

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

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

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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.

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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. . . .

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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>

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