



*United States Bank.*

## GEORGE M. DALLAS AND THE BANK WAR

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**S**ENATOR Thomas Hart Benton of Missouri called the Twenty-second Congress "one of the most excitedly partizan and one of the most fatiguing in the history of the Congress up to the mid-century." He compared the session of 1831-1832 in many ways to a "siege . . . fierce in the beginning and becoming more so from day to day until the last hour of the last day of the exhausted session."<sup>1</sup> Senator George M. Dallas certainly agreed. Elected by the Pennsylvania legislature on December 13, 1831, to fill an unexpired term, Dallas became a center of attention in less than a month as the reluctant sponsor of a memorial to recharter the Second Bank of the United States, one of the two major issues of that session. Senator Dallas's active, but secret, opposition to the bank for more than two years made his sponsorship all the more unusual.

George M. Dallas's association with the bank began in 1817 when he resigned his position as remitter of the treasury to become the bank's solicitor in Philadelphia. Undoubtedly he obtained this lucrative position because of the role of his father, Alexander James Dallas, in chartering the bank the previous year while serving as secretary of the treasury. The younger Dallas remained one of the bank's solicitors until April 10, 1829, when he resigned to avoid possible conflict of interest between that position and his new appointment as United States Attorney for the Eastern District of Pennsylvania.<sup>2</sup>

Dallas's appointment as district attorney was part of the patronage rewards his family faction of the Democratic party in Pennsylvania

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<sup>1</sup>Thomas Hart Benton, *Thirty Years View: Or A History of the Working of the American Government for Thirty Years From 1820 to 1850* (New York, 1854), I, 266.

<sup>2</sup>George M. Dallas to Nicholas Biddle, April 10, 1829, William Porter Collection, University of Pennsylvania (UP). Dallas had not actually practiced for the bank for more than five years, but he thought that being on the bank's staff might cause some conflict. His concern is fairly unique for the era; Senators Henry Clay and Daniel Webster felt no such conflict throughout the bank war.

enjoyed as a result of its role in Andrew Jackson's landslide election to the presidency in 1828. The Family, led by Dallas and Samuel D. Ingham, the new secretary of the treasury, still bore the somewhat derisive title of eleventh hour Jacksonians due to their timely switch from John C. Calhoun to Jackson in February, 1824. At the Philadelphia general Republican town meeting on February 18, 1824, Dallas had urged Calhoun supporters to unite behind Jackson and defeat William H. Crawford, the congressional caucus nominee. Dallas then suggested that Pennsylvania nominate a Jackson-Calhoun ticket, a move adopted there and in several other states.<sup>3</sup> Astute politicians saw this move as a necessary preliminary to making Calhoun Jackson's heir apparent.

The Family, like other disappointed Jacksonian elements, turned John Quincy Adams's presidential term into a four-year election campaign. Dallas was a diligent, meticulous, and articulate voice for Jackson in Philadelphia. In October, 1828, his growing political stature was enhanced when the common and select councils of the city elected him mayor.<sup>4</sup> Jackson's impressive two to one majority in Pennsylvania the following month solidified the new mayor's position.<sup>5</sup> Commonwealth Democrats, justly proud of their labors, looked forward to their rewards. Ingham's appointment as secretary of the treasury and, through Ingham, Dallas's appointment as district attorney, were among these spoils.<sup>6</sup>

Dallas immediately resigned his positions as mayor and solicitor. His resignation as solicitor for the bank was directly related to the bank's eroding political and popular position. Although his past service led him to favor the bank as a financial institution, as a partisan Jacksonian, Dallas cautiously moved away from open identification with the bank toward a position of political opposition. Public or private opposition to the bank was not yet Jacksonian gospel. Prominent Jacksonians, such as Ingham, Louis McLane, and Lewis

<sup>3</sup>"Speech of Mr. Dallas," *Franklin Gazette*, February 19, 1824; *Democratic Press*, February 21, 1824; *National Intelligencer*, February 24, 1824; John C. Calhoun to Virgil Maxcy, February 27, 1824, Maxcy Papers, Library of Congress (LC); George M. Dallas, "To the Democratic Republicans of the Commonwealth of Pennsylvania," March 4, 1824, Dallas Papers, Historical Society of Pennsylvania (HSP).

<sup>4</sup>*American Sentinel*, October 22, 1828.

<sup>5</sup>*Democratic Press*, November 19, 1828; Philip S. Klein, *Pennsylvania Politics, 1817-1832: A Game Without Rules* (Philadelphia, 1940), 251.

