

# President Jackson and the Veto of the Second National Bank

human capital **debt** safety net reform **trade-off**  
**deficit** GDP **priorities** spending **Medicare**  
 mandatory **budget** **Social Security** revenue **health care**  
 governance **discretionary** baby boomers **economic growth**  
 infrastructure

## ESSENTIAL DILEMMA

Could the conflict over the Second National Bank have been resolved in a way that supported the values advocated by both President Jackson and Congress?

## INTRODUCTION

Get money out of government.

—Occupy Wall Street poster (Callari, 2012)

It is to be regretted that the rich and powerful too often bend the acts of government to their selfish purposes.

—President Andrew Jackson, 1832 message to Congress explaining his veto of a bill to recharter the Second Bank of the United States (Peters & Woolley, 2012)

Although made 180 years apart, the statements above both reflect a sentiment that goes back to the earliest years of the Republic—allowing monied interests to influence government is a bad idea. But just as not everyone agrees with the Occupy Wall Street protestors, some Americans thought Andrew Jackson was wrong. Those on both sides of the Bank War—the battle between President Jackson and supporters of the Second Bank of the United States in and out of Congress—had strong views on what was right for the United States and its people; both also had political motivations. The following pages provide a review of key events in the run-up to the battle.

**1791:** The First Bank of the United States was chartered. The Bank was supported by Alexander Hamilton, who believed in a strong national government and thought the Bank would help shore up the new government's finances. Thomas Jefferson opposed it; he favored states' rights and an economy based on agriculture over a strong federal government and an economy dominated by industry and bankers.

**1792:** New Hampshire became the first state to allow males who did not own property to vote.

**1800:** Kentucky joined the Union, with no property requirements for voting. Other new states followed suit. By now, political parties were firmly established.

**1811:** Jeffersonians controlled Congress and stopped the rechartering of the First Bank.

**1816:** Congress chartered a Second Bank of the United States because of financial problems, including increased national debt and inflation; the charter would last for 20 years. The Bank handled the finances of the U.S. government, controlled the federal currency, and operated as a commercial bank, making loans to businesses and individuals.

**1816–1819:** The Second Bank engaged in fraud and questionable lending that led to land speculation and an economic bubble. When it began calling in loans, it set off a panic.

**1819:** The Supreme Court held that Congress had the authority to establish a national bank that could not be taxed by the state (*McCullough v. Maryland*).

**1820–1830:** Better management of the Bank did away with the early problems. By the late 1820s, the Bank was widely regarded as a useful institution that contributed to the nation's economic stability.

**1824:** Andrew Jackson ran for president, but lost when the race was decided in the House of Representatives (1825).

**1828:** Andrew Jackson was elected president. From the beginning, Jackson disagreed with those who saw the Bank as a useful institution. He saw the Bank as part of a system of powerful elites that included Congress and that catered to the wealthy. As a national financial institution with considerable power to shape the economy, the Bank flew in the face of Jackson's belief that U.S. democracy should serve the common man. Following Jackson's election, more states eliminated the property requirement for voting, expanding participation in democracy.

**1829:** Nicholas Biddle, president of the Second Bank, met with President Jackson in an unsuccessful effort to persuade him of the Bank's importance.

**1829:** President Jackson sent his first annual message to Congress. Members of Congress reacted negatively to Jackson's message.

**1832:** The bill to recharter the Bank (introduced 4 years earlier than necessary in an effort by Biddle to corner Jackson into signing it instead of using a controversial veto just before his re-election) passed both houses of Congress, but was vetoed by Andrew Jackson. Nicholas Biddle and Henry Clay, who would be Jackson's opponent in his reelection bid, had believed Jackson would be forced to sign the recharter bill because it was an election year. Although his opponents were infuriated, and convinced that Jackson wanted to turn the presidency into the most powerful branch of government, Congress did not overturn the veto and Jackson was subsequently reelected.

**1833:** Jackson withdrew the government's funds from the Second Bank, a tactic that (along with some moves by Biddle) eventually led to the Bank's demise.

