

CHAPTER 4

CALHOUN AND THE GROWTH OF NATIONALISM

Introduction

This chapter will explore how the works of John C. Calhoun addressed the issues of the National Bank, internal improvement projects, and protective tariffs. After a brief recap of the overall views of the nation on these issues in 1816 directly following the War of 1812, the discussion turns to Calhoun's stance on the National Bank, beginning with the re-chartering of the Bank in 1817. The following section will explore his opinions regarding internal improvement projects, starting with an examination of Calhoun's Bonus Bill in 1817 and ending with Calhoun's opinions circa 1825. Third, the issue of protective tariffs will be highlighted, commencing with the Tariff of 1816 and ending with the Tariff of 1832. The conclusion section will tie up the discussion by recapping any notable changes or differences in Calhoun's positions over the period.

Calhoun and the New Nationalist Spirit

Following the War of 1812 a new spirit of nationalism overwhelmed the United States, a nationalism that took the form of lofty internal improvement projects, protective national tariffs, and even the re-chartering of the National Bank. While nationalist zeal was widespread across the United States, it was not without criticism. However, in the years directly following the War, criticism was minimal and could not be placed according to sectional boundaries; rather, many of the criticisms reflected Constitutional issues and party platforms. However, as the years passed after the War, and the United States found itself in the 1820s, the political climate began to change, with many of the nationalist issues that had united the country just a few years earlier serving to increasingly divide it.

John C. Calhoun, who began his political career in the early 1800s, found himself in the midst of the controversies surrounding the issues of internal improvements, the

National Bank, and protective tariffs. However, depending on the year or the issue, Calhoun's position waned from supportive to contentious. Calhoun's writings provide the key link to understanding his positions on many of these issues, particularly because Calhoun authored numerous compositions on each of them and was actively involved in many of the debates surrounding them. A careful examination of Calhoun's works will highlight the disputes over many of these issues as well as provide some clues as to the factors that may have contributed to the sharp decline of nationalism in Calhoun's philosophy.

Calhoun and the National Bank

John C. Calhoun was a major supporter of the re-chartering of the Bank of the United States; in fact, he offered the bill that would incorporate the subscribers of the National Bank in 1817. In his speech on the bill, Calhoun concentrated on the ability of the National Bank to regulate inflation. He reviewed the financial history of the preceding 25 years, emphasizing the Constitutional powers of Congress. Calhoun explained his position, noting:

... I rested the argument for [the Bank's] passage on the necessity of restoring specie payments, at the time the legal currency of the United States had ceased to circulate, and to regulate, or to fix the value of that which did circulate. In fact, we had no currency but notes of some specie paying banks incorporated by the States, and wholly under their authority. Congress had wholly lost its constitutional power over that subject. However brought about, a state of things existed wholly incompatible with the provisions of the Constitution.¹

¹ "Calhoun's Statement on his Constitutional Principles," Washington D.C., July 3, 1824. See Houston, David Franklin. A Critical Study of Nullification in South Carolina. Harvard University Press: Gloucester, Mass., 1968, Appendix A, p.146.

Calhoun observed that the Constitution gave to Congress the exclusive right to regulate currency, and prohibited the states from issuing bills of credit. However, the states were permitted to create banks, which, in turn, could regulate currency and issue bills of credit, allowing the state banks to do what the states themselves could not do. Moreover, in the last 25 years, more than 260 state banks had come into existence that housed a total capital of \$80,000,000.²

*The notes of these banks were the nation's currency, and since the banks had little or no precious metal with which to redeem them, their value was only what they would bring to exchange, varying from place to place and from day to day, and steadily decreasing as the volume of the bank notes rose. As long as this state of things continued, Congress had no control whatever over the currency.*³

Calhoun focused on this point, noting that the existing situation meant that people in different sections of the United States were taxed disproportionately. However, the only way that Congress could enforce its regulatory power over the national currency was to force state banks to carry out their contracts, thus pushing them to relinquish the unauthorized power they had requisitioned through issuing paper in excess of their ability to repurchase it. However, state banks did not want to lose the freedom and profit they had gained; they would return to the gold standard only if was in their interest to do so. The re-chartering of the National Bank, according to Calhoun, would amply address this issue because the Bank itself, paying coin money and refusing the notes of all banks that did not comply, would soon make it advantageous for all banks to return to the gold standard.⁴ Calhoun's arguments were convincing, and the bill passed the House by a vote of 80 to 71.