<sup>6</sup>George M. Dallas to Samuel D. Ingham, March 1, 7, 13, April 1, 2, 1829, Dallas Papers, HSP. Commission signed by Andrew Jackson and Martin Van Buren, April 7, 1829, and Dallas's sworn oath of office are in the Dallas Papers, HSP. A second copy of each is in the Dallas Papers, Temple University.

Cass, were publicly in favor of the bank through 1831. Their service in Jackson's cabinet was in no way dependent upon their attitude toward the bank. Indeed a majority of the party favored the bank when Jackson vetoed it in July, 1832. Only then did Jacksonians have to choose between Jackson and the bank. Dallas, like most party members, chose Jackson. For the rest of his life he opposed the bank on political and constitutional grounds.

Numerous partisan complaints against the bank's economic policy and political activity had been voiced during the presidential campaign. Such complaints were especially numerous against branches of the bank in Lexington, Kentucky; Charleston, South Carolina; Portsmouth, New Hampshire; and New Orleans, Louisiana.<sup>7</sup>

The conduct of the Portsmouth branch proved particularly objectionable and became the focus of the new administration's first action against the bank. Historians of the bank have generally overlooked or dealt rather sketchily with this aspect of the controversy.<sup>8</sup> The Portsmouth incident began the confrontation surrounding recharter of the bank and produced the arguments used by both sides throughout the later struggle.

The leading protagonists in this first incident all were, or became, prominent Jacksonian Democrats: Senator Levi Woodbury of New Hampshire, Second Comptroller of the Treasury Isaac Hill, and Secretary of the Treasury Samuel D. Ingham who had secret assistance from Dallas. The keystone of the Jacksonian argument in this incident was the administration's October 5 reply to Nicholas Biddle's letter of September 15. Though authorship of this letter had generally been attributed to its signatory, Samuel D. Ingham, it was actually drafted for him by Dallas.<sup>9</sup>

The Portsmouth incident focused on charges by New Hampshire Democrats that the new president of the Portsmouth branch, Jeremiah Mason, was pursuing policies partial to the National Re-

<sup>7</sup>Ralph C. H. Catterall, *The Second Bank of the United States* (Chicago, 1902), 171; Robert Remini, *Andrew Jackson and the Bank War* (New York, 1967), 51-52.

<sup>8</sup>Catterall, *Second Bank*, 171-179; Claude G. Bowers, *Party Battles of the Jackson Period* (Boston, 1922), 203-204; Marquis James, *Portrait of A President: Andrew Jackson* (New York, 1937), 258-259; Walter B. Smith, *Economic Aspects of the Second Bank of the United States* (Cambridge, Mass., 1953), 148; Bray Hammond, *Banks and Politics in America: From the Revolution to the Civil War* (Princeton, 1957), 330, 342, 369; Thomas P. Govan, *Nicholas Biddle: Nationalist and Public Banker, 1786-1844* (Chicago, 1959), 115-118. Remini, in *Bank War*, 51-55, more than any other historian has stressed the importance of this incident. Fritz Redlich, in *The Molding of American Banking: Men and Ideas, 1780-1840* (New York, 1947), I, does not even mention the Portsmouth incident.

<sup>9</sup>The seventeen-page draft in Dallas's handwriting is in the Dallas Papers, HSP.

publicans. Senator Woodbury articulated these charges to Biddle and to Ingham who requested Biddle to investigate and report his findings.<sup>10</sup> Biddle also received complaints through Isaac Hill in the form of petitions requesting new—i.e., Jacksonian—branch directors and changes in the branch's lending policies.<sup>11</sup>

Biddle's first response was a complete denial of all complaints and a reminder to the new administration that previous administrations had uniformly and scrupulously refrained from interference with the concerns of the bank.<sup>12</sup> Ingham replied with a complete disclaimer of any political intentions on the administration's part and urged Biddle to conduct an open and full inquiry, clearly hinting that minor reforms now could prevent major changes later.<sup>13</sup>

Biddle, recognizing the seriousness and scope of the matter, went to Portsmouth to conduct the investigation. His findings vindicated branch president Jeremiah Mason's actions as nonpartisan and necessary for the fiscal integrity and well-being of the bank. In his report to Ingham, Biddle denied all political implications on the bank's part and interpreted the whole issue as an attempt by the administration to gain "some supervision of the choice of the officers to the bank" in order to "suggest the views of the administration as to the political opinions and conduct of the officers." He cited the original charter, congressional debates over its passage, supplementary laws, and past treasury department policy of noninterference to support his contention that the administration's attempts were unprecedented.<sup>14</sup>