The issue of rechartering the Second Bank of the United States was debated as if it was only about conflicting principles of governance. Those who supported the rechartering believed the government had a role to play in assuring the economic stability of the nation. They also believed that Jackson overreached as President and acted as if he had more power than the legislature or the judiciary. For his part, Jackson defended his actions as being driven by what was best for the common man and by states' rights. Although the differences in principles were important, political jockeying also played an important role in the dispute, and likely made compromise impossible. For students living in an era when compromise is increasingly difficult, considering whether the two sides in the Bank War could have forged an agreement that would have supported the values of both sides should be instructive.

This lesson is designed for use in a U.S. history class during study of the Jackson era.

## **KEY TERMS**

The following terms and concepts are used in this lesson and appear in the online glossary:

**Banknotes, Charter, Land speculators, National bank, Panic, Veto**

## **STUDENTS WILL UNDERSTAND**

- The sequence of events that led to President Jackson's veto of the bank bill.
- The philosophical arguments for and against rechartering the Second Bank of the United States.
- The political considerations that influenced actions taken during the Bank War.

## **STUDENTS WILL BE ABLE TO**

- Use evidence and critical thinking to sequence events chronologically.
- Identify arguments made by historical figures and the values underlying those arguments.
- Take and defend a position on a historical issue.

## RELATED CURRICULUM STANDARDS

### Common Core State Standards (CCSS) Initiative<sup>1</sup>

**CCSS.ELA-Literacy.CCRA.R.7.** Integrate and evaluate content presented in diverse media and formats, including visually and quantitatively, as well as in words.

**CCSS.ELA-Literacy.RI.9-10.8.** Delineate and evaluate the argument and specific claims in a text, assessing whether the reasoning is valid and the evidence is relevant and sufficient; identify false statements and fallacious reasoning.

**CCSS.ELA-Literacy.RH.11-12.6.** Evaluate authors' differing points of view on the same historical event or issue by assessing the authors' claims, reasoning, and evidence.

### The College, Career, and Civic Life (C3) Framework for Social Studies State Standards<sup>2</sup>

**D2.His.1.9-12.** Evaluate how historical events and developments were shaped by unique circumstances of time and place as well as broader historical contexts.

**D2.His.2.9-12.** Analyze change and continuity in historical eras.

### NCSS's National Curriculum Standards for Social Studies<sup>3</sup>

**2. Time, Continuity, and Change.** Social studies programs should include experiences that provide for the study of the past and its legacy.

**5. Individuals, Groups, and Institutions.** Social studies programs should include experiences that provide for the study of interactions among individuals, groups, and institutions.

**6. Power, Authority, and Governance.** Social studies programs should include experiences that provide for the study of how people create, interact with, and change structures of power, authority, and governance.

**7. Production, Distribution, and Consumption.** Social studies programs should include experiences that provide for the study of how people organize for the production, distribution, and consumption of goods and services.

1. National Governors Association Center for Best Practices, Council of Chief State School Officers. *Common Core State Standards*. Washington, DC. Copyright 2010.

2. National Council for the Social Studies (NCSS). *The College, Career, and Civic Life (C3) Framework for Social Studies State Standards: Guidance for Enhancing the Rigor of K-12 Civics, Economics, Geography, and History*. Silver Spring, MD. Copyright 2013.

3. National Council for the Social Studies (NCSS). *National Curriculum Standards for Social Studies: A Framework for Teaching, Learning, and Assessment*. Silver Spring, MD. Copyright 2010.

### National Center for History in the Schools' Historical Thinking Standards<sup>4</sup>

**3.B. Historical Analysis and Interpretation.** Consider multiple perspectives of various peoples in the past by demonstrating their differing motives, beliefs, interests, hopes, and fears.

**4.C. Historical Research Capabilities.** Interrogate historical data by uncovering the social, political, and economic context in which it was created; testing the data source for its credibility, authority, authenticity, internal consistency and completeness; and detecting and evaluating bias, distortion, and propaganda by omission, suppression, or invention of facts.

