THREE PHILADELPHIANS IN THE BANK WAR: A NEGLECTED CHAPTER IN AMERICAN LOBBYING

By James L. Crouthamel*

ONE of the most elaborate lobbies in the ante bellum United States was the one employed by the Second Bank of the United States in its efforts to secure a renewal of its charter in 1832. Yet although observers from the Founding Fathers1 to the present have noticed the inevitable presence of pressure groups and lobbies in the United States, students of lobbying in America have dealt almost exclusively with post-Civil War developments, mentioning only briefly the ante bellum period, and confining this mention to pressures in tariff-making.2 A closer look at the lobby of the Second Bank, a neglected chapter in the history of lobbying, should be valuable for what it reveals of the techniques of political pressure during the Jacksonian era. It should also be useful for what it reveals of political morality in this earlier age.

The practice of lobbying was defined by Congress in 1927 as “any effort in influencing the action of Congress, or interviewing or seeking to interview members of the House of Representatives or the Senate.” Congress also defined a lobbyist as “one who shall engage, for pay, to attempt to influence legislation, or to prevent legislation, by the National Congress.”3 Lobbying, of course, has always been considered as an exercise of the right to petition, guaranteed by the First Amendment. Private interests working for private profit are necessarily included in this guarantee, and perhaps for this reason lobbying and pressure groups in the United

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1 See James Madison’s discussion of group interest in No. 10 of The Federalist Papers.
2 Karl Schriftgiesser, The Lobbyists (Boston, 1951), 5-6.
States have usually carried a somewhat evil connotation. To one observer lobbyists constitute "a sort of phantom fourth branch of government," and a majority of these so-called Pressure Boys are "hirelings of private-property interests." Such groups "have long been 'the despair of patriots,' " writes another critic. "They have been responsible for some of the darkest days in Washington. . . . They continually pervert, twist, and halt the path of progress in the Republic." 5

Like many of the fundamental rights lobbying as an exercise of the right to petition can be and sometimes has been abused. The line between group pressures which are healthy and those which are dangerous, between "good" and "bad" lobbying, is a fine one. Both Congress and the state legislatures in regulating lobbying have sought to draw the line on the point of secrecy, and require that lobbyists register as such, conduct their activities in the open, and reveal the names of their employers and the sums spent on specific items of legislation. 6 Congress felt it could go no further, however; if a lobby worked in the open, it was lawful. A House committee of the Eighty-first Congress declared it unnecessary, inadvisable, and impossible to differentiate between "good" lobbies and "bad" lobbies, because the distinction could be made only on a subjective basis. 7

Other students of pressure groups and lobbying would draw the

4 Ibid., ix.
5 Stuart Chase, Democracy Under Pressure (New York, 1945), 9. For generally hostile treatments of lobbying see also Donald G. Blaisdell, American Democracy Under Pressure (New York, 1957); E. Pendleton Herring, Group Representation Before Congress (Baltimore, 1929); and Schriftgiesser, The Lobbyists. Specialized state studies are often hostile to lobbying. See Dayton D. McKean, Pressures on the Legislature of New Jersey (New York, 1938), and Belle Zeller, Pressure Politics in New York (New York, 1937). Topical studies are also hostile. See Marcus Duffield, King Legion (New York, 1931); Peter Odegard, Pressure Politics: The Study of the Anti-Saloon League (New York, 1928); E. E. Shattschneider, Politics, Pressures, and the Tariff (New York, 1935); Oliver Garceau, The Political Life of the American Medical Association (Cambridge, 1941).
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line differently. Dayton D. McKean feels that "standards of good or evil are inapplicable to many [pressure] groups; the standard to be applied is rather expediency or practicality." Donald G. Blaisdell considers the central issue to be how well the pressure group serves the public interest—though this involves the unanswerable question of what is the public interest. David B. Truman's fundamental concern in evaluating the pressure group seems to be how well the group's machinery of leadership represents the rank-and-file membership of the group. These observers agree, however, on certain ethical standards which lobbies should follow: a lobby should work in the open, revealing the sources of its funds, and seeking to influence legislators on the merits of their case rather than by elaborate entertainments, gifts, and other devices which would tend to obscure the issue. It should represent a bona fide group, not a "bogus" or "bluff" organization. It should be well-informed and able to assist Congress in fact finding.

