

# **Tracing the History of the Bank War**

## **Part 3**

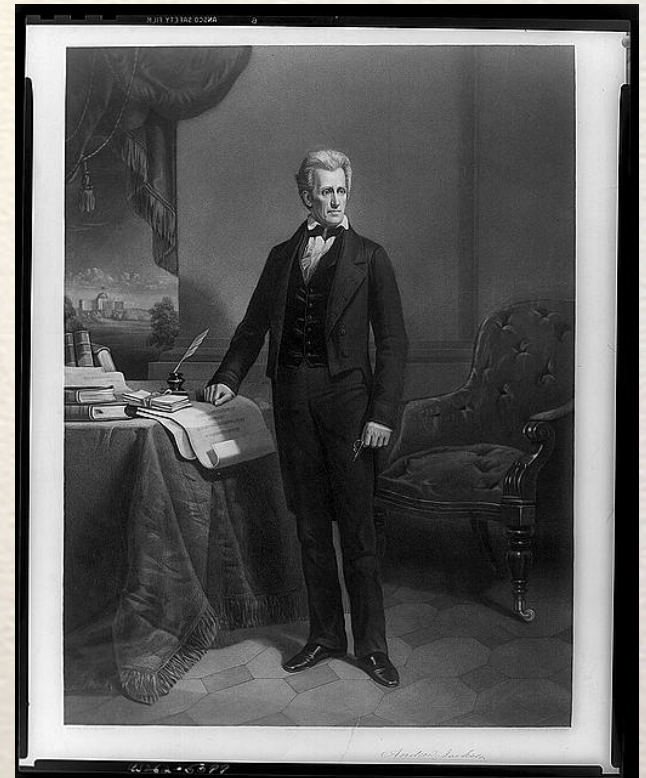
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# Enter Andrew Jackson!

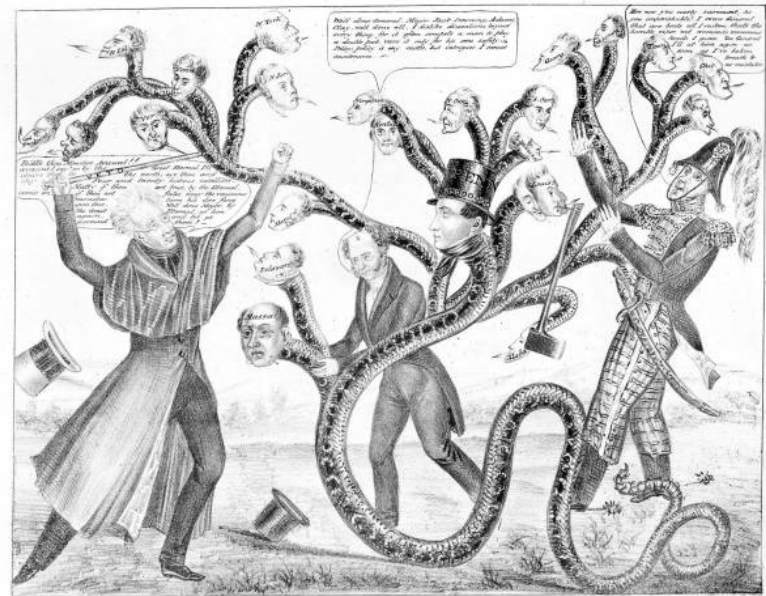
- Jackson did not trust banks.
- He did not trust paper money; he only trusted specie – gold and silver.
- He especially did not like that the B.U.S. had a monopoly on all the government's banking business; he saw it as a symbol of special privilege.
- He also did not believe that it was constitutional.
  - **“strict construction”**





# Jackson v. the Bank, Part 1 (not a court case – just a nifty title)

- Jackson HATED the Bank of the United States!
- In his first *Annual Message to Congress* (1829), he announced that he planned to get rid of it.





# Bank President Nicholas Biddle

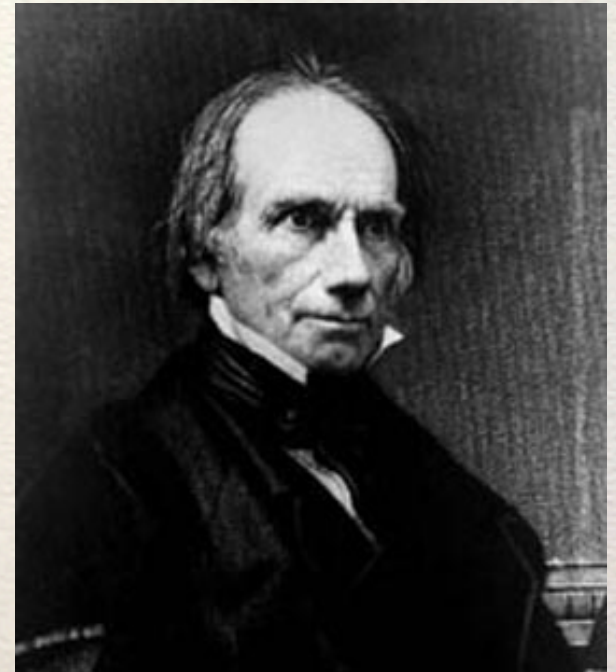
- Brer Biddle, he lay low.
- Biddle thought it would be best to try to negotiate a peace with Jackson.
- His political enemies referred to him as “Czar Nicholas I.”