**5.A. Historical Issues.** Identify issues and problems in the past and analyze the interests, values, perspectives, and points of view of those involved in the situation.

### National Center for History in the Schools' United States History Content Standards<sup>4</sup>

**Era 4: Expansion and Reform (1801–1861), Standard 3A.** The student understands the changing character of American political life in “the age of the common man.”

## LIST OF LESSON RESOURCES

The following resources are used in this lesson and can be downloaded online:

1. Cartoon: “King Andrew the First”
2. Creating a Timeline
3. Arguments For and Against Rechartering the Second Bank

4. Nash, G. B., Crabtree, C. A., and National Standards for History Taskforce. *National Standards for History: Basic Edition*. National Center for History in the Schools. 1996.

DAY 1 of 2

ENTRY

Distribute “King Andrew the First” (**Resource 1**), a cartoon that criticized President Andrew Jackson for his actions regarding the Second Bank of the United States. Although the exact date of the cartoon is unknown, it is indicative of reactions to Jackson after his 1832 veto of legislation rechartering the Bank.

Give students a few minutes to examine the cartoon, jotting down what they notice about the images and words that appear. Lead a discussion of the cartoon, asking students to volunteer their observations and prompting further discussion with such questions as the following:

- ▶ What did you notice first about the cartoon?

*[Students’ answers will vary. Students may note that the picture shows someone dressed like a king or that the cartoon looks like a playing card.]*

- ▶ Who is depicted in the cartoon?

*[President Andrew Jackson]*

- ▶ What is the significance of the other objects in the cartoon?

*[The scepter Jackson is holding, like the crown and robe, represent royalty. He is holding a veto in his hand, which represents use of presidential power over Congress. Under his feet are the Constitution and the symbol of the state of Pennsylvania, where the Bank of the United States was located (this will be very difficult for students to identify); near his feet is a book titled Judiciary of the U. States. The objects being on the floor suggests that Jackson is trampling on the institutions they represent.]*

- ▶ What message does this portrayal convey about the president? What U.S. value or tradition is the president being accused of violating?

*[This portrayal suggests that the president is acting like a monarch or supreme ruler, rather than the head of one of three equal branches of democratic government. The president is being accused of violating constitutional provisions regarding the role of the president and the other branches.]*



See Resource 1 online

Explain that this lesson will help students understand the events that prompted this portrayal of President Andrew Jackson, and that these events had to do with the Second Bank of the United States. The Second Bank of the United States handled the finances of the U.S. government, controlled the supply of federal currency (banknotes) in circulation, and also functioned as a commercial bank, making loans to businesses and individuals. The Bank had branches in many states.

The disagreement over the Bank was so heated that it became known as the Bank War. The president had very strong views about the Bank, believing, in essence, that it was un-American. The president believed

that the “common man” was at the heart of U.S. democracy, and that the Bank had too much power and used that power to privilege wealthy elites over working people. Yet the Bank also had supporters who believed it helped keep the U.S. economy strong, which benefitted everyone and served to maintain a strong central government. Furthermore, political considerations, such as how the Bank issue would affect the election of 1832, were also in play. The Bank War was, in essence, a fight to the death. But could a compromise have been struck? That is the question students should keep in mind as they learn more about the controversy over the Second Bank of the United States.

## LESSON STRATEGIES AND ACTIVITIES

### The Context: Creating a Timeline

In order to better understand the arguments for and against the Bank, students need to know the sequence of events leading up to the battle. The materials in **Resource 2**, “Creating a Timeline,” provide two options for engaging students with these events. For Option A, students will work collaboratively, and for Option B, students will work individually. Student instructions for each option are provided in Resource 2. Use the timeline in the introduction to this lesson as a teacher’s guide for either option.

#### Option A

In preparation for this activity, cut apart one copy of the Event Cards for individual distribution among the students. In brief, tell students that they are going to draw on their knowledge of the early history of the United States and their skills in chronological thinking to develop a timeline that will provide context for understanding the debate over the Second Bank of the United States.

