

Study Questions:

Jackson's Veto of the Second Bank Charter

The current financial crisis isn't the first time that the intersection of finance and government has occupied center stage in our democracy. In 1832 Andrew Jackson's veto of the rechartering of the Second Bank of the United States was similarly divisive. The following study questions offer engaging research topics for students:

1. Compare the arguments raised in the Second Bank recharter veto—about centralization of power, foreign influence, and fractional reserve banking, for instance—to those made in the twentieth century when the nation decided to establish the Federal Reserve System, during the savings-and-loan crisis of the 1980s, and upon the near failure of the Long-Term Capital Management hedge fund during the ruble crisis of 1998.
2. Evaluate the document's arguments about inequality and the role of government. What does President Andrew Jackson say the government should and should not do? Would modern-day politicians agree? What specific policies might a government implement that would address Jackson's concerns?
3. President Jackson objected to the monopoly power enjoyed by the Second Bank. What was the source of this power? What are the costs and benefits associated with central banking, particularly with regard to the ordinary citizen?
4. Compare and contrast Jackson's arguments in the veto of the Second Bank recharter to those made by Alexander Hamilton and Thomas Jefferson regarding the First Bank and by the various parties in the case of *McCulloch v. Maryland*.
5. Foreign involvement in the American economy is frequently a hot-button political issue, such as with the virulent opposition to the North American Free Trade Agreement spearheaded by the presidential candidate Ross Perot, campaigns to “Buy America First,” and the like. How do Andrew Jackson's sentiments about foreign ownership of U.S. stock compare with positions taken by modern-day Americans? Evaluate the merit of Jackson's claims.