Ingham, aroused by Biddle's tone and implications, forwarded an extract to the president who likewise became suspicious about Biddle's letter, its arguments, and its probable intentions, especially those separating the bank from all governmental supervision and inspection. Jackson saw Biddle's repeated reference to his earlier

<sup>10</sup>Levi Woodbury to Nicholas Biddle, June 27, 1829, Nicholas Biddle Papers, LC; Levi Woodbury to Samuel D. Ingham, June 27, 1829, *House Report 460, 22nd Cong., 1st Sess.* (Washington, D.C., 1829), 439-440; Samuel D. Ingham to Nicholas Biddle, July 11, 1829, *ibid.*, 438-439.

<sup>11</sup>Isaac Hill to John N. Barker and John Pemberton, July 17, 1829, *House Report 460, 472*; Hill requested Ingham to send these petitions under a cover letter by Ingham, a step he did not take. The request does show that Ingham had prior knowledge of the magnitude of the attack on the bank from the beginning. See Isaac Hill to Samuel D. Ingham, July 14, 1829, Samuel D. Ingham Papers, UP.

<sup>12</sup>Nicholas Biddle to Samuel D. Ingham, July 18, 1829, *House Report 460, 443-446.*

<sup>13</sup>Samuel D. Ingham to Nicholas Biddle, July 23, 1829, *ibid.*, 446-448.

<sup>14</sup>Nicholas Biddle to Thomas Cadwalader, August 28, 1829, Biddle Papers, LC; Govan, *Biddle*, 116-117; Nicholas Biddle to Samuel D. Ingham, September 15, 1829, *House Report 460, 450-456.*

request for the accelerated payment of the public debt, which had been facilitated by the bank, as an attempt to win public favor. He instructed Ingham to respond only to those parts of the letter relating to the Portsmouth incident and the accusations of politically motivated executive interference. Jackson's memo stressed the president's "constitutional powers . . . exercised through Congress, to redress all grievances complained of by the people of the interference by the Branches with the local elections of the states, and of all their interference with party politics, in every section of our country."<sup>15</sup>

It was this letter that Ingham secretly asked his political lieutenant, Dallas, to draft. In less than two weeks Dallas completed the task and sent Ingham a seventeen-page draft critical of the bank's current practices and intentions. In a cover letter Dallas indicated which portions needed annotation and correction from such sources as the *National Intelligencer*, pamphlets, and congressional reports which he did not have and could not consult without arousing suspicion, as no one knew of his effort.<sup>16</sup>

Dallas's draft, following Jackson's general outline, summarily congratulated Biddle on the calm and thorough investigation he had conducted. This was followed by a vigorous denial of any intention to interfere in the selection of branch directors as long as the men, and their selection, did not affect or reflect upon local politics.

Dallas then turned to the broader, more political, issue raised by the Ingham-Biddle correspondence—the area and degree of government control and influence over the bank. Dallas devoted one-half of his draft to refuting Biddle's stand on government control over the bank and took special exception to the "extraordinary emphasis, and unqualified phraseology . . . [of Biddle's] declaration of independence on the Government." He then enumerated the controls and areas of interaction which showed the dependence and subservience of the bank to the government: the right to appoint five directors, withdraw government deposits, and demand weekly statements. Dallas charged that the bank was now seeking to divest itself of these controls.

Dallas further noted that the Jackson administration fully expected to be informed completely and promptly by the government directors about the conduct, operations, and decisions of the bank.

<sup>15</sup>Andrew Jackson to Samuel D. Ingham, n.d., in John S. Bassett, ed., *The Correspondence of Andrew Jackson* (Washington, 1926-1935), IV, 84-85.

<sup>16</sup>George M. Dallas to Samuel D. Ingham, September 17, 1829, Dallas Papers, HSP.

This expectation was based upon decisions and policy followed by four of the five secretaries of the treasury since the bank was chartered. Dallas concluded the draft with a warning that the bank's present policy of seeking to weaken the bank-government ties and its new direction of political action might shorten the duration of its existence.<sup>17</sup> In essence Dallas warned the bank to cease its political activity or the administration would prevent its recharter.

