

## The Jackson Era

### Lesson 3 Jackson and the Bank

#### ESSENTIAL QUESTION

*How do governments change?*

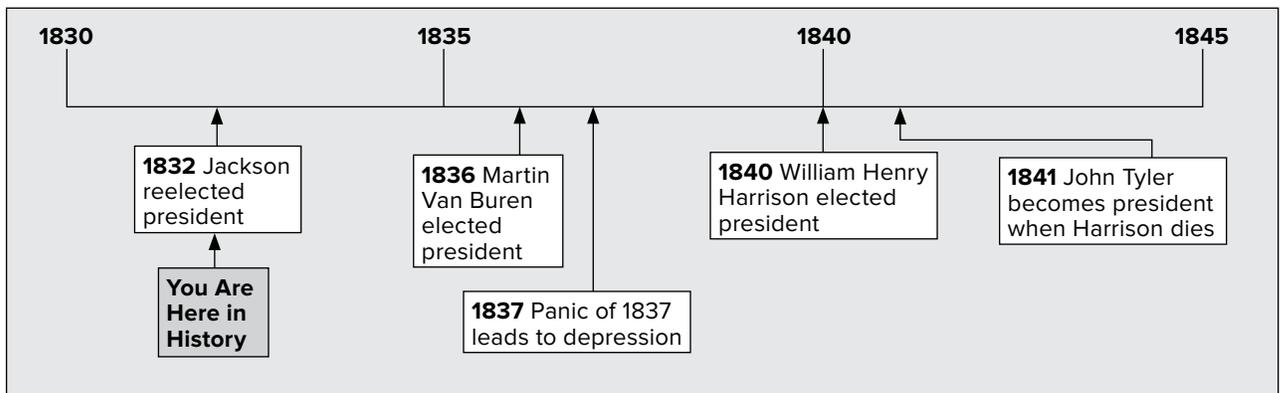
#### GUIDING QUESTIONS

1. *What events occurred when President Jackson forced the National Bank to close?*
2. *What events occurred during the 1840s that led to the weakening of the Whig Party?*

#### Term to Know

**veto** to reject a bill and prevent it from becoming law

### When did it happen?



### What do you know?

In the first column, answer the questions based on what you know before you study. After this lesson, complete the last column.

Now...		Later...
	Why was the Second Bank of the United States important to the economy?	
	Why did President Jackson oppose the National Bank?	
	Why did the Whigs think they could win the presidential election in 1840?	
	How did President Harrison's death affect the Whigs' plans for the country?	

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### Lesson 3 Jackson and the Bank, *Continued*

#### Jackson's War Against the Bank

Congress created the Second Bank of the United States to hold the federal government's money. Its job was to control the nation's money supply. However, the Bank was not run by government officials. Instead it was run by Eastern bankers. Most of these bankers had wealth and a good education.

President Andrew Jackson had neither of these. He was a pioneer from the West. He had worked hard and became president. He did not like the wealthy bankers who ran the Bank.

Jackson was against the Bank for another reason, too. Jackson understood the needs of the settlers in the West. They depended on banks to loan them money to run their farms. However, the National Bank's control over smaller private banks was very strict. Farmers often had a hard time getting the loans they needed. Jackson thought that the nation's many small state banks could manage the money supply. Without the Bank watching over them, they would also be more likely to lend money to farmers.

Senators Henry Clay and Daniel Webster supported the Bank. They wanted to make sure that Jackson did not put it out of business. They also wanted to keep Jackson from being elected again. They thought that most Americans liked the Bank, and if Jackson tried to close it, he would lose votes in the next election.

Years earlier, Congress had given the Bank a charter for 20 years. A charter is a legal document that gives an organization permission to do its work. Clay and Webster helped the Bank get a new charter from Congress before the old charter ran out. They thought Jackson would not dare to **veto** the new charter, or prevent it from becoming a law. They thought he would not veto it because it was an election year and he might lose votes. Jackson vetoed it anyway. This meant that the Bank would be forced to go out of business in a few years. Most people supported Jackson's veto. It actually helped him get reelected.

After the election, Jackson took the federal government's money out of the Bank and put it into smaller state banks. When the Bank's charter ended, the Second Bank of the United States closed.

Martin Van Buren, Jackson's vice president, ran for president in 1836. Jackson was still very popular. Jackson's support helped Van Buren win. Soon after the election, though, the



#### Marking the Text

- Underline the text that describes the role of the Second Bank of the United States.



#### Explaining

- Why did Western settlers need to get loans from banks?
- 



#### Sequencing

- Number the events relating to the Second Bank of the United States from 1 to 6, in the order in which they happened.