² Wiltse, Charles M. John C. Calhoun, Nationalist. The Bobbs-Merrill Company, Inc. New York, 1944, p.109.

³Ibid, p.110.

⁴Ibid.

Calhoun continued to support the National Bank. The political tide in the United States was beginning to turn by the mid-1820s with legislators placing added emphasis on sectional concerns. Defending his advocacy of the National Bank, Calhoun explained:

... I think it must be said with confidence that I have never uttered a sentence in any speech, report, or word in Conversation that could give offence to the most ardent defender of States rights. On this point my character has been grossly misrepresented to the people of Virginia... For example, I am accused of advocating the power of Congress to incorporate a National Bank... Nor is there anything in the principle on which I advocated the passage of the bank bill calculated to give offence... To give to Congress virtually the power delegated to it by that instrument of fixing and regulating the value of the currency of the national was the great object which I had in view in aiding the passage of the bill incorporating the United States Bank, and there certainly is much satisfaction the reflection that this clearly constitutional object has been fully realized.⁵

Therefore, although the political climate by the 1820s was emphasizing states' rights and sectional concerns, Calhoun's support for the National Bank remained constant; Calhoun balanced his support of states' rights with his belief in the constitutional legitimacy of federal government powers. This was an equilibrium that allowed Calhoun to continue to support the National Bank, even as the political tide began to change. Using Calhoun's qualified nationalism to gauge any change in his position over time, it is evident that Calhoun's position regarding the National Bank remained static. First, the National Bank was meant to serve the nation as a whole and generally did not reflect sectional interests; on the contrary, the absence of the Bank meant that people in different sections

⁵ "Calhoun's Statement on his Constitutional Principles," Washington D.C., July 3, 1824. See Houston, David Franklin. A Critical Study of Nullification in South Carolina. Harvard University Press: Gloucester, Mass., 1968, Appendix A, pp. 145-146.

of the United States were taxed disproportionately. This characteristic remained stable. Second, by bringing the entire country to the gold standard, the national economy was strengthened, therefore meeting Calhoun's second qualification. Combined, these two features, which remained roughly constant over the time period examined, indicate that Calhoun's position regarding the National Bank did not change.

Calhoun and Internal Improvements

In contrast, Calhoun's support for national projects shifted somewhat over time, as his writings illustrate. Initially, following the War of 1812, Calhoun strongly supported internal improvement efforts. As poor roads could slow down the transportation of military goods, it was imperative that the United States invest in internal improvement projects, so as not to repeat the experiences of the War of 1812.⁶

Calhoun sponsored the first extensive national effort to provide internal improvements, the Bonus Bill of 1817, which called for setting aside a separate fund for internal improvements to be paid from the \$1,500,000 bonus and net annual dividends of the National Bank. As noted earlier, although President James Madison ultimately vetoed the Bonus Bill on the grounds that the powers it proposed be exercised by Congress were among neither the enumerated nor implied powers of the Constitution, Calhoun firmly believed that his Constitutional arguments for the Bonus Bill were sound. The inspiration behind many of Calhoun's national improvement projects was his belief that the "enigmatic elastic clauses" could be expanded to grant to Congress added authority to address new problems; in this case, the problem was the poor condition of national roads and waterways. Specifically, Calhoun pointed to the enumerated power "to raise and support armies," the clause "to lay and collect taxes... to provide for the common defense and general welfare," as well as the "necessary and proper" clause. According to this line of reasoning, the "necessary and proper" clause granted Congress the ability to pursue objectives connected with the enumerated powers. Hence, Congress could finance national

⁶ Freehling, William. Prelude to Civil War. Harper & Row: New York, 1965, p.93.

improvements, which is not an enumerated power, because roads would further the common defense, which is an enumerated power. Speaking directly to this issue in the House in 1819, in his “*Report on Roads and Canals*,” Calhoun wrote:

*... A judicious system of roads and canals, constructed for the convenience of commerce, and the transportation of the mail only, without any reference to military operations, is itself among the most efficient means for “the more complete defense of the United States.” Without adverting to the fact that the roads and canals, which such a system would require, are, with few exceptions, precisely those which would be required for the operation of war, such a system, by consolidating our Union, and increasing our wealth and fiscal capacity, would add greatly to our resources in war.*⁷