Within a week of receiving the lengthy secret draft, Ingham completed his revisions and sent it, over his own signature, as the administration's formal reply to Biddle's letter of September 15. The impact of the reply, according to scholars of the bank, was devastating and showed Ingham [Dallas] to be "much more ingenuous . . . then Biddle . . . supposed."<sup>18</sup>

The Ingham-Dallas reply proved most significant for its revelation of the attitude of Jacksonians toward privilege, monopoly, and the bank. It showed a basic hostility toward the bank's position and a belief that checks and counterpoises were needed to provide a just equilibrium. It clearly hinted at the desirability of appointing equal numbers of directors from both political parties to keep the institution out of politics. The reply also addressed itself to the monopoly position enjoyed by the bank and asked whether the bank should exist for the wealthy few as an exclusive privilege. Jacksonians, as seen here, believed the bank was a national institution designed to serve the people and the government, but that it was not fulfilling this purpose.<sup>19</sup> Jackson's veto message two years later would echo these same arguments.

From Philadelphia the ghost writer enthusiastically and gloatingly related to Ingham what he saw as the telling effect and signal success of the reply: "Never did men take a drubbing with such palpable and yet sulky submission!"<sup>20</sup>

Biddle now recognized the potential impact and popular appeal of their arguments and moved to blunt it. His first step, a somewhat lengthy letter which tried to answer, correct, and refute the administration's position, only revealed his frustration and temper.<sup>21</sup>

<sup>17</sup>The full text of the reply can be found in the Dallas Papers, HSP. It is available in a more convenient form (slightly edited) as Samuel D. Ingham to Nicholas Biddle, October 5, 1829, *House Report 460*, 456-469.

<sup>18</sup>Catterall, *Second Bank*, 178-179.

<sup>19</sup>*Ibid.*, 175.

<sup>20</sup>George M. Dallas to Samuel D. Ingham, October 15, 1829, Dallas Papers, HSP.

<sup>21</sup>Nicholas Biddle to Samuel D. Ingham, October 9, 1829, *House Report 460*, 469-471.

Biddle's next steps were designed to alleviate a major demand of the administration and win favor from some Jacksonians. New directors, friendly to the Jacksonian cause, were appointed in branch banks at Baltimore, New York City, Utica, Portsmouth, and New Orleans. Some branch directors were sent to Washington to meet with the President and reassure him that the bank had not, and would not, engage in partisan political activities or interfere in local elections.<sup>22</sup> That Jackson was persuaded is doubtful. Biddle's opponents saw these actions as an admission of past guilt rather than a symbol of a new willingness to accommodate Jacksonian criticism.

Meanwhile, pro-bank elements in Pennsylvania put pressure on Ingham to moderate the administration's anti-bank stance. They circulated a rumor that the bank intended to move its headquarters to New York City to escape the "Family Incubus" with which it was saddled. Dallas attributed this threat to the institution's desire to move to New York in order to win the support of Wall Street for its recharter and to discredit the administration.<sup>23</sup>

Late in December Dallas resorted to a simple cryptographic code he periodically used with Ingham to inform him of the latest rumor concerning Biddle's continuing effort to win favor and support from prominent Jacksonians. Biddle and Cadwalader were supposed to have entertained Peggy Eaton at a family gathering in Washington and given her a silver snuff box "in order to have access to the palace." Dallas gave credence to the story only because he considered Biddle and Cadwalader mean enough to undertake anything. He further regretted that "petticoats should interfere with politics, one way or another," a reference not only to this rumored party but also the larger issues involved in the whole Peggy Eaton incident.<sup>24</sup>

Flushed with the success of the Ingham-Dallas reply, the ghost writer launched a second anonymous attack on the bank less than three months later. In an editorial for the *American Sentinel*, a Philadelphia Jacksonian newspaper controlled by the Family, Dallas focused on Jackson's first annual message which questioned "both the constitutionality and the expediency of the law creating this

<sup>22</sup>Nicholas Biddle to I. Lawrence, November 27, 1829; Nicholas Biddle to General P. B. Porter, September 25, 1829; Nicholas Biddle to Thomas Cadwalader, August 28, 1829; Nicholas Biddle to William B. Lewis, November 29, 1829; Biddle Papers, LC; Govan, *Biddle*, 118-119.

<sup>23</sup>George M. Dallas to Samuel D. Ingham, October 15, 1829, Dallas Papers, HSP.

<sup>24</sup>*Ibid.*, (in code) December 30, 1829. Dallas and Ingham used this code during Ingham's cabinet service to insure the privacy of their correspondence.



