ANDREW JACKSON'S assault against the Bank of the United States in the early 1830's has been a subject of much controversy among historians. Some scholars adhere to the view of Arthur M. Schlesinger, Jr., that the struggle over recharter of the Bank was "a battle between antagonistic philosophies of government: one declaring . . . that property should control the state; the other denying that property had a superior claim to governmental privileges and benefits."1 This interpretation accepts as significant evidence Jackson's own denunciation of the Bank as a threat to the integrity of republican government. It emphasizes, moreover, the imperious attitude of the Bank's president, Nicholas Biddle, toward the government. The struggle, it concludes, arrayed the people and their sovereign government against a powerful private monopoly.

Posed against this view is another, more recent, interpretation. Bray Hammond and others have written of the Bank War as a struggle between a class of new capitalists and an older, established order of businessmen. The newer capitalists, it is said, used Andrew Jackson and the Democratic party, cloaking their self-interest with high-flown rhetoric denouncing alleged monopolies and pernicious privileges.2 This interpretation gives great weight to Nicholas Biddle's own description of the Bank War as a contest "between Chestnut St and Wall St—between a Faro Bank and a National Bank."3 Hammond's own studies emphasize the

* Dr. Scheiber is assistant professor of history at Dartmouth College and has written elsewhere on the Bank War.
1 Arthur M. Schlesinger, Jr., The Age of Jackson (Boston: Little, Brown, 1945), 92.
3 Frederick Jackson Turner, The United States, 1830-1850 (Gloucester, Mass.: Peter Smith, 1958), 110, quoting Biddle.
efforts of New York to wrest control of private finance from Philadelphia; and Nathan Miller’s recent account of the Erie Canal Fund lends further support to the thesis. Miller has demonstrated that the surplus revenues produced by the Erie Canal were distributed in such a way as to support the banks of New York against Biddle’s institution. “The Democratic cause, its hostility to the Bank of the United States, was the same at Albany as in Washington . . . ,” Miller writes. “[New York bankers] were absolutely bent on destroying the Bank of the United States, their major competitor.”

The following documents will, it is hoped, cast further light upon the Bank War as viewed by some highly placed contemporaries. Each happens to support the Hammond-Miller interpretation, but it is not the intention of the editor to suggest that they disprove the Schlesinger interpretation. For it may well be that the two major theses regarding the Bank struggle are complementary and not irreconcilable. To Jackson himself and to a large portion of the electorate, the constitutional issues, the apparent confrontation of ideologies, and the issues of sovereignty were critical matters. One may dismiss as partisan cant the contemporary Democratic rhetoric regarding the Bank. At the same time, one can hardly deny that this rhetoric touched a sensitive place in the popular mind. The debate over the Bank of the United States developed into a national dialogue over the proper role of banks generally in the polity, the virtues and evils of paper versus hard money, and the place of corporations in American society.

The first pair of documents (I) comprise letters written by a western New York banker, Henry Dwight, to his nephew, George Bancroft. When the letters were composed, Bancroft had just decided to leave the Round Hill School at Northampton and was about to embark on a career as historian and Democratic politician. Bancroft’s first major political tract was an article on the Bank of the United States which appeared in the January, 1831, issue of the North American Review. There has been speculation that the article was influenced by Bancroft’s connections with his wife’s family, the Dwights of Boston and Springfield; for the latter (in-

5 Russel B. Nye, George Bancroft, Brahmin Rebel (New York: Knopf, 1945), 82 ff.
cluding Henry Dwight, who had moved to western New York in 1817) were deeply involved in state banking, and Bancroft's article asserted that state banks could easily perform the same functions in the economy and the same services for the government as had the Bank of the United States. Henry Dwight was president of the Bank of Geneva, New York, and if the letters reproduced here do not prove that he directly influenced Bancroft's thought, at least they indicate that the banker and the writer shared similar views. The significance of the letters is enhanced by the fact that Dwight, a country banker, expressed the same attitudes that Hammond and Miller have found in correspondence of New York city bankers in the 1830's.