However, while Calhoun supported internal improvement projects following the War of 1812, he always added the caveat that such projects must be “truly national” in scope to merit his support. Speaking directly on the Bonus Bill, Calhoun asked the House to let the United States “bind the Republic together with a perfect system of roads and canals.” However, as noted in Chapter Three, the system Calhoun envisioned was one of a grand, national scale – involving a few great projects. It did not include many of the local projects whose proponents were seeking federal aid by the 1820s. So, as early as 1825, Calhoun vigorously opposed local and piecemeal internal improvement projects.⁸ In his “*Report on the Condition of Military Establishment and Fortifications*,” he explained his position:

The whole Union must be considered as one, and the attention directed, not to those roads and canals which may facilitate intercourse between parts of the same State, but to those

⁷ Reports and Public Letters, *Works* V, p. 41.

⁸ Freehling, p. 93.

*which may bind all of the parts together, and the whole with the center; thereby facilitating commerce and intercourse among the States, and enabling the Government to... extend protection to the whole.*⁹

Moreover, by 1819, internal improvements had become linked with tariffs, which would become an increasingly sensitive issue that served to divide the nation in future years. For example, the 1824 tariff bill provided a measure in which federal funds would be dedicated to survey routes for roads and canals; however, who (either the federal government or the states) would construct the projects was ambiguous. Addressing the internal improvements portion of the bill, Calhoun took a middle of the road approach. He believed that Congress did have the power to build roads and canals, but as Secretary of War, except in a serious emergency, he would not advocate such action without the consent of the states.¹⁰ This illustrates Calhoun's respect for the rights of states, even with an issue (in this case, internal improvements) that he believed was important, necessary for the good of the country, and Constitutionally grounded. Highlighting this point, Calhoun noted:

... It became necessary, in giving orders to the board, under the act, to determine that routes for roads and canals were of "national importance" in the views contemplated by the act... In deciding this point, it became necessary to advert to our political system in its distribution of powers and duties between General and State Governments. ... The States have important duties to perform, in facilitating, by means of roads and canals, commercial and political intercourse among their citizens; and within the spheres of these duties, they are more competent to act than the General Government; and there can be no rational doubt that... these powerful means of developing their resources,

⁹ Calhoun, John C. "Report on the Condition of the Military Establishment and Fortifications," communicated to Congress by the President, December 7, 1824. See Works, V.

¹⁰ Wiltse, p. 176.

*will receive, from their respective Legislatures, due attention. But, as numerous as this class of improvements is, and important as it may be to the General Government in the discharge of the various duties confided by the Constitution to it, there are other improvements not comprehended in it, of a more general character, which are more essentially connected with the performance of its duties, while they are less intimately connected with those belonging to the State Governments, and less within their power of execution...*¹¹

By the 1820s, then, Calhoun's position regarding internal improvement projects had shifted. Although Calhoun recognized the importance of internal improvement projects, sectional concerns overshadowed his views. Using his definition of qualified nationalism to measure any change in position over the time period examined, it is apparent that there was a change in Calhoun's position. His support for internal improvement projects was always conditional upon their ability to enhance the overall economic and military strength of the nation. By the 1820s, it was apparent to him that the majority of internal improvement projects were not "national" in scope. Rather, they emphasized individual states' interests. Given the nature of the majority of proposed internal improvement projects during this time, Calhoun could no longer justify his support since they no longer met his qualifications regarding nationalism: (a) they no longer affected the nation as a whole but reflected sectional interests; and, therefore (b) they no longer served to strengthen the economic and military position of the United States.

Calhoun and Protective Tariffs

Looking at the issue of protective tariffs, one can see the most dramatic shift in Calhoun's position, from support to vehement opposition. Calhoun was highly supportive of the Tariff of 1816. Much like his advocacy of the National Bank and internal

¹¹ Calhoun, "Report on the Condition of the Military Establishment and Fortifications." See Works, V.

improvement projects, Calhoun's support included the caveat that he was supporting such a measure because it would improve the national defense of the country, and help to prevent a repeat experience of the War of 1812. According to this line of thinking, repaying the national debt and financing the national army required higher taxes; additionally, the United States needed the ability to produce its own manufactured goods (a necessity the War of 1812 had highlighted).¹² In a speech on the 1816 tariff on the House floor on April 4, 1816, Calhoun stated:

...Neither agriculture, manufacturers, nor commerce, taken separately is the cause of wealth; it flows from the three combined, and cannot exist without each... Without commerce, industry would have no stimulus; without manufactures, it would be without the means of production; and without agriculture, neither of the others can subsist. When separated entirely and permanently they perish... and [war] produces, to a great extent, that effect...¹³

However, by 1820, Calhoun's support had begun to wane. The proposed Baldwin Tariff of 1820 (which was tabled by the Senate) sought to raise cotton and woolen duties to 33 1/3 percent. Calhoun openly opposed the Tariff, for much the same reason that he opposed piecemeal internal improvement plans. According to Calhoun's line of reasoning, high protective tariffs would create discrepancies between groups of the population, favoring some groups and hurting others, jeopardizing the union of the nation.¹⁴ He expressed the same sentiment about the Tariff of 1824. However, while Calhoun vehemently opposed the 1824 tariff, he did not take an active part in the discussion surrounding it, because he was deeply involved in the presidential campaign and did not want to attract any unnecessary controversy.

¹² Freehling, p. 95.

¹³ Works, II, 208-209

¹⁴ Freehling, p. 97.

The Tariff of 1828, or the Tariff of Abominations, marked the final hardening of Calhoun's position regarding protective national tariffs. The Tariff of Abominations affected the Southern economy by setting import duties at 50%. The South had never really recovered from the depression that had hit the United States between 1818 and 1821. The Tariff of Abominations inflamed the lingering economic distress of the depression. As Calhoun noted in a letter to his brother-in-law while the Tariff was in front of the Senate:

*... Never was there such universal, and severe pressure on the whole South... excepting the portion, which plants sugar. Our staples hardly return the expense of cultivation, and the land and Negroes have fallen to the lowest price, and can scarcely be sold at the present depressed rates.*¹⁵

The Tariff was responsible for markedly rising prices on manufactured goods. Therefore, everything purchased by the planter class became considerably more expensive. Additionally, the demand for cotton was rising, due to the increasing demand of the industrialized North. Because the Southern economy was centered around cotton, the insurmountable pressures placed on planters often led them to overestimate their ability to produce. The result was that planters remained in debt to their agents, planting more and more cotton to pull themselves out of debt. As Calhoun observed, referring to the Southern dependence on cotton as a cash crop and to the Tariff of 1828:

*... [the Tariff] is one of the great instruments of our impoverishment; and if persisted in must reduce us to poverty, or compel us to change our industry.*¹⁶

Further responding to the Tariff, Calhoun authored, although anonymously at the time, the South Carolina Exposition and Protest, which documented Southern discontent, and introduced the nation to Calhoun's theory of concurrent majority. According to

¹⁵ Calhoun to James Edward Calhoun, May 4, 1828, Correspondence, pp. 264-265. See Wiltse, p. 375.

¹⁶Ibid. See Wiltse, p. 377.

Calhoun's theory, since the Constitution itself was a compact among the sovereign states, any state could peaceably prevent the execution of any federal law within its boundaries until a resolution (through the power of amendment) was made by three-fourths of the states.¹⁷ To ignore this Constitutionally legitimate power would be oppression by the majority. Moreover, Calhoun pointed to the Constitutional powers granted to the states to support the legitimacy of his claims, attacking Congress's Constitutional claim in forcing the protective tariff:

*... Because, whilst the power to protect manufactures is nowhere expressly granted to Congress, nor can be considered as necessary and proper to carry into effect any specified power, it seems to be expressly reserved to the states...*¹⁸

In the Exposition and Protest, Calhoun illustrated his claim of oppression by the majority, pointing out South Carolina's unique dependence on agriculture, and emphasizing the devastating effect that such a Tariff would have on the State, noting:

*... Finally, because South Carolina, from her climate, situation, and peculiar institution is, and must ever continue to be, wholly dependent upon agriculture and commerce, not only for her prosperity, but for her very existence as a state... And if, by the loss of her foreign commerce, these products should be confined to inadequate markets, the fate of this fertile state would be poverty and utter desolation.*¹⁹

Clearly, by the time of the passage of the Tariff of Abominations, Calhoun was opposed to protective national tariffs. By 1831, he admitted his authorship of the South Carolina Exposition and Protest, and wrote several other pieces outlining his

¹⁷ Dangerfield, p. 285.

¹⁸ "The South Carolina Protest Against the Tariff of 1828," December 29, 1828. See Commanger, Henry, ed. Documents of American History, Volume I: to 1898. Appelton-Century-Crofts: New York, 1963, p.249.