Bank" and declared that the bank had failed to establish a uniform and sound currency.

In analyzing the message, Dallas noted that many thought Jackson had spoken too prematurely and too critically of the bank. He defended the president's frank statements by posing to the readers the possible reaction had Jackson "suppressed his feelings until called upon to put his signature to the act of renewal, and then suddenly by his negative extinguished the corporation." Dallas concluded that Old Hickory was bound morally and officially to warn the nation of his objections far in advance of any such act.<sup>25</sup>

In frank private remarks to Ingham just prior to his editorial, Dallas commented on Jackson's reference to the bank and Democratic reaction to it and noted that the president was so doubtful as to the constitutionality and expediency of the bank that he would "not give his official sanctions to the act of renewal." He then gave his own opinion, long formed and repeatedly expressed, that the bank had become constitutional only because it was necessary and expedient. He hinted that the necessity and expediency, and hence the constitutionality, of the bank no longer existed.<sup>26</sup>

George M. Dallas remained so discretely silent concerning his anonymous authorship of Ingham's reply to Biddle and his own editorial in the *American Sentinel* that Nicholas Biddle raised no objections when the administration rewarded Dallas for these services by nominating him for a one-year appointment as a government director of the bank. On January 19, 1830, following confirmation by the Senate, Dallas was "duly initiated into the mysterious post of a Bank director."<sup>27</sup>

Biddle undoubtedly hoped that Dallas, as a former bank solicitor and a Jacksonian, would transmit bank policy to the administration in language it could understand and accept. Dallas, however, took the position for a different reason which he explained to Ingham, namely to furnish the administration with "prompt and satisfactory intelligence of any contrivances or connivances, injurious . . . to the fundamental principles of republican action." He also took the position for such practical considerations as an annual salary for relatively light duties and the favor he could gain with the adminis-

<sup>25</sup>Dallas's draft is in the Dallas Papers, HSP. The editorial appeared in the *American Sentinel*, December 12, 1829.

<sup>26</sup>George M. Dallas to Samuel D. Ingham, December 9, 1829, Dallas Papers, HSP.

<sup>27</sup>*Ibid.*, January 19, 1830, Dallas Papers, HSP.

tration and the party.<sup>28</sup> His activities as a government director are not known.

Meanwhile Dallas's political career advanced dramatically. The split between Calhoun and Jackson forced Ingham from the cabinet into retirement, and leadership in the Family passed solely to Dallas. The split also left the vice presidential candidacy undecided for 1832. Early in 1831 the Democratic leaders in the Southwark district of Philadelphia put George M. Dallas forward as a candidate for Pennsylvania's favorite son vice presidential nomination.<sup>29</sup> In December his career and his candidacy received further support when the Pennsylvania legislature elected him to the United States Senate to fill the unexpired term of Isaac D. Barnard. When the bank war exploded in 1832, then, Dallas's position was already firmly established in the Jacksonian camp. The president was apparently fully aware of the new senator's past anti-bank activities, his shift from the Calhoun-Jackson faction firmly into the Jackson camp, and the favorite son basis of his vice presidential bid. As 1832 progressed, Dallas's sponsorship of the recharter bill and his continued separate vice presidential bid in the face of Jackson's concerted effort to vindicate Van Buren certainly strained the Pennsylvanian's relationship with Jackson and the dominant faction of the party. Yet, through it all Dallas was able to maintain his Jacksonian stance. Even Thomas Hart Benton and Martin Van Buren could not deny his loyalty to Old Hickory.<sup>30</sup>

Late in 1831 Nicholas Biddle seriously began to consider repeated urgings that he seek recharter for the bank prior to Jackson's re-election. Biddle sent Thomas Cadwalader, a bank director and Biddle's special agent, to Washington in mid-December to ascertain the political expediency of seeking early recharter.<sup>31</sup> Dallas, traveling to Washington at the same time to assume his new senatorial duties, discussed the recharter possibilities with Cadwalader. The latter reported to Biddle that "the Senator . . . seems disposed to give all

<sup>28</sup>Samuel D. Ingham to Nicholas Biddle, October 5, 1829, *House Report* 460, 465; George M. Dallas to Samuel D. Ingham, December 3, 30, 1829, January 7, 12, 19, 1830, Dallas Papers, HSP. There is no further reference to his duties or conduct.