Group II comprises letters of Congressman John Davis of Massachusetts to Bancroft, who was his brother-in-law. Although they were close friends, Davis was a Whig while Bancroft supported Jackson. Davis regarded the assault on the Bank as a dangerous move, predicting that "a Leviathan," a new monopoly institution, would take the place of the Bank (letter of December 9, 1832). When Jackson failed to erect this sort of substitute for the Bank of the United States, Davis's mind was not set at ease. Instead, he condemned the "capitalists and speculators" who had robbed the Bank of the government deposits and blocked its re-charter. Perceptively, he predicted what did occur after 1833: a powerful Democratic faction emerged, which was dissatisfied with government deposit of funds with selected state banks, and which called for a campaign against all banks.

Author of the last letter (III) is Micajah T. Williams, president of the Ohio Life Insurance & Trust Company. Williams had been one of the early Jacksonian leaders in Cincinnati and had supported Jackson in the Bank War. By 1840, however, he had become disillusioned with the Democratic party because of the ascendancy of radicalism. As president of a major Western bank, he was opposed to the specie circular of 1836, which disrupted the entire banking system and was aimed at restoration of a hard-

* See Schlesinger, Age of Jackson, 161. For Bancroft's later relationship with the Dwrights, see Harry N. Scheiber, "George Bancroft and the Bank of Michigan, 1837-41," Michigan History, XLIV (March, 1960), 82 ff. The Dwight letters are in the George Bancroft Papers, Regional History Collection, Cornell University Library, and are quoted here by permission.

* The Davis letters are in the George Bancroft Papers, cited above.
money currency; and he viewed with dismay demands by the Ohio Democratic party for stringent regulation of banking practices and assertion of the state's power to repeal charters. In this brief letter, Williams viewed retrospectively the Bank War of a decade earlier and remarked on Whig efforts to re-establish a national bank.8

(HENRY DWIGHT TO GEORGE BANCROFT, dated Geneva, N. Y., December 24, 1830.

Dear Sir,

Yours of the 18th is duly received. I rejoice that you have taken up the subject of the U. S. Bank, and I accord entirely with your views. I have no doubt but the discussion will be useful.

The present corporation you truly say grasps at every thing and they will obtain every thing, if the community rest. As an instance, the cashier of the Monroe Bank at Rochester writes to me Dec. 17: 'We shall to appearance have to discount all of N. Y. paper at 6 per cent. The U. S. Bank have it in contemplation and I believe have actually appointed an agent here whose business will be I presume to send them paper for discount and take charge of collections. We shall be annoyed by the U. S. B. and shall have to act in concert against them.' I need not dwell upon the small grasping disposition such an institution exhibits in such an appointment.

They are determined to get a renewal.9 I think [they] will run to the very verge of honesty, if they stop there to obtain it. One of the leading papers at Washington once opposed has been induced already as I have reason to believe to change its tone.10

They strive to bring in as officers or directors of the Branches men who will either be members of congress, or influence them. They will also as far as they can confer pecuniary obligations on...

8 The Williams letter is in the Micajah T. Williams Papers, Ohio State Library, Columbus. This brief discussion of Williams's changing views on politics is based on a study of this collection.

9 This refers to renewal of the charter, which was to expire in 1836 but which Biddle and his friends in Congress hoped to have renewed before that time.

10 For Biddle's administration of the Bank, including his relationship with the press, see Thomas P. Govan, Nicholas Biddle (Chicago: University of Chicago Press, 1959), 188 ff.
members. The power which they have is very great and they have the disposition to use it.

It seems to me that the best ground to take is that this Bank is not to be renewed at all. It is in vain for them to talk about services. The deposit has paid them tenfold. In all their distress, and in all their money negotiations almost the government has had the worst side. The Stockholders have had a fair chance. If anything in the way of privilege is to be granted let it be thrown open to the community.

