





ability to get something before paying for it. For example, the bank changed its rules about borrowing money, which made it harder for people to get loans. As a result, westerners and southerners disliked the banks. They needed loans for farms and small businesses.

### The Bank War

In 1832, Henry Clay, Daniel Webster, and Nicholas Biddle made a bold move. Senators Clay and Webster introduced a bill in Congress to recharter the bank. The original charter did not end until 1836, but the men thought they could pressure President Jackson by raising the issue in an election year. Jackson wanted another term. Surely he would not risk angering industrialists and business owners who favored the bank by vetoing, or rejecting, its recharter.

As the debate raged in Congress over the bank, Jackson fumed from the White House. He disliked Henry Clay, and he hated the bank. Clay, he felt, put his own interests above those of the nation. Jackson thought the bank was unconstitutional and believed it put too much power in the hands of wealthy people. Jackson was determined to end the national bank.

### The Bank Defeated

True to his word, Jackson defeated the bank. He vetoed the bill, defying those who insisted he wouldn't do so in an election year. In his veto message, he said:

*It is to be regretted that the rich and powerful too often bend the acts of government to their selfish purposes. . . . [W]hen the laws undertake . . . 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 poor, it would be an unqualified blessing.*



Opponents felt that Jackson was abusing his power as president. This cartoonist showed Jackson dressed as a king, with his veto in his hand and the trampled Constitution beneath his feet.

Those who supported the bank on the grounds that it was needed to stabilize the money supply and the overall economy were horrified. An editorial in the *Boston Daily Advertiser* summed up the feelings of many when it called the bank one of the most important tools used in government administration.

The majority of citizens, however, backed Jackson. They re-elected him to the presidency in a landslide over his opponent, Henry Clay. Now that he felt he had the support of the people, Jackson soon went even further. He pulled all federal money out of the Bank of the United States. He had it deposited in state banks across the nation. His actions led Nicholas Biddle to take revenge by making it harder for businesses to get loans. By the end of 1833, the nation was sunk in an economic recession, or a period of decline in trade and employment. Four years later the Panic of 1837 began a serious economic depression. The nation was not on sound financial footing again until the mid-1840s.

After all the fighting and disagreements, no one made much fuss when the Bank's charter expired in 1836. Today, economists still debate whether Jackson's actions resulted in the Panic of 1837. They also discuss whether the Second Bank of the United States was good or bad for the country. Good or bad, though, one thing is certain: Andrew Jackson killed his hydra and changed the landscape of American politics. Vetoing the bank allowed Jackson to voice his opinion that the bank was not constitutional. His veto also angered many people who later united to form the Whig party.

After reading the passage, answer the following questions:

- 1.** Which of the following groups supported the Second Bank of the United States?
  - A.** westerners
  - B.** southerners
  - C.** industrialists
  - D.** farmers
  
- 2.** What is one event that led Henry Clay to change his mind about the national bank?
  - A.** The War of 1812 brought debt and inflation.
  - B.** The position of bank president was offered to Clay.
  - C.** The Panic of 1837 caused unemployment.
  - D.** The Whig Party gained political power.
  
- 3.** What is inflation?
  - A.** a period of widespread unemployment
  - B.** the ability of the president to reject a bill
  - C.** a rise in prices and a decline in the value of money
  - D.** the expansion of the powers of Congress
  
- 4.** Why do you think the cartoonist of “King Andrew the First” showed President Andrew Jackson trampling on the United States Constitution? Provide details from the reading passage to support your answer.