Cherokees to talk on paper like the white man.” In 1821, he reached his goal. Sequoya invented a writing system for the Cherokee language without ever having learned to read or write in any other language. He identified all the sounds in Cherokee and created 86 characters to stand for syllables. Using this simple system, the Cherokee soon learned to read and write, as you read above. Sequoya hoped that by gaining literacy - the ability to read and write - his people could share the power of whites and keep their independence.

President Jackson was pressured by the “common man” to remove Native Americans from the land east of the Mississippi River and push them west.
# Jackson's Reasons for Indian Removal

**Directions:** Analyze the graphic organizer and answer the questions that follow in complete sentences.

## Jackson's Reasons for Indian Removal

<table>
<thead>
<tr>
<th>Economic</th>
<th>Political</th>
<th>Social</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discovery of gold on Cherokee lands</td>
<td>States passed laws allowing them to take Indian land.</td>
<td>Indians would be able to keep their culture and way of life on protected Indian Territory, and not be persecuted by white settlers.</td>
</tr>
<tr>
<td>Land owned by Native Americans was fertile and perfect for growing cotton</td>
<td>Jackson thought the U.S. government owned all land so they had the right to decide where Indians should live.</td>
<td></td>
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</tbody>
</table>
The Indian Removal Act of 1830

U.S. Government, 21st Congress, 2nd Session

Chapter CXLVIII - An Act to provide for an exchange of lands with the Indians residing in any of the states or territories, and for their removal west of the river Mississippi.

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That it shall and may be lawful for the President of the United States to cause so much of any territory belonging to the United States, west of the river Mississippi, not included in any state or organized territory, and to which the Indian title has been extinguished, as he may judge necessary, to be divided into a suitable number of districts, for the reception of such tribes or nations of Indians as may choose to exchange the lands where they now reside, and remove there; and to cause each of said districts to be so described by natural or artificial marks, as to be easily distinguished from every other.

Summing It Up:

- The government will negotiate treaties with Native Americans and trade land out west for their valuable eastern lands
- Jackson set out to immediately enforce the law
Worcester v. Georgia (1832)

As whites invaded their homelands, many Native Americans saw no other choice but to sign treaties exchanging their land for land in the West. Under the treaties, Native Americans would be moved to an area that covered what is now Oklahoma and part of Kansas and Nebraska. This area came to be called Indian Territory.

Beginning in the fall of 1831, the Choctaw and other Southeast tribes were removed from their lands and relocated to Indian Territory. The Cherokees, however, first appealed to the U.S. Supreme Court to protect their land from being seized by Georgia. Samuel Worcester, a missionary to the Cherokee, was arrested and convicted for disobeying Georgia's law restricting white missionaries from living in Cherokee territory without a state license.

In 1832, the Court, led by Chief Justice John Marshall, ruled that only the federal government, not the states, could make laws governing the Cherokees. This ruling meant that the Cherokee had the right to keep their land, and only the federal government — not the states — could make laws governing Native Americans. However, both Georgia and President Jackson ignored the Supreme Court. Jackson responded to the decision by stating, "John Marshall has made his decision...now let him enforce it."
"Murder is murder and somebody must answer, somebody must explain the streams of blood that flowed in the Indian country in...1838. Somebody must explain the four-thousand silent graves that mark the trail of the Cherokees to their exile. I wish I could forget it all, but the picture of six-hundred and forty-five wagons lumbering over the frozen ground with their cargo of suffering humanity still lingers in my memory..." 

- John G. Burnett, quoted in *The Native Americans*, edited by Betty and Ian Ballantine

In 1838, federal troops rounded up about 16,000 Cherokees and forced them into camps. Soldiers took people from their homes with nothing but the clothes on their backs. Over the fall and winter of 1838 to 1839, these Cherokees were forced to march in the cold rain and snow without adequate clothing. Many grew weak and ill. One-fourth died. This harsh journey of the Cherokee from their homeland to Indian Territory became known as the **Trail of Tears**.