The constitution, aside from the fact that an article containing the power of granting corporations was stricken out, never contemplated, by the widest construction a bank for circulation. I think if a new one is granted, the number & location of the branches ought to be limited, to the prominent points of our country, in which the public convenience requires them and that they be prohibited from issuing any notes less than $100.

I know that these thoughts are not fully matured but they may furnish some materials which you may use. I shall look with interest for the review and shall have as I hope some opportunity in future for consideration [sic]. . . .


Dear Sir,

Your two letters are received and I have been waiting for things respecting Buffalo Bank to be arranged before I wrote to you. It is not yet in operation, the stock only having been paid for yesterday. It has to contend with U. S. Bank otherwise its situation would be very excellent. . . .

Respecting the U. S. Bank it would give me great pleasure to see your article which I have no doubt is able; for the objection urged by Mr. Everett is a high compliment, shewing that it is

31 Bancroft had sought to obtain stock in the Buffalo bank. In the same letter Dwight remarked that "a severe struggle of political parties" had forced the price of stock to a high level. "Of the stock I have," he writes, "I might part with the amount you want at 10 pr Cent say 5,000 with interest at 6 pr Cent from August 25 but in this case it will be necessary that it be fully understood that you will give your proxy for voting on the shares to Mr Pratt [the manager]. My own engagements as well as the success of the institution require so. I dare not advise you to take it. It may be very good stock it may not be so. It is my present determination to hold from 20 to 30,000 as a permanent investment."
calculated to promote the object desired. I consider the U. S. Bank as it respects the States Banks, as a caged tyger [sic], and I should be afraid to be within his reach whenever the bars are removed and the chain extended. The spirit of selfishness reigns within it, and if it were not for its fears would be widely felt.

(II)

JOHN DAVIS TO GEORGE BANCROFT, dated Washington, January 15, 1831.
My dear George

I have not seen the Jany number of the N. A. Review but shall avail myself of the earliest opportunity to peruse your article on Banking. I am clearly of opinion that the U. S. Bank should be so limited in its power as not to crush other institutions equally useful to the public. I should be very unwilling to place a monopoly of capital in the hands of any set of men however well disposed. When I have read the article I will give you the thoughts it may give rise to.

JOHN DAVIS TO GEORGE BANCROFT, dated Washington, December 25, 1833.

... As for things here there can be but little said that is favorable in any view. The tone of dissatisfaction is loud and strong, but future developments far from clear or certain. Indeed everything is so foggy that I can hardly persuade myself to feel any interest in the success or defeat of any body. There is a popular folly and it must have its run though it may result in bankrupting half the community. Much pains has [sic] been taken by demagogues to whet up the resentment of people against the Bank of the U. States & to view it as a great monopoly. Under this feeling it will probably fall a victim to the selfish feelings of the capitalists and speculators who have kindled the fire that is to consume it. But these very people probably will rue their own folly for it is easier to make than to extinguish a fire. The popular rage once excited against banking as a monopoly will not end in overthrowing the Bank of the U. S. Let the storm rage. For one

12 The Whig Alexander Everett had published a reply defending the Bank of the United States. See Nye, George Bancroft, 91.
I am ready and willing to go to a hard currency if they will stay there and it can be done short of the destruction of all our property. The times are fearful and if a panic once seizes the public for a day specie pays are at an end. What a shocking fall already in the value of property of all sorts. . . .


. . . I can satisfactorily prove that the greatest tyrants are the greatest friends of the people. We can easily imagine that a poor, unoffending turnpike corporation that scarcely gets toll enough to keep up gates is a monster but we can see nothing censurable in the exercise of a high handed despotic power that regardless of private right and of the laws of the land tramples it underfoot. We can see a guilty senate but not the bloody hands of Caesar. Our government is not only made for the people but for the whole people. It is the great argument in favor of a government of laws that it extends protection and equal rights to all. A government of privileges is a government of usurpations and oppression. I care not whether the usurpations are by one or many, whether they are by a Roman Senate or a Tiberius, by a Richard or the house of lords, the oppression is not the less severe or unjust. . . . We have made within the last six years tenfold greater advances towards despotism than during all the residue of our history as a free government. I see everywhere the creeping spirit of submission abroad—men everywhere seeking for a participation in the plunder & ready to sing hosannas to him that holds the keys of the granary. These to me are painful evidence of a decay of public spirit, of a decline of patriotism. Is.

