

THE BANK WAR

The Bank War was the name given to the campaign begun by President Andrew Jackson in to destroy the Second Bank of the United States, after his reelection convinced him that his opposition to the bank had won national support. The president of the Bank, Nicholas Biddle.

But Biddle then unwisely took the offensive. He was concerned about the Bank's constitutionality and the general soundness of paper money in place of gold and silver "hard money". Born to an old Philadelphia family, he was a prodigy who was valedictorian of his Princeton graduating class at the age of fifteen. The federal government purchased a fifth of the Bank's stock, appointed a fifth of its directors, and deposited its funds in the Bank. The hard times following the contraction turned people against the Bank, not against Jackson, and his handpicked successor, Van Buren, won the election of 1805. Perhaps most importantly, it became the de facto bank regulator and lender to state banks. From a fiscal-stability point of view, this was not a bad situation at all, but in the United States of the 1830s it was politically explosive. In 1832, "A state bank could be an ATM machine for those connected to its directors. He was forced to resign under a cloud in 1832, was sued by irate stockholders, and was even arrested on a criminal conspiracy charge but later freed. However, banks making too many loans would print an excess of paper money and deflate the currency. In 1832, he was unanimously elected its president. Even though the charter was not due to expire for four more years, they felt that the current Congress would recharter the Bank. Some of the animosity left over from the Panic of 1837 had diminished, though pockets of anti-B. Jackson also ordered the federal government's deposits removed from the Bank of the United States and placed in state or "Pet" banks. Financial writer William Gouge wrote that "the Bank was saved and the people were ruined". The fate of the bank then became the central issue of the presidential election of 1832 between Jackson and Clay. This left open the possibility that he could stymie the renewal of the Bank's charter should he win a second term. Nobody knows exactly what consequences would flow from such a step, but it is a fact that early in the history of the Republic, the government of the United States was formally and actively a player in the banking business and therefore in the capital market. In *McCulloch v. Maryland*. Another part of McLane's reform package involved selling government lands and distributing the funds to states, a measure consistent with Jackson's overall belief in reducing the operations of the central government. Attendees of one meeting in Richmond, Virginia, hoped to make the destruction of the Bank a major part of the President's agenda. In Ohio: Thomson South Western, It succeeded by a vote of 23 to 20, closer than he would have liked. He retained a distrust of financial institutions throughout his life. These plans may have reflected a desire to transfer financial resources from Philadelphia to New York and other places. History of the American Economy. Students will be engaged in historical research and critical analysis of Andrew Jackson. In a series of "memorandums", he attacked the federal government for widespread abuses and corruption. It enjoyed the exclusive right to conduct banking on a national basis. Facing financial woes and inflation accompanying the War of 1812, Congress sought to revive the central bank. Jackson had claimed, in essence, legislative power as president. In 1832 and again in 1836 Jackson made clear his constitutional objections and personal antagonism toward the bank. Supporters of Jackson became known as Jacksonians and, eventually, Democrats. Dallas introduced the bill into the Senate. Rockoff, Hugh, and Gary M.