During the age of Jackson a significant change took place in American political morality. With the adoption of the spoils system of appointments, which the Jacksonians stoutly defended as a "reform," the major qualification for public office became the value of the applicant's service to the political faction in power. Experience and training counted for little; the Democracy believed that any American of average intellect could fill almost any public position. During this period the pork-barrel bill came of age, with scrambles for internal improvements and bargaining over tariff schedules. Most Americans accepted this shift in political morality. The opposition politicians were critical of the spoils system when out of power, but quickly adopted it when in office. Political factions seemed equally calloused in the use of public office for personal advantage. The term lobbyist originated in the Jacksonian era. But in keeping with this shift in political morality, the term was at first not used as one of criticism.

Nicholas Biddle's Second Bank of the United States employed

8 Dayton D. McKean, Party and Pressure Politics (Boston, 1949), 439.
9 Blaisdell, American Democracy Under Pressure, chapter 1, passim.
10 Truman, The Governmental Process, passim.
11 See Herring, Group Representation Before Congress, 26-27, for a discussion of the evils of the "bogus" lobby.
12 These requirements are my own, drawn from a careful reading of the works cited in footnote 5 above.
numerous lobbyists in Congress and also in the state legislatures to prevent the adoption of resolutions hostile to recharter, and to push through resolutions supporting the Bank. In Pennsylvania, for example, such a lobby successfully pressured the legislature into passing a memorial favoring recharter. In Albany a lobby led by that influence-peddler par excellence, Silas E. Burrows, failed to prevent the New York legislature's passage of the Morehead Resolution which declared New York to be against renewal of the charter. The decisive battle was fought at the national capital, and Nicholas Biddle sent his shrewdest lobbyists there to fight for recharter. Samuel Smith, the president of the Bank's Washington branch, had played an important part until the actual introduction of the recharter bill, but at this point three Philadelphians—Thomas Cadwalader, John Sergeant, and Horace Binney—assumed leadership of the lobby.

Thomas Cadwalader was Nicholas Biddle's most influential advisor. Born in Philadelphia in 1779 of a socially prominent family, he had served with distinction as lieutenant colonel of cavalry in the War of 1812, and ultimately attained the rank of major general in the Pennsylvania militia. Later he became a member of the Bank's board of directors, performed missions of confidence for the institution, and as early as 1824 came to exert a great deal of influence on Biddle. Not much is known of his early career; it may be that he became a close associate of Biddle as a result of his marriage to Mary Biddle, the Bank president's cousin.

Cadwalader was responsible in large part for interjecting the

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14 Samuel R. Gammon, Jr., The Presidential Campaign of 1832 [Johns Hopkins University Studies in History and Political Science, XI. (Baltimore, 1922)], 119-120.
16 For biographical information on Smith see William E. Smith, "Samuel Harrison Smith," Dictionary of American Biography, XVII, 343-344, and Samuel Smith to Nicholas Biddle, December 7, 17, 1831, and Biddle to Smith, December 29, 1828, January 2, 1830, January 4, 1832, in Reginald C. McGrane, ed., The Correspondence of Nicholas Biddle Dealing with National Affairs, 1807-1844 (Boston and New York, 1919), 138-139, 143-145, 62-63, 94, 161-165. Smith, as president of the Washington branch, was more intimate with congressmen than any other bank official, and was able to give Biddle valuable information. But he lost much of his influence when he opposed the application for recharter in January, 1832.
Bank issue into the 1832 presidential campaign by an application for recharter at that time, which was four years before the Bank's charter expired. Earlier, in 1830, Henry Clay had advised Biddle not to make recharter an issue before the 1832 campaign but to wait until the election was decided before making application. By late 1831, however, Clay changed his stand and urged Biddle to push for recharter before the election, when Jackson would not be able to risk a veto, instead of waiting until after the election when the bill would be fair game. Other National Republicans also pressed to make the recharter the central campaign issue of 1832—Edward Everett and Daniel Webster of Massachusetts, Edward Shippen of Kentucky, Charles F. Mercer of Virginia, and John Williams of Tennessee.\(^{18}\)