13 A radical faction of the Democratic party was by this time pressing for a return to a hard money currency. As of the date of this letter, the Jackson administration had ordered government deposits placed in selected state banks. The hard-money faction won a victory in 1834 when new coinage legislation was passed; the faction reached the zenith of its power with Jackson's specie circular in 1836. See William N. Chambers, *Old Bullion Benton* (Boston: Little, Brown, 1956); Paul M. O'Leary, "The Coinage Legislation of 1834," *Journal of Political Economy*, XLV (1937), 85 ff.; and Glyndon G. Van Deusen, *The Jacksonian Era* (New York: Harper, 1959), passim.

14 This letter does not deal directly with the Bank War, but it is included because it touches the larger issue: Jackson's defeat of congressional intentions by veto of recharter and his removal of the deposits by executive action.
it not humiliating to see the Shylock temper which presides over
the treasury & denies the money to public uses while without
law, without warrant, and without authority it is lavished by mil-
ions upon favorite partisans and he who thus rides over the laws
is retained in office & seriously bolstered up as an honest man &
a faithful public servant.\textsuperscript{15} "Money is the root of all evil."

Pray excuse me if I see less in the past to admire than you do.
As to the future, when reasonable time and opportunity offers
I shall be happy to consider that with you. . . .

III

MICAJAH T. WILLIAMS TO J. N. PERKINS, dated Cin-
cinnati, February 24, 1841.\textsuperscript{16}

. . . Is it not likely that the first movement [of the Harrison
administration] will be the repeal of the sub-Treasury act, the
revival of the Deposit Act of 1836 and the Resolution of 1816?\textsuperscript{17}
Retracing exactly the road by which the country arrived at its
present position, leaving the chartering of a national Bank to the
Congress which shall be elected under the new census. You know
Mr. Clay said we must meet at the half way house. I think there
may be danger in a too ultra course as to a national Bank. The
next Congress, would reflect, more fully, the public feeling on this
subject besides, you know it would be under the wholesome in-
fluence of the increased representation from the Western States.
I am really for a national Bank as soon as you please if it can
be placed on a proper basis. But, I think you New Yorkers who
have destroyed the present Bank because it was not in New York,

\textsuperscript{15} This refers to the deposit of government funds, without the express
consent of Congress, in the so-called "pet banks."

\textsuperscript{16} J. N. Perkins was a New Yorker and the eastern agent of the Ohio
Life Insurance & Trust Company. Despite the jocular remark about
Cincinnati, the statements about New York and the Bank War appear to
be seriously asserted.

\textsuperscript{17} Williams's reference to a "resolution of 1816" is apparently to the bill
chartering the Second Bank of the United States. The Deposit Act of 1836
(5 U. S. Statutes 52) was a bill providing for the management of federal
funds in the deposit banks, but one of its most important provisions,
championed by Henry Clay, ordered distribution of the federal surplus to
the states. The Sub-Treasury act of July, 1840, created an "independent
treasury" to handle government accounts entirely outside the private banking
system. It was repealed in 1841. (Hammond, \textit{Banks and Politics}, 542-543;
Raymond Walters, Jr., "The Origins of the Second Bank of the United
will not be content with one located in Washington City. And I do not think it the right place for it. Where will you get your managers at Washington? Besides you know the Seat of Government will be removed to Cincinnati before another twenty years, what then? I think N. Y. is the proper place for the Bank and I want it there also, for the reason that if it is located anywhere else the New Yorkers will break it down again.