Organize the students into pairs or threesomes and give each group one of the Event Cards and a copy of the Option A instructions with Timeline Base (Resource 2). Tell students that the purpose of this activity is to create one timeline as a class. Designate an area for this on the wall or on a bulletin board and provide tape or tacks.

When groups have posted their cards on the designated class-created timeline, encourage them to monitor other groups’ work and provide consultation as needed so that construction of the timeline becomes collaborative. When all groups have posted their events, review the series of events, providing corrections when needed and encouraging students to identify cause-and-effect relationships among the events.

#### Option B

Print and distribute the Event Cards section of Resource 2 as a two-page handout. Explain to students that the events are not arranged in chronological order. Then distribute copies of the Option B worksheet with instructions. Encourage students to identify cause-and-effect relationships among the events. Ask one student to read his or her timeline aloud while others follow along. Engage the class in discussing any corrections.

### Debrief for Options A and B

Use the questions that follow to stimulate discussion of the timeline:

- ▶ Who were the key players on the two sides of what was known as the Bank War?

*[President Andrew Jackson was the key player against the Bank; Bank president Nicholas Biddle, Speaker of the House Henry Clay, and other members of Congress were key players supporting the Bank.]*

- ▶ What were some of the ideas underlying the conflict?

*[Opponents of the Bank believed states rather than the federal government should regulate banks; they also believed that the government should serve the common people rather than the wealthy, and they thought the Bank served the wealthy. President Jackson, in particular, believed the presidency could be the part of government that protected the majority of the people, the “common folk.” Supporters of the Bank believed in a strong national government and thought the Bank helped to maintain a strong economy by regulating currency and credit; a strong economy, they thought, helped keep the nation strong. Supporters of the Bank in Congress also believed in the balance of powers between the branches of government; they thought President Jackson wanted to be a king.]*

- ▶ At this point, do you think compromise was possible? That is, could the president and Congress have reached an agreement that would have been in line with both groups' values?

*[Students' answers will vary. Some students may suggest that politics made compromise unlikely; others may say that placing restrictions on the Bank's power might have allowed both sides to be satisfied without killing the Bank.]*

Explain that students will have the opportunity to look more deeply at the ideas in conflict the following day.

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## DAY 2 of 2

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### Identifying the Arguments

Tell students that the arguments for and against rechartering the Bank were laid out in two documents: (1) President Jackson's veto message, delivered on July 10, 1832, and (2) a speech given on the floor of the Senate the following day by Senator Daniel Webster of Massachusetts. (Webster had been an official of a branch of the Second Bank of the United States and had argued on behalf of the Bank in the landmark case of *McCulloch v. Maryland*.)

Organize students into several small groups and distribute the contents of **Resource 3**. Give half the groups “President Jackson's Veto Message” and half “A Response from Senator Daniel Webster.” Students should read and highlight their sources and then, working with their group members, decide what Jackson or Webster would have said about the “Propositions on the Second Bank of the United States” (included at the end of each excerpt).



Ask students to be prepared to justify their conclusions with evidence from their document and to identify what values underlie the arguments in their document.

When students have completed their analysis, have all the small groups that read the Jackson document sit on one side of the classroom and the Webster groups sit on the other side. Ask a student from the Jackson side to present Jackson's view on the first proposition in Resource 3; when he or she has finished the explanation, let a student from the Webster side provide a rebuttal. As students present, ask them to identify an important U.S. value or tradition that underlies each argument. Continue through the list of arguments, alternating which side presents first and which provides the rebuttal.

## **CLOSURE**

Tell students that, in his veto message, Jackson suggested that modifications to the Bank's charter might have won his approval. Pose the question: Given all that you now know about the Bank War, do you think the conflict could have been resolved in a way that supported the values advocated by both President Jackson and Congress? Ask students to write two paragraphs, one presenting a possible compromise that would address both sides' concerns and the second explaining why the student thinks such a compromise was not adopted.