Another factor in the Bank's decision to act before the election may have been the nomination of the Bank's counsel, John Sergeant, a long-time friend and advisor of Biddle, as the running-mate of Henry Clay by the National Republican convention in December, 1831, just before Biddle decided to apply for recharter. Sergeant agreed with Clay that the issue would prove fatally embarrassing to Jackson, and some scholars feel that his advice to Biddle was decisive.\(^{19}\) But the correspondence of Biddle and Sergeant does not provide any evidence to substantiate this positively.\(^{20}\)

Thomas Cadwalader's advice was evidently more decisive. In December, 1831, Biddle sent Cadwalader to Washington to sound out congressional opinion on the recharter question. The general got in touch with Secretary of the Treasury Louis McLane, Samuel Smith, the president of the Washington branch of the Bank, and several Pennsylvania congressmen. These men told Cadwalader that an application for recharter at the current session of Congress would be suicidal because of Jackson's certain veto, even should the bill pass. Sensing that this was not a sufficiently broad cross-section of Washington opinion, Cadwalader induced George McDuffie, the chairman of the House Ways and Means

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\(^{20}\) McGrane, ed., *Correspondence of Biddle*, 147 n. My own study of the Biddle and Sergeant Papers puts me in agreement with McGrane.
Committee, to poll the congressmen. McDuffie found that a majority of twenty in the House and three in the Senate believed that recharter could be accomplished at the present session of Congress. This poll plus additional information which Cadwalader ferreted out, convinced him of the advisability of pushing for recharter. He then reported his findings to Biddle.

On the basis of this report, Biddle got the approval of the board of directors and on January 6, 1832, a bill for recharter was introduced in the House. Cadwalader’s information, arrived at after a most careful sifting of conflicting evidence, proved to be remarkably accurate. Like any good lobbyist, Cadwalader felt that the opinions of politicians could be accepted only with caution. He was aware that Clay, Webster, and their friends were motivated in large part by partisan considerations. At this point, however, Cadwalader’s activities in Washington ended abruptly. He suffered an accident in January, breaking a collar-bone and two ribs, and was confined to his bed for some time, although Biddle continued to visit him for highly-valued advice. Cadwalader had performed an important lobbying function in his assessment of congressional sentiment preparatory to the introduction of the recharter bill, a function as vital to the Bank as the collecting of votes to pass the bill.

When the recharter bill was actually introduced in Congress in January, 1832, Sergeant and Binney, and for a time Nicholas Biddle himself, took over the direction of activities to push the bill through Congress. Binney was immediately sent to Washington and remained there for several months, while Sergeant traveled constantly between Philadelphia and Washington. Sergeant and Binney were Biddle’s “best aides.” They were both “highly intel-

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21 Gammon, *Presidential Campaign of 1832*, 125; Redlich, *Molding of American Banking*, 123; Thomas Cadwalader to Biddle, December 20, 21, 22, 23, 25, 26 (two letters of this date), 1831, Biddle to Cadwalader, December 23, 24, 1831, in McGrane, ed., *Correspondence of Biddle*, 146-161.


23 Biddle to Cadwalader, May 30, June 5, July 3, 1832, in McGrane, ed., *Correspondence of Biddle*, 191-193. Biddle was very effective as the leader of the Bank’s lobby. “We should have done but badly without him,” wrote Daniel Webster. “His address & ability, in satisfying the doubts of friends, softening the opposition of enemies, & explaining whatever needed explanation, have been important cause [sic] in producing the result. . . .” Webster to Cadwalader, July 5, 1832, *ibid.*, 193.

ligent, judicious, and reputable gentlemen.” writes Bray Hammond. “Unlike Henry Clay and Daniel Webster, they had something of the sincere, understanding loyalty to the Bank that Nicholas Biddle had. They knew its purpose and value as he did.”25 The careers of Sergeant and Binney were remarkably parallel. They had been born a couple of months apart, they studied law in the same office, were admitted to the bar at the same time, and became two of the most celebrated and able lawyers in the nation. In addition, they were warm personal friends.26

