

**Volume 6**

**Number 072**

**Andrew Jackson and the Bank - III**

**Lead: With his veto of the charter renewal of the Bank of the United States in 1832, Andrew Jackson delayed the establishment of a U.S. central bank until the early 20<sup>th</sup> century.**

**Intro.: *A Moment in Time* with Dan Roberts.**

**Content: The battle over the bank was emotional, constitutional, but above all, political. Jackson's political enemies, Henry Clay and Daniel Webster, thought the Bank's survival was a winning issue in their attempt**

**to defeat Jackson in the election of 1832, but he outfoxed them. The bank was popular with many businessmen, North and South, but among a majority of Jackson's supporters it represented an assault on the old Jeffersonian idea of states' rights. Also, the bank issued bank notes or paper money which was considered fake when compared to gold and silver, but most of all the Bank, headed by blue-blood Philadelphian Nicholas Biddle, was thought to concentrate too much power in the hands of rich, aristocratic, big city easterners.**

**Prodded by Clay and Webster, Biddle applied for a re-charter of the bank four years early, in 1832,**

**confident he could get the votes for an override should Jackson veto the bill. The bank's enemies in Congress led by Senator Thomas Hart Benton played the game of delay while Jackson's allies orchestrated a public outcry against the Bank, accusing it of economic abuse and Biddle of corruption. In July 1832 Jackson vetoed the re-charter, successfully fended off the override, and made it an issue in the 1832 campaign. Jackson's overwhelming victory sealed the bank's fate. Attempts to modify the charter came to grief because both Biddle and the President refused to compromise enough to make the deal. U.S. deposits were channeled into state banks, called derisively, "pet banks," and**

**America's experiment with a central bank was, for the most part, not revived until the Federal Reserve was established in 1913.**

**The failure of several of the "pet banks" helped bring on the severe Panic of 1837 and several decades of economic confusion. When the Bank of the United States' charter expired in 1836, Biddle obtained a new one from the state of Pennsylvania. His steady hand and wise judgement began to falter, however, and he led the bank into several risky and doomed business ventures. He retired as president in 1839 and two years later the bank was forced into liquidation. Biddle lost his fortune. He was tried on criminal charges,**

**released on a technicality and died a broken man.**

**At the University of Richmond,  
this is Dan Roberts.**

## Resources

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