When students have completed their work, provide the following information about the fate of the Second Bank of the United States:

Following his re-election, President Jackson decided to withdraw all federal funds from the Second Bank and place them in state-chartered banks. When the Secretary of the Treasury, who was authorized to move federal funds, refused to do so, Jackson fired him and replaced him with Roger Taney, who carried out his order. Members of Congress were outraged, but Bank president Nicholas Biddle played into Jackson's hands. He purposely created a financial panic by cutting back on Bank loans; he believed the panic would force a recharter of the Bank. But he once again miscalculated; many saw his manipulation of the economy as proof that the Bank had too much power and used it unwisely. Congress did not even consider another bill to recharter the Bank. However, the Senate did censure Jackson for taking on "authority and power not conferred by the Constitution and laws, but in derogation of both." The censure was expunged when Jacksonians gained control of the Senate in 1837.

## **FURTHER ENGAGEMENT**

The chartering of the First National Bank in 1791 sparked division of President Washington's administration into two factions that developed into the nation's first political parties. Jackson's war against the Second National Bank similarly contributed to the development of the Democratic and Whig Parties. Ask students to consider whether views on the relationship between banking and government—including views on the Federal Reserve System and the government assistance provided to banks in the wake of the economic crisis of 2008—still divide the parties. Could current issues around government and banking create a new party? Why or why not?

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**Resource 1**

**Cartoon: “King Andrew the First”**

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**Source:** Library of Congress. (2012). King Andrew the first. Retrieved from <http://www.loc.gov/pictures/item/2008661753/>

**Resource 2 (1 of 4)****Creating a Timeline****Event Cards**

	<p><b>The First Bank of the United States was chartered for a 20-year period.</b> Its most important backer was Alexander Hamilton, Treasury Secretary in the Washington administration. Hamilton, who supported a strong central government, wanted a national bank with significant private ownership to shore up the new nation's finances. Based on his vision, 80% of the bank was owned by private individuals. Thomas Jefferson, Secretary of State, opposed the bank. He believed the nation's economy should be based on agriculture, not industry; he also favored letting states regulate banking.</p>
	<p>Disagreement over the First National Bank accelerated the formation of political parties. Alexander Hamilton's supporters, who favored a strong national government that they believed would help the new nation's industries develop, formed the Federalist Party. Thomas Jefferson's supporters wanted a smaller national government. They wanted banking to be regulated by state governments. These farmers, planters, and artisans formed the Democratic-Republican Party. Although the Founders had hoped that parties, or factions, would not develop, <b>by the time Jefferson was elected president, parties were firmly established.</b></p>
	<p>The First Bank of the United States had a 20-year charter. When the time came for the bank to get a new charter, Democratic-Republicans (the party of Jefferson) controlled Congress. <b>Congress let the charter expire, killing the First Bank.</b></p>
	<p>The War of 1812 created financial problems for the United States. The nation was in debt. Inflation—caused in part by new private banks issuing a large number of banknotes—was a serious issue that made it difficult for the government to pay for military operations. The government's ability to borrow money was severely impaired. Chartering a Second Bank of the United States seemed like a solution to the problems the United States was experiencing. <b>The Second Bank was chartered for 20 years.</b></p>
	<p>In its first two years, the Second Bank of the United States loaned money freely. Many of the people who borrowed from the Bank were land speculators—they bought land with the idea of selling it when the price went up. And prices went up—they sometimes doubled or tripled in a very short time period. The U.S. economy was in a boom period, and fraud occurred regularly at the Bank. Two years after receiving its charter, the Bank's managers realized the Bank was overextended. <b>The Bank began calling in loans, setting off a panic the following year.</b></p>
	<p>Maryland passed a law taxing banks that were not chartered by the state legislature. The Baltimore branch of the Second Bank of the United States was expected to pay this tax, but it refused. The state sued. The case, which brought the constitutionality of the Bank into question, made its way to the Supreme Court. <b>The Court ruled in <i>McCulloch v. Maryland</i> that Congress had the power to charter the Bank and a state could not tax it.</b></p>
	<p><b>Nicholas Biddle became president of the Second Bank of the United States.</b> Under his leadership, the Bank was generally well-regarded. Many people, including important members of Congress, felt it played an important role in maintaining the economic stability of the nation.</p>

**Resource 2 (2 of 4)****Creating a Timeline**

	<p><b>Andrew Jackson ran for president and won the most electoral</b> votes but did not have a majority; he lost the presidency when the race was decided in the House of Representatives. Speaker of the House Henry Clay reached an agreement to support John Quincy Adams, son of the second president. Jackson saw the outcome as an example of corruption—powerful elites working against the will of the people.</p>
	<p><b>Andrew Jackson was elected president.</b> During the campaign, the Bank was not an issue. However, Jackson was outraged when he heard rumors that branches of the Bank provided funds for his opponents. Following Jackson’s election, more states began allowing white men who did not own property to vote.</p>
	<p><b>Nicholas Biddle met with President Jackson.</b> He suggested that the Bank would pay off the national debt by the anniversary of one of Jackson’s military triumphs, the Battle of New Orleans. In exchange, he hoped Jackson would support an early recharter for the Bank. Jackson saw this request as further evidence that the Bank used its influence in a corrupt way, rather than for the nation’s benefit.</p>
	<p><b>President Jackson sent his first annual message to Congress.</b> In it, he proposed that the Constitution be amended to change the way the president was elected. He stressed that “the will of the majority” ought to be paramount in electing the president, which he saw as the office that could protect the people from powerful elites. Of the Bank, he said, “Both the constitutionality and the expediency of the law creating this Bank are well questioned by a large portion of our fellow citizens, and it must be admitted by all that it has failed in the great end of establishing an uniform and sound currency.” He posed the question of whether the Bank ought to be reconfigured.</p>
	<p><b>Members of Congress reacted negatively to President Jackson’s first annual message.</b> They saw in his ideas a desire to be a dictator. Senator David Barton of Missouri, a supporter of John Quincy Adams, reminded the president in a speech on the Senate floor that the Constitution had included checks and balances to prevent any one person from becoming too powerful.</p>
	<p>Nicholas Biddle and Henry Clay decided to seek recharter of the Second Bank 4 years early. They believed Jackson would be forced to sign the bill or risk losing the election that fall. Clay would be the opposing candidate in that election. <b>The bill to recharter the Bank passed both houses of Congress,</b> but fell short of the two-thirds majority that would be needed to override a veto.</p>
	<p><b>Andrew Jackson decided to veto the Bank bill.</b> In his veto message, he laid out several reasons for opposing the recharter, but he stressed that the Bank advantaged the “rich and powerful” at the expense of “the humble members of society—the farmers, mechanics, and laborers.”</p>

**Resource 2 (3 of 4)****Creating a Timeline**

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**Option A for Creating a Timeline**

You are working with your whole class to figure out together when, between 1791 and 1832, your event happened. Use the Timeline Base on this page, your knowledge of the period, and conversation with other groups to figure out when your event occurred. When you think you have the answer, write the date in the first column on your card and tape or pin it to the area designated for the timeline.

**Timeline Base**

Your group's event occurred sometime between 1791 and 1832. As one set of clues, the dates listed below are the years in which the events described on the cards occurred. Some years may have more than one event.

1791

1800

1811

1816

1818

1823

1824

1829

1832

**Resource 2 (4 of 4)****Creating a Timeline**

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**Option B for Creating a Timeline**

You have been given a list of events that occurred between 1791 and 1832. These events are not listed in chronological order. Use the chart below to order the events by placing the boldface text for each event where you think it belongs. Some years have more than one event.