¹⁹Ibid.

Constitutional arguments against the Tariff, including the “Address on the Relations of Federal and State Government,” and the “Report on Federal Relations” presented to the South Carolina legislature in 1831.

Using Calhoun's two qualifications for nationalism to mark any change in his position, it is apparent that by the early 1830s, Calhoun no longer supported protective tariffs. By this time, protective tariffs no longer affected the nation as a whole; they clearly reflected sectional interests and increasingly served to highlight the disadvantageous position on the South. Therefore, protective tariffs, as applied after the Tariff of 1816, no longer served to strengthen national security or the economy. Additionally, by this time, Calhoun had clearly linked the tariff issue with his theory of the concurrent majority and his belief that the tariff issue was pertinent in bringing to light the true scope of the rights of the states, generally.²⁰ In his “Report on Federal Relations,” Calhoun wrote:

... The relations existing between this State and the General Government, grew, as is well know to all, out of the Tariff. But, as deeply interesting as your committee considers the questions involved in the protective Tariff... they deem it of vastly inferior importance to the great question which it has given rise, and which now at issue in the controversy; the right of a State to interpose, in the last resort, in order to arrest an unconstitutional act of the General Government, within its limits.²¹

²⁰ In his theory of concurrent majority, Calhoun noted that a group of men with similar interests is always more self interested than disinterested. As a result, in a democracy, if one portion of society contains a numerical majority, it will "pervert its powers to oppress, and plunder the other." And, if no one interest forms a majority, like interests will combine. In both scenarios, legislative edict will transfer minority riches into majority pockets, reflecting the tyranny of legislative majorities. To counteract this effect, Calhoun's suggested a system of minority veto, which he called a government of concurrent majority, in which each interest had to concur for any law to pass. Since Calhoun felt that each interest controlled at least one state, he believed that a state veto would create a national government of the concurrent majority (Calhoun, Works, I, 3-16; Calhoun to Maxcy, Aug. 6, 1831, Galloway-Maxcy Markoe Papers, LC - see Freehling, p. 155).

²¹ Calhoun, John C. Report Prepared for the Committee on Federal Relations of the Legislature of South Carolina, at its Session in November, 1831 (See Works, V. IV, p. 95).

Conclusion

Thus, by the 1830s, several of Calhoun's positions had apparently changed. Although his concerns during the years directly following the War of 1812 were obviously influenced by nationalist tendencies, subsequent years saw some of Calhoun's positions shift; however, depending on the issue at hand, the extent of that differed. Calhoun remained supportive of the National Bank throughout his political career, basing that support on his belief that the National Bank continued to affect the nation as a whole and therefore strengthened the American economy. With internal improvement projects, while his support waned in the early 1820s, this was not based on a belief that internal improvement projects generally were illegitimate. Rather, Calhoun's opposition was a result of the tendency for internal improvement projects to not meet his qualifications: they were sectional in nature, and, therefore, did not serve to better the economic or military position of the United States.

With protective tariffs, however, Calhoun experienced the most dramatic shift, from support of a mild protective tariff in 1816 to outright opposition to a dramatic protective tariff in 1828. Calhoun's support of the Tariff of 1816 was based on the belief that the tariff was necessary to strengthen the American economy. However, by the 1820s, it was apparent to him that protective tariffs were no longer justifiable because they strengthened the economic position of the United States, and thereby benefited the country as a whole. Rather, tariffs heavily reflected sectional interests, and increasingly served to highlight the disadvantageous position of the South. So, tariffs no longer met Calhoun's criteria for "qualified nationalism."

In addition, there were apparent similarities between Calhoun's position, especially during the 1820s and 1830s, and those of other officials in the South and in South Carolina. For example, Southern opposition to internal improvement projects by the mid-1820s centered on the piecemeal approach of many schemes, and the fact that the South had already initiated internal improvement projects without federal assistance. Mirroring this

sentiment, Calhoun focused his arguments on the fragmented approach of many projects. Similarly, Calhoun's arguments against protective tariffs were consistent with the arguments of the South, generally. Highlighting this was the fact that Calhoun himself was the author of the South Carolina Exposition and Protest. The evolution of Calhoun's positions, their similarity to those of Southern and South Carolina officials during the 1820s and 1830s, and his use of qualified nationalism will be explored in greater detail in the following chapter.