<sup>29</sup>Dallas pursued the nomination as actively as he could but lost it to his brother-in-law, Senator William Wilkins, on March 7, 1832, by sixty-seven to sixty-three votes. James Buchanan and Martin Van Buren also received votes during the early balloting. *American Sentinel*, March 7, 8, 9, 13, 1832; Wayne Davis to Nicholas Biddle, March, 1832, Biddle Papers, LC; Klein, *Pennsylvania Politics*, 314-315.

<sup>30</sup>Benton, *Thirty Years View*, I, 227; John C. Fitzpatrick, ed., *The Autobiography of Martin Van Buren* (Washington, 1920), 622.

<sup>31</sup>Govan, *Biddle*, 114.

the aid he can, tho' he hangs in doubt as to the policy of starting the application *now*, unless it can be ascertained that we have 2/3d." It was quite clear that Dallas still anticipated Jackson's veto. He agreed to sound out his brother-in-law, Senator William Wilkins of Pittsburgh, and Pennsylvania's congressman on the matter and report his impressions to Cadwalader. The following day Biddle learned that both senators opposed recharter "in this session . . . tho' both for at another time." Midway through his mission in Washington, Cadwalader found "W[ilkins] & D[allas] both torn with contending calculations—but I have reasons to believe they will consider State interest as paramount." He attributed their ambivalence to a desire to "aid the Palace men in disuading from moving the question this session."<sup>32</sup>

Before he returned to Philadelphia to brief Biddle on his findings, Cadwalader again approached the new senator about recharter and found him receptive to the suggestion that he sponsor and guide the memorial through the Senate. Cadwalader concluded that "Dallas, tho' young & inexperienced in legislative policy & practice, seems . . . to be the fittest man for our purposes in the Senate List—provided he [ould] be relied upon to push on the bill in the teeth of the Palace influence."<sup>33</sup>

The bank's special agent recommended immediate recharter to Nicholas Biddle for three reasons. First, he did not think the election would influence Jackson's decision since he sincerely doubted Jackson would ever sign the bill. Second, a veto of a recharter bill before the election would immediately make it a campaign issue which could rally all anti-Jackson forces. Finally, the anticipated great public outcry, in an election year, would produce the two-thirds majority necessary to override the expected veto.<sup>34</sup> Biddle added three considerations of his own: To delay the question until later would make it difficult to liquidate the bank if recharter failed at that time. He also believed Jackson desired to settle the issue since he had publicly mentioned it in three annual messages. Finally, Biddle believed any decision would be based on political rather than fi-

<sup>32</sup>Thomas Cadwalader to Nicholas Biddle, December 20, 21, 25, 26, 1831, Biddle Papers, LC; and Reginald C. McGrane, ed., *The Correspondence of Nicholas Biddle Dealing With National Affairs, 1807-1844* (Boston, 1929), 157, 161.

<sup>33</sup>Thomas Cadwalader to Nicholas Biddle, December 29, 1831, Biddle Papers, LC.

<sup>34</sup>Govan, *Biddle*, 172; Catterall, *Second Bank*, 217-218; Samuel R. Gammon, *The Presidential Campaign of 1832* (Baltimore, 1922), 127.

nancial grounds. To minimize the benefits for Jackson, it would have to be decided prior to the election.<sup>35</sup>

Even before a final commitment was made, Biddle began to supply the intended sponsor with materials to aid him in the recharter effort, including a copy of the Pennsylvania legislature's resolution supporting recharter passed the previous spring.<sup>36</sup> Undoubtedly Biddle sent this to bolster Dallas's sense of state pride and to impress upon him his role as Pennsylvania's ambassador to the federal government.

For his part Dallas had not been idle since his arrival in Washington. He actively sought out Jacksonians and old political friends to gain an intimate knowledge of the political scene. The new senator immediately noticed a lack of harmony among the Jacksonians and attributed it to "the want of concert. There is no leader in whose experience and ability all will unite in confiding; and the Southern gentlemen are adverse to any of that sort of consultation which has been termed caucussing."<sup>37</sup>

Early in January, 1832, Dallas learned from Henry D. Gilpin, his political protégé and successor as United States District Attorney, that the bank had decided to apply for recharter in that session of Congress.<sup>38</sup> On January 6 Dallas received the memorial from the board of directors to renew the charter. In his cover letter Biddle cited Dallas's recent conversations with Cadwalader, his long identification with the bank, and Pennsylvania's support as the compelling reasons for honoring him with the memorial. He urged Dallas to coordinate his efforts with those of George McDuffie, the House sponsor.<sup>39</sup> