SECTION 3

Jackson and the Bank

Guide to Reading

Main Idea
Economic issues affected the presidencies of Andrew Jackson and Martin Van Buren.

Key Terms
veto, depression, laissez-faire, log cabin campaign

Reading Strategy
Sequencing Information As you read the section, re-create the diagram below. In the spaces provided, describe the steps Andrew Jackson took that put the Bank of the United States out of business.



Read to Learn
- why Jackson wanted to destroy the Bank of the United States.
- how the Whigs came to power in 1840.

Section Theme
Economic Factors Economic issues influenced politics in the mid-1800s.

Preview of Events





Bank note issued in the mid-1800s

AN American Story

President Andrew Jackson made many enemies. His most outspoken rivals, the Whigs, were strong in Congress. They accused "King Andrew" of increasing his power and spreading corruption with the spoils system. In response, Jackson declared that the president was responsible for the protection of "the liberties and rights of the people and the integrity of the Constitution against the Senate, or the House of Representatives, or both together."

War Against the Bank

Jackson had another great battle during his presidency. For years, he had attacked the Bank of the United States as being an organization of wealthy Easterners over which ordinary citizens had no control. The Bank of the United States was a powerful institution. It held the federal government's money and controlled much of the country's money supply. Although the Bank had been chartered by Congress, it was run by private bankers rather than elected officials.

The Bank's president, **Nicholas Biddle,** represented everything Jackson disliked. Jackson prided himself on being a self-made man who started with nothing. Biddle, on the other hand, came from a wealthy family and had a good education and social standing.

In 1832 Jackson's opponents gave him the chance to take action against the Bank. Senators **Henry Clay** and **Daniel Webster,** friends of Biddle, planned to use the Bank to defeat Jackson in the 1832 presidential election. They persuaded Biddle to apply early for a new charter—a government permit to operate the Bank—even though the Bank's current charter did not expire until 1836.

Clay and Webster believed the Bank had popular support. They thought that an attempt by Jackson to veto its charter would lead to his defeat and allow Henry Clay to be elected president.

When the bill to renew the Bank's charter came to Jackson for signature, he was sick in bed. Jackson told his friend **Martin Van Buren,** "The bank, Mr. Van Buren, is trying to kill me. But I will kill it!" Jackson **vetoed,** or rejected, the bill.

Jackson, like many others, still felt the Bank was unconstitutional despite the Supreme Court's decision to the contrary in *McCulloch* v. *Maryland* (1819). In a message to Congress, Jackson angrily denounced the Bank, arguing that

> "... when laws ... make the rich richer and the potent more powerful, the humble members of society—the farmers, mechanics, and laborers—who have neither the time nor the means of securing like favors to themselves, have a right to complain of the injustice of their Government."

The Election of 1832

Webster and Clay were right about one thing. The Bank of the United States did play a large part in the campaign of 1832. Their strategy for



A The Bank B President Jackson C American people

gaining support for Clay as president, however, backfired. Most people supported Jackson's veto of the bank charter bill. Jackson was re-elected, receiving 55 percent of the popular vote and collecting 219 electoral votes to Clay's 49. Martin Van Buren was elected vice president.

Once re-elected, Jackson decided on a plan to "kill" the Bank ahead of the 1836 schedule. He ordered the withdrawal of all government deposits from the Bank and placed the funds in smaller state banks. In 1836 he refused to sign a new charter for the Bank, and it closed.

Questions:

1. List Jackson's reasons for wanting to "kill" the Bank of the United States.

2. Study the cartoon on the previous page. Do you think the Bank of the United States is portrayed positively or negatively?

Explain your answer. State your reason's why.

3. Do you think that Jackson abused his power as President? Give two (2) examples of what could be considered an abuse of power for Jackson and two (2) examples for a president today?