# Enter Henry Clay . . .

- It's 1832, a presidential election year.
- The charter of the Second Bank of the U.S. is not due to expire until 1836.
- Henry Clay, a Whig, gets the idea that the bank issue is a winning one for the Whig Party. So . . .
- He convinces Biddle to apply early for a new charter. Then Clay and Webster and other anti-Jackson men in Congress pass the bill.
- They want to force Jackson to take a position, which they hope will cost him the election.





# What to do?

- Jackson vetoed the bill.
- In his veto message to Congress, he claimed that:
  - The bank and its stockholders wanted a democratic government to grant them special privileges.
  - This was an effort to make the rich richer, and the potent more powerful.
  - The bank was unauthorized by the *Constitution*, subversive of the rights of the states, and dangerous to the liberties of the people.

- *“The Bank, Mr. Van Buren, is trying to kill me, but I will kill it.”*

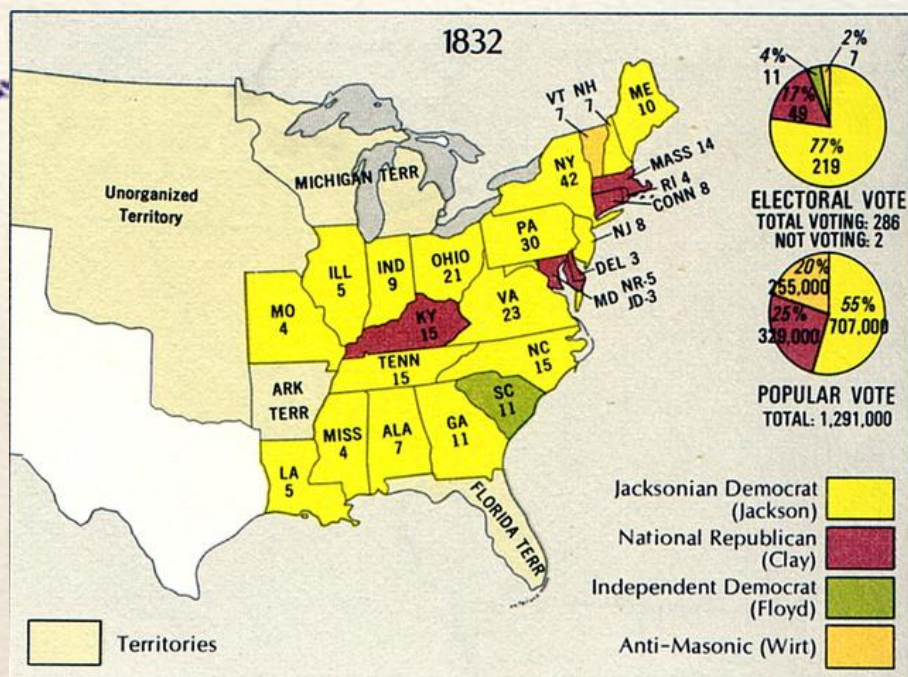
*Andrew Jackson*

*Jackson’s veto message  
“had all the fury of a  
chained panther biting  
the bars of his cage.”*

*Nicholas Biddle*



# The Result?



- Critics saw the bank veto as an act of ignorance that created economic instability. But . . .
- “Old Hickory” was seen as the champion of the common man, again.
- **Jackson:** 16 states/219 electoral votes      **Clay:** 6 states/49 electors



# Why wait for 1836?

- Jackson considered his reelection a mandate on the issue of the bank.
- He decided not to deposit any new funds, AND to pay bills with the funds already on deposit there. This would deplete all government funds in the bank.
- He then ordered his Treasury Secretary to divert all incoming federal revenues to selected state banks – “pet banks.”
- His Treasury Secretary quit rather than carry out this order. Jackson had to appoint a new Treasury Secretary – his Attorney General, Roger Taney, to do the job. (You’re going to hear more about him later, and it won’t be good.)



# Fighting Back

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- Jackson's adversaries in the Senate censured his actions.
- Biddle retaliated by reducing loans and calling in debts. He figured he'd make it harder for people to borrow money, and then they'd see that it was a mistake to cancel the bank's charter.

*“This worthy president thinks that because he has scalped Indians and imprisoned Judges he is to have his way with the Bank. He is mistaken.”*

*Nicholas Biddle*