<b>1791:</b>
<b>1800:</b>
<b>1811:</b>
<b>1816:</b>
<b>1818:</b>
<b>1823:</b>
<b>1824:</b>
<b>1829:</b>
<b>1832:</b>

**Resource 3 (1 of 4)****Arguments For and Against Rechartering the Second Bank**

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**President Jackson's Veto Message**

President Jackson vetoed the Bank recharter and sent a message back to Congress explaining his veto. In the message, he made several points: (1) the Bank was unconstitutional and undercut states' rights and the freedom of the people; (2) through Bank dividends, the United States was making a gift of millions of dollars to Bank shareholders, increasing their wealth at the expense of the people; (3) foreigners, who had no reason to care about the interests of the United States, were allowed to own stock; and (4) the Bank gave the rich too much power. The following are excerpts from Jackson's veto message.

The present corporate body, denominated the president, directors, and company of the Bank of the United States . . . enjoys an exclusive privilege of banking under the authority of the General Government, a monopoly of its favor and support, and, as a necessary consequence, almost a monopoly of the foreign and domestic exchange. The powers, privileges, and favors bestowed upon it in the original charter, by increasing the value of the stock far above its par value, operated as a gratuity of many millions to the stockholders.

. . . The act before me proposes another gratuity to the holders of the same stock, and in many cases to the same men, of at least seven millions more. . . . More than eight millions of the stock of this bank are held by foreigners. By this act the American Republic proposes virtually to make them a present of some millions of dollars. . . .

If we must have a bank with private stockholders, every consideration of sound policy and every impulse of American feeling admonishes that it should be purely American. Its stockholders should be composed exclusively of our own citizens, who at least ought to be friendly to our Government and willing to support it in times of difficulty and danger. . . .

It is maintained by the advocates of the bank that its constitutionality in all its features ought to be considered as settled by precedent and by the decision of the Supreme Court. To this conclusion I can not assent. Mere precedent is a dangerous source of authority, and should not be regarded as deciding questions of constitutional power except where the acquiescence of the people and the States can be considered as well settled. . . .

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. Equality of talents, of education, or of wealth can not be produced by human institutions. In the full enjoyment of the gifts of Heaven and the fruits of superior industry, economy, and virtue, every man is equally entitled to protection by law; but when the laws undertake to add to these natural and just advantages artificial distinctions, to grant titles, gratuities, and exclusive privileges, to 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. There are no necessary evils in government. Its evils exist only in its abuses. If it would confine itself to equal protection, and, as Heaven does its rains, shower its favors alike on the high and the low, the rich and the



**Resource 3 (2 of 4)****Arguments For and Against Rechartering the Second Bank**

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poor, it would be an unqualified blessing. In the act before me there seems to be a wide and unnecessary departure from these just principles.

Nor is our Government to be maintained or our Union preserved by invasions of the rights and powers of the several States. In thus attempting to make our General Government strong we make it weak. Its true strength consists in leaving individuals and States as much as possible to themselves--in making itself felt, not in its power, but in its beneficence; not in its control, but in its protection; not in binding the States more closely to the center, but leaving each to move unobstructed in its proper orbit. . . .

**Source:** Peters, G., & Woolley, J. (2012). Veto message [of the re-authorization of Bank of the United States]. Retrieved from <http://www.presidency.ucsb.edu/ws/index.php?pid=67043&st=andrew+jackson&st1=veto+message#ixzz1pVUI2o7r>

**Propositions on the Second Bank of the United States**

- The money paid to shareholders is an appropriate profit earned because they were willing to invest their funds in the Bank.
- The Bank is ineffective and unpopular.
- Foreigners should not be allowed to hold shares in the bank, because they cannot be relied on to support the United States in troubled times.
- The Bank is constitutional, as established in the case of *McCulloch v. Maryland*. It is the Supreme Court's job to rule on constitutionality, not the president's.
- Rechartering the Bank sends a message to the U.S. people that the government favors the rich over the working class and cares little about justice or states' rights.