John Sergeant had been born in Philadelphia on September 5, 1779, the son of the distinguished Jonathan Sergeant, a judge and member of the Continental Congress from New Jersey and later Attorney General of Pennsylvania. He was educated at the University of Pennsylvania and Princeton, studied law in the office of Jared Ingersoll, and in 1799 was admitted to the bar. Immediately he entered public life as a Jeffersonian, serving as Deputy Attorney General for Pennsylvania and as a commissioner of bankruptcy. About 1807 he made the transition from Republican to Federalist, opposing the embargo, and he was elected to a term in the state legislature. In late 1815 Sergeant was sent to Congress as a Federalist to fill an unexpired term. He was re-elected three times, serving until 1823, a staunch supporter of the protective tariff and federal aid for internal improvements. After his retirement from Congress he was chosen president of the Pennsylvania Board of Canal Commissioners, a delegate to the Panama Congress of 1826, and a leader of the Pennsylvania Society for the Promotion of Internal Improvements. Several times his name was mentioned as a Federalist candidate for governor or senator, but he was never successful. In 1827 he returned to Congress as a National Republican, but he was defeated for re-election and retired again in 1829.27

Sergeant was back at his law practice when the Bank war began. He had been a good friend of Biddle’s ever since the first

decade of the century when the two men had been members of the same literary circle. He had, by this time, performed a number of services for the Bank, was employed as its chief counsel, and was a member of its board of directors. While a congressman Sergeant had been a leading defender of the Bank. In 1816 he had introduced the resolution authorizing the Bank to begin its operations, and he then had been sent on a delicate mission to England to buy gold and silver to the amount of over $5,000,000—to satisfy the charter's requirement that one quarter of the Bank's stock be subscribed in specie—and the mission was a success. Sergeant in 1819 had led a House fight against a resolution hostile to the Bank, and William Jones, president of the Bank at that time, had reported glowingly that Sergeant had defended him "in terms of the warmest approbation, and effectually repell[ed] the malignant attempt to asperse my reputation." In December, 1827, a similarly hostile resolution had been introduced into the House by P. P. Barbour, and Sergeant again had lined up the opposition to it, although it was defeated while he was absent on other business for the Bank.

Sergeant was also employed as counsel for the Bank. He defended the Bank in several cases before the Supreme Court, such as Osborn versus Bank of the United States. As the Bank's attorney, he was sent on a delicate mission to North Carolina in the summer of 1830. A New Bern bank had suspended payment on its debts, which put the Fayetteville branch of the Bank of the United States, holding much of this debt, in a shaky position. Under Sergeant's leadership the bank at New Bern was reorganized under less reckless direction and arrangements were made to se-

40 Register of Debates in Congress, 20 Cong., 1 sess. (1827-1828), IV, part 1, 815, 843-858; John Sergeant to Biddle, December 13, 1827, and Roswell L. Colt to Biddle, December 20, 1827, in McGrane, ed., Correspondence of Biddle, 43, 46.
cure the debt. Within a week Sergeant was able to report to Biddle that the Fayetteville branch was safe and the debt would be paid.32

These services had been in line with Sergeant’s duties as a congressman and as counsel for the Bank. He also served the Bank as a lobbyist both before and during the Bank war. When it was proposed in 1829 that the Bank establish a branch in the interior of New York state, Biddle asked Sergeant to arrange a few public meetings to pressure the Bank’s board of directors into making a quick decision. The pressure succeeded and a branch was set up at Utica in 1830.33 Biddle also entrusted Sergeant with pushing through Congress a bill punishing counterfeiters of the Bank’s notes.34 Early in 1831 Biddle again called upon Sergeant for assistance when the New York legislature instructed congressmen from the Empire State to vote against recharter. Sergeant was asked to corner some of the “sober” New York congressmen and urge them to repudiate this “subserviency” to the state legislature. Further, he was to request Joseph Gales, Jr., to publish in his National Intelligencer an article asking the state legislatures not to interfere in the Bank question. Sergeant complied with both requests.35

When the recharter bill was before Congress in 1832 Sergeant once again performed notably as a lobbyist. He circulated pamphlets defending the Bank,36 sounded out congressmen on their sentiments and passed this information along to Biddle,37 kept Biddle informed of the progress of the debate in Congress,38 and of developments in state meetings on the recharter question.39