- \_\_\_ government's money put in state banks
- \_\_\_ Congress passes new charter for Bank
- \_\_\_ Second Bank of United States closes
- \_\_\_ Jackson vetoes new charter
- \_\_\_ Bank's charter expires
- \_\_\_ Jackson removes government's money from Bank

## The Jackson Era

### Lesson 3 Jackson and the Bank, *Continued*



#### Reading Check

4. After the Bank closed, what kind of payment did the government require from people who wanted to buy public land?
- \_\_\_\_\_



#### Explaining

5. What was President Van Buren's response to the Panic of 1837?
- \_\_\_\_\_



#### Reading Check

6. What was the purpose of the new treasury system?
- \_\_\_\_\_



#### Explaining

7. Why did the Whigs think they had a chance to win the presidency in 1840?
- \_\_\_\_\_
- \_\_\_\_\_

country was in trouble. Jackson's actions toward the Bank had led to an economic panic.

When the Bank's charter expired and it closed, there was no national bank to control the state banks. They began printing more banknotes. Federal officials became concerned that these notes had little value. As a result, the federal government decided to require gold and silver as payment for public land. It would not accept the banknotes.

People who had banknotes feared their notes might become worthless. This fear set off an economic panic, called the Panic of 1837. Many people lost their jobs and their land. Thousands of businesses had to close.

President Van Buren believed that the government should not do anything to help the nation during the depression. He did, however, work with Congress to create a federal treasury where the federal government would keep its money. The government, not private bankers, would own and run the treasury. Leaders hoped that this new treasury would prevent future panics.

### The Whigs in Power

Van Buren ran for reelection in 1840. With the country still in the depths of a depression, the Whigs thought they had a chance to win the presidency. The Whigs ran William Henry Harrison against Van Buren.

Like Andrew Jackson, Harrison became a hero during the War of 1812. He fought at the Battle of Tippecanoe. His running mate was John Tyler, a planter from Virginia. Their campaign slogan was "Tippecanoe and Tyler Too."

Harrison had to gain the support of the workers and farmers who had voted for Jackson. He was wealthy and from Ohio, but his campaign painted him as a simple frontiersman like Jackson. The Democrats responded to this false picture. They said all Harrison was good for was sitting in front of a log cabin and collecting his military pension. The Whigs turned the attack around. They adopted the simple frontier log cabin as the symbol of their campaign.

At the same time, the Whigs painted Van Buren as a wealthy snob with perfume-scented whiskers. They blamed him for the depression. They accused him of spending money on fancy furniture for the White House. The Whigs' plan worked. A record number of voters elected Harrison by a wide margin.

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**Lesson 3 Jackson and the Bank, *Continued***

Harrison gave his long inaugural speech in the bitter cold without a hat or coat. He died of pneumonia 32 days later. He served the shortest term of any president. John Tyler became the first vice president to become president because the elected president died in office.

Tyler had been elected as a Whig. He had once been a Democrat and did not support many Whig policies. Whig Party leaders thought he would attract voters in the South. Webster and Clay believed that they would be able to get Harrison to agree to their plans for the country. Harrison’s death spoiled their plan.

Tyler vetoed several Whig bills. His lack of party loyalty angered many Whigs. Finally, they threw him out of the party. He became a president without a party. Tyler’s biggest success was the Webster-Ashburton Treaty, which was signed by the United States and Great Britain. The treaty ended the disagreement over the border between Maine and Canada. It also settled the location of the long U.S.-Canadian border from Maine to Minnesota.

Unfortunately, the Whigs could not agree on goals for their party. They did agree on their dislike for President Tyler, however. The Whigs continued to vote more and more according to sectional ties—North, South, and West—and not party ties. It is likely that Whig presidential candidate Henry Clay lost the election of 1844 because of this division. James Polk, a Democrat, became the new president.

//////////////////// Glue Foldable here //////////////////////

**Check for Understanding**

**List two reasons that President Jackson shut down the Second Bank of the United States.**

1. \_\_\_\_\_
2. \_\_\_\_\_

**Why was John Tyler not an effective president?**

\_\_\_\_\_

\_\_\_\_\_

 **Reading Check**

8. How did the Whigs lose power in the election of 1844?

\_\_\_\_\_

\_\_\_\_\_



9. Place a two-tab Foldable along the dotted line to cover Check for Understanding. Cut the tabs in half to form four tabs. Write the title *Changes* on the anchor tab. Label the four tabs *Andrew Jackson, Martin Van Buren, William Henry Harrison, and John Tyler*. List two things you remember about each president. Use the Foldable to help answer Check for Understanding.