**Resource 3 (3 of 4)****Arguments For and Against Rechartering the Second Bank**

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**A Response from Senator Daniel Webster**

The day after Congress received President Jackson's veto of the Bank bill, Senator Daniel Webster made a speech on the floor of the Senate responding to the president. In it, he acknowledged that the president had the constitutional power to veto bills. However, he argued that the president's reasons were weak and that Congress should override the veto. He explained that shareholders should be rewarded for their investment with profits and that foreign investment was a positive, rather than a negative. Webster pointed out that the Supreme Court had ruled the Bank constitutional. He went on to say that the president's willingness to disregard the Court's ruling threatened the balance of powers among the branches of government that the Constitution had created.

. . . A great majority of the people are satisfied with the bank as it is, and desirous that it should be continued. They wished no change. The strength of this public sentiment has carried the bill through Congress . . .

It [the Bank] has been governed by a wise foresight, and by a desire to avoid embarrassment in the pecuniary concerns of the country, to secure the safe collection and convenient transmission of public moneys, to maintain the circulation of this country, sound and safe as it now happily is, against the possible effects of a wild spirit of speculation. Finding the bank highly useful, Congress has thought fit to provide for its continuance.

. . . the truth is, that the powers conferred on the bank are such, and no other, as are usually conferred on similar institutions. They constitute no monopoly, although some of them are, of necessity and with propriety, exclusive privileges. . . .

Congress passed the bill, not as a bounty or a favor to the present stockholders, nor to comply with any demand of right on their part, but to promote great public interests for great public objects. Every bank must have some stockholders . . . if the stockholders, whoever they may be, conduct the affairs of the bank prudently, the expectation is always, of course, that they will make it profitable to themselves, as well as useful to the public. . . .

From the commencement of the Government it has been thought desirable to invite, rather than to repel . . . foreign capital. Our stocks have all been open to foreign subscriptions, and the State banks, in like manner, are free to foreign ownership. . . .

I now proceed, sir, to a few remarks upon the President's constitutional objections to the bank . . .

The President is as much bound by the law as any private citizen, and can no more contest its validity than any private citizen. He may refuse to obey the law, and so may a private citizen; but both do it at their own peril, and neither of them can settle the question of its validity. The President may say a law is unconstitutional, but he is not the judge. Who is to decide that question? The judiciary, alone, possesses this unquestionable and hitherto unquestioned right. . . .

**Resource 3 (4 of 4)****Arguments For and Against Rechartering the Second Bank**

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. . . It [the veto message] denies first principles. It contradicts truths heretofore received as indisputable. It denies to the judiciary the interpretation of law, and demands to divide with Congress the origination of statutes. It extends the grasp of Executive pretention over every power of the Government . . . It appeals to every prejudice which may betray men into a mistaken view of their own interests; and to every passion which may lead them to disobey the impulses of their understanding. . . . It raises a cry that liberty is in danger, at the very moment when it puts forth claims to power heretofore unknown and heard of. It affects alarm for the public freedom, when nothing so much endangers that freedom as its own unparalleled pretences. . . . It wantonly attacks whole classes of the people, for the purpose of turning against them the prejudices and resentments of other classes. . . . It remains, now, for the people of the United States to choose between the principles here avowed and their Government. These cannot subsist together. . . .

**Source:** Library of Congress. (2012). A century of lawmaking for a new nation: U.S. congressional documents and debates, 1774–1875. Retrieved from <http://memory.loc.gov/cgi-bin/ampage?collId=llrd&fileName=011/llrd011.db&recNum=614>

**Propositions on the Second Bank of the United States**

- The money paid to shareholders is an appropriate profit earned because they were willing to invest their funds in the Bank.
- The Bank is ineffective and unpopular.
- Foreigners should not be allowed to hold shares in the bank, because they cannot be relied on to support the United States in troubled times.
- The Bank is constitutional, as established in the case of *McCulloch v. Maryland*. It is the Supreme Court's job to rule on constitutionality, not the president's.
- Rechartering the Bank sends a message to the U.S. people that the government favors the rich over the working class and cares little about justice or states' rights.