32 Sergeant to Biddle, June 1, 16, 1830, Bank of the United States Manuscripts in Ferdinand J. Dreer Collection, Historical Society of Pennsylvania; same to same, June 5, 1830, Autograph Collection, Historical Society of Pennsylvania.
33 Biddle to Sergeant, February 3, 1829, Nicholas Biddle Papers, Library of Congress (President’s Letter Book No. 3).
34 Biddle to Sergeant, February 13, 22, 1830, Biddle Papers (President’s Letter Book No. 3); Sergeant to Biddle, February 15, 1830, Biddle Papers, bound vol. 22.
35 Biddle to Sergeant, February 7, 1831, Biddle Papers (President’s Letter Book No. 3); Sergeant to Biddle, February 10, 1831, Biddle Papers, bound vol. 25.
37 Biddle to Sergeant, March 8, 1831, Biddle Papers (President’s Letter Book N. 3).
38 Sergeant to Biddle, January 20, 1832, Biddle Papers, bound vol. 30; J. G. Watmough to Sergeant, May 1, 1832, Biddle Papers, bound vol. 33.
39 Sergeant to Biddle, June 2, 1832, Biddle Papers, bound vol. 33.
Perhaps Sergeant's most important assistance to the Bank during its fight for charter renewal was his campaign as the National Republican candidate for Vice President in 1832. Sergeant had been a delegate to the National Republican convention in December, 1831, and was chosen unanimously by that body as Henry Clay's running mate. In the course of the campaign the Philadelphian made a number of speeches, and after Jackson's veto of the recharter bill in July Sergeant made the Bank question the major issue in his campaign. However, the anti-Jackson forces were not united: the Anti-Masonic party had a separate ticket of William Wirt and Amos Ellmaker (another Pennsylvanian) in the field. Anti-Jackson papers such as Stephen Simpson's Pennsylvania Whig lauded Sergeant's nomination in glowing terms, but supported the Anti-Masonic slate rather than the National Republicans. Sergeant complained to Daniel Webster that the Anti-Masons were almost as opposed to Clay as they were to Jackson.

Sergeant was also a political advisor to Biddle. He kept the Bank in close touch with important politicians such as John Quincy Adams. His advice to Biddle, who was often naive in politics, was usually reliable, and he was one of the first to warn Biddle of Jackson's hostility to the Bank. Biddle recognized Sergeant's political talents. To one correspondent he admitted that Sergeant was the "only political character in the Board [of Directors]." For the rest of his life Sergeant remained a loyal friend to Biddle and the Bank. He kept alive hopes for a new charter and continued to give Biddle political counsel. In 1836 he was instrumental in getting the Bank chartered by the state of Pennsylvania. Biddle, in turn, tried to use his influence to elect Sergeant

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30 Gammon, Presidential Campaign of 1832, 69; (Philadelphia) National Gazette, December 16, 17, 19, 1831.
31 National Gazette, July 7, Aug. 8, 1832.
32 (Philadelphia) Pennsylvania Whig, December 17, 28, 1831, July 18, 1832.
33 Gammon, Presidential Campaign of 1832, 43.
35 Sergeant to Biddle, December 11, 1829, Biddle Papers, bound vol. 21; same to same, February 19, 1831, Biddle Papers, bound vol. 25.
36 Biddle to A. Dickens, Esq., September 30, 1829, in McGrane, ed., Correspondence of Biddle, 77-79.
37 Catterall, Second Bank, 251-252.
38 Ibid., 290; 336: Sergeant to Biddle, March 2, 1833, February 27, 1834, April 28, June 15, 1838, in McGrane, ed., Correspondence of Biddle, 200-201, 222-223, 305-306, 313-314.
to the United States Senate in 1834, but the attempt failed.49

Sergeant was that most valuable of all lobbyists, a member of Congress (as he was for two different periods) and regarded by the legislators as one of themselves. Doors in Washington were open to Sergeant that would not have been open to a mere hired employee of the Bank. He was respected in his own right, not merely because of his connection to the Bank, and as a result was able to gather inside information and advise Biddle on the basis of this, which someone of lesser character could not have done. That he was at the same time a lobbyist is beyond question. His propaganda activities, his gathering of information, his pressures to stir up sentiment in Congress and in public meetings, and his political advice—forming much of the basis for the Bank’s legislative activities—were all evidence of lobbying.

Horace Binney was another respected public servant. The son of a physician, born in Philadelphia on January 4, 1780, educated at Harvard, he had read law at Ingersoll’s office with Sergeant, and was admitted to the bar in 1800. Binney’s career was primarily in the law, and his public service was always rendered with reluctance. He served a term in the state legislature and several terms in the Philadelphia city government, but he refused several times to run for Congress. He was often mentioned as a possibility for the bench, but again had no such inclination, and in 1830 he declined a position on the Pennsylvania Supreme Court. He did consent to serve as a director of the Bank of the United States.

Binney’s fame rested on his legal career. He was a specialist in the areas of insurance and admiralty law who successfully argued several cases for the Bank before the Supreme Court, and one against the Bank. Between 1807 and 1814 he prepared and published in six volumes his Reports of Cases Adjudged in the Supreme Court of Pennsylvania.50 The Bank war, however, had a marked effect on Binney. It forced him to become an active

politician at least for a time. Until the introduction of the re-charter bill in January, 1832, Binney had served the Bank as a director and attorney. But when charter renewal was introduced, he went to Washington to lead the Bank's lobby there, supplying the congressional re-charter leaders with information and advice.51

During this period Biddle and Binney exchanged dozens of letters about strategy and tactics in the congressional battle. Every request by Binney was promptly answered by the Bank's president. As a result, Binney's lobby was able to supply congressmen with all kinds of data: information about branches and branch drafts to counteract Senator Thomas Hart Benton's charges, information about the role of businessmen in chartering the Bank, parallels between the Bank of the United States and the Bank of England, a theoretical defense of central banking, a statement of the Bank's willingness to pay a bonus for recharter, and a vigorous argument as to why the branching powers of the Bank should not be curbed.52

Binney frequently criticized Biddle's recharter tactics when he felt they were ineffective, and he submitted regular reports on the prospects for recharter. He urged Biddle to circulate more publicity about the Bank's cause.53 Both he and Biddle remained optimistic about the Bank's chances for recharter until February,54 but Binney then advised Biddle to postpone action on charter renewal during the current session of Congress, feeling certain that Jackson would veto any bill that was passed, and equally certain that there was not enough strength in Congress to override the veto. At the very least, he felt, the Bank should modify its charter to make it less objectionable to the Jacksonians.55 Biddle would not consent to such changes, and when the Bank bill became bogged

51 Gammon, Presidential Campaign of 1832, 129.
52 Binney to Biddle, January 14, 21, 1832, Biddle Papers, bound vol. 30; Biddle to Binney, January 18 (four letters), 23, 26, 27, 1832, Biddle Papers (President's Letter Book No. 4).
53 Binney to Biddle, January 24, 25, 1832, Biddle Papers, bound vol. 30; Biddle to Binney, January 25, 1832 (six letters), Biddle Papers (President's Letter Book No. 4).
54 Binney to Biddle, January 29, February 4, 1832, Biddle Papers (President's Letter Book No. 4).
55 Binney to Biddle, February 4, 5, 6, 8, 1832, Biddle Papers, bound vol. 31; Biddle to Binney, February 6 (two letters), 10, 1832, Biddle Papers (President's Letter Book No. 4).
down in the mire of a House investigation of its charter in March, Binney returned to Philadelphia. After Jackson vetoed the Bank bill, as Binney had predicted, the Philadelphian was persuaded to enter the race for one of his city's congressional seats, and he won his place by a vigorous campaign which centered on the Bank question. As long as Jackson was President, Binney told the voters, the Bank could not be rechartered.

When he took his seat in the House in December, 1833, the Bank issue had shifted to the removal of government deposits from the Bank. "The weight of this question in the House of Representatives fell to a considerable degree upon my shoulders," he wrote. The report of Secretary of the Treasury Roger B. Taney, giving the reasons for the removal, was presented to Congress on December 10 and promptly referred to a Committee of the Whole. But two days later the Speaker, James K. Polk, moved to reconsider the vote of referral so that the report could be sent to the Committee on Ways and Means, of which Polk was chairman and Binney a member. The Philadelphian realized the danger of having such a hostile committee pass upon the report, and he opposed the motion, arguing that the House should investigate the removal of the deposits only if the Bank requested it. Secretary Taney could desire such an investigation, Binney continued, only if his own inquiry had proved inadequate and he needed further evidence against the Bank, which would, in effect, make the House the prosecutor of the Bank. But Polk's motion to reconsider was carried, and Polk then moved to refer the report to his own Ways and Means Committee. At this point Congressman George McDuffie, pro-Bank, moved an amendment instructing the committee to report a joint resolution directing that the public revenue which was collected should be again deposited in the Bank—which had the effect of questioning the sufficiency of Taney's reasons for removal. This led to a long debate.

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56 Same to same, February 18, March 1, 3, 4, 1832, Biddle Papers (President's Letter Book No. 4); Binney to Biddle, February 29, 1832, Biddle Papers, bound vol. 32; same to same, June 14, 1832, Simon Gratz Collection, Historical Society of Pennsylvania.

57 Binney, Life of Horace Binney, 99-100; National Gazette, October 24, 1832; Pittsburgh Gazette, October 26, 1832.


59 Register of Debates in Congress, 23 Cong., 1 sess. (1833-1834), X, 2173, 2207, 2222, 2320, 2367; Binney, Life of Horace Binney, 105-106.
Meanwhile Binney, acting as the Bank's agent in Congress and acting also for his Philadelphia banking constituents, presented several memorials of his own to the House. One stated that the Bank was entitled to an indemnity for injuries, since the government had violated the charter by withdrawal. Another was a resolution of ten Philadelphia banks praying that the government revenues be restored to the Bank to relieve the distress of the commercial classes.60

Binney led off the debate on Polk's resolution of referral and McDuffie's amendment in a long speech on January 7, 1834. He argued that the removal of the deposits had wrecked the nation's economy. "Prices are falling, domestic exchange is falling, bank notes are falling, stocks are falling and in some instances have fallen dead." This "derangement" was caused by "the act of the Secretary [of the Treasury] in removing the deposits, and in declaring the doctrine of an unregulated, uncontrolled state bank paper currency." When the Jackson administration decided to make the Bank a party question, Binney went on, it did not take into account the interests of the nation. "The question of the bank is one of public faith; that of the currency is one of national prosperity; that of the constitutional control of the currency is a question of national existence. It is impossible that such momentous interests shall be tried and determined by those rules which, in things indifferent in themselves, parties usually resort to."61 (Jackson apparently heard reports of the speech, appreciated the fact that there was no personal abuse or invective here, and invited Binney to dine with him at the White House.)62

Nevertheless, after only a month in Congress, Binney was becoming hopelessly sick of politics. "Public life! Public death is a better name for it," he wrote to his son. "I find all my powers crushed under a weight of mechanical labor, from which I have made a positive determination to escape." By February 5, 1834, he had decided. "The kind of life led here in the House is entirely out of the question. My mind is fully made up to it, and I do not mean further to jeopardize my chance of future comfort in life by

60 Memoirs of John Quincy Adams, IX, 55, 61-62.
61 Register of Debates in Congress, 23 Cong., 1 sess. (1833-1834), X, 2320-2364.
continuing at it. . . .” He was completely disillusioned by political partisanship, “the universal malady,” and he had little hope for the Bank’s recharter even were Jackson to die. Still, he continued to go through the motions of serving the Bank. He wrote the minority report issued by the Ways and Means Committee endorsing the McDuffie amendment and insisting that the deposits be restored to the Bank, but the amendment was defeated and Polk’s motion referring Taney’s report to his anti-Bank Ways and Means Committee was passed. “Having no hope before,” Binney lamented, “I have no less now.” “If any change is to be effected it must be by the people, and not, I fear, by their present representatives. . . .”

Binney was one of those who had urged a policy of contraction by the Bank as a necessary preparation to winding up its affairs as well as the best means of fighting the Jacksonians. There is no doubt that the policy of contraction which Biddle followed for a time was unduly stringent—an attempt to force a recession which would bring a demand for Bank recharter. Binney approved this policy, but it was abandoned in 1834 at the insistence of a group of New York bankers who convinced Biddle to let the state banks extend their discounts without being called upon to pay the balance due to the Bank. After this action, which he curiously considered to be an abandonment of principle, Binney never again spoke in the House about the Bank’s affairs.

Binney, like Sergeant, was a lobbyist who was himself a member of the legislature. He was an employee of the Bank, carrying on the Bank’s defense in the House. But he seemed to chafe at his duties. Disliking partisan politics, he was not so effective a defender of the Bank’s cause as one who could have followed instructions unquestioningly. He did, however, function ably as the leader of the Bank’s center to disseminate information to Congress during the course of the fight.

Letters of Horace Binney to his son, January 11, 20, February 5, 1834, quoted, ibid., 112-113.

Binney to D. A. White, February 15, 1834, quoted, ibid., 113-114.

Memoirs of John Quincy Adams, IX, 94, 95.


Binney to Wallace, February 25, 1834, quoted, ibid., 115.

Binney to Biddle, February 4, 1834, in McGrane, ed., Correspondence of Biddle, 220-221.

Binney, Life of Horace Binney, 118.
This lobby, maintained by the most powerful economic institution in the nation, was in many respects by our present standards a "good" lobby. Cadwalader, Sergeant, and Binney admitted publicly that they were hired by the Bank, they worked openly in Congress seeking congressional approval of recharter on the merits of the issue. They assisted Congress in its fact-finding function by distributing accurate information. They did not resort to bribery or extortion. They certainly represented the wishes of the stockholders of the Bank in pushing for recharter, and several recent historians of the Bank maintain they served the public interest as well. Perhaps Sergeant and Binney veered from the strict line of political morality by serving as congressmen while in the Bank's employ. One wonders if they defended the Bank so zealously because they were on its payroll? Would not their proper course have been to sever all connections with the Bank before entering Congress?

It should be remembered, however, that the Bank was not a controversial issue in Pennsylvania. All political groups in this state accepted the Bank—Democrats, National Republicans, and Anti-Masons. Of the entire Pennsylvania delegation in Congress, only one man voted against recharter. The Bank was particularly popular in Philadelphia, the site of its home office, and both Sergeant and Binney represented Philadelphia constituencies in Congress.

There would have been nothing irregular about having former Bank employees elected to Congress. But Sergeant and Binney did not sever their connections with the Bank. Indeed, they continued to accept fees from the Bank while serving as congressmen. For this they might be censured, just as a congressman-veteran who is paid by the American Legion to press for veterans' pensions might deserve censure. Yet contemporaries did not censure Sergeant and Binney for lobbying while congressmen. They were universally regarded by friends and enemies alike as among the

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31 Hammond, Banks and Politics, Redlich, Molding of American Banking, and Smith, Economic Aspects of the Second Bank, for example.
most high-minded public servants of the age. In fact, nowhere in contemporary discussions does one find criticism of the Bank for its lobbying activities or for its congressmen-lobbyists—though there was plenty of criticism on other scores.

The Jacksonian indictment against the Bank was a long one, but lobbying was not specifically listed as one of the Bank’s abuses or as evidence of its alleged corruption, although undoubtedly it was implied. It is rather extraordinary that none of the Jacksonian leaders in the Bank war criticized the Bank’s lobbying activities as such. Nor did the anti-Bank press charge that lobbying was an example of the Bank’s corruption. Pro-Jackson historians have also drawn up a long list of charges against the Bank, but nowhere have they criticized the Bank’s lobbying. These partisan Jacksonians, bitterly hostile to the Bank, would certainly have added lobbying to their censure if they had felt that the charge had even the slightest validity. That they did not warrants two conclusions.

First, lobbying as such was not held in reproach in the Jacksonian era. Nor did Americans draw a line between good and bad lobbying in this period. They accepted lobbying as they accepted the spoils system and pork-barrel legislation; it was a practical process which provided informal representation to special groups in the body politic. Second, the particular lobby led by Cad-

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75 The most severe attack was written by James Gordon Bennett, and it charged the bank with corruption but did not mention lobbying. Morning Courier and New York Enquirer, February 5, 1831. See also ibid., February 16, March 3, 1831, for further attacks on the bank’s alleged corruption.
76 For example, Arthur Schlesinger, Jr., The Age of Jackson (Boston, 1945), 85; Swisher, Taney, 212; Marquis James, Andrew Jackson: Portrait of a President (Indianapolis and New York, 1937), 299-303; Charles G. Sellers, Jr., James K. Polk, Jacksonian, 1795-1843 (Princeton, 1957), 178-184, 189-195.
walader, Sergeant, and Binney was above reproach by contemporary, Jacksonian standards.

It is important to realize that this lobby was successful in pushing the recharter bill through Congress, though not in overriding Jackson's veto. It used lobbying techniques which were modern, but not original with the Bank. The tariff lobbies had already developed such techniques as the assessment of congressional opinion prior to the introduction of a bill, the center to disseminate information to congressmen and the press, and pressures on doubtful congressmen. The techniques of the modern lobby were thus well-developed and in effective operation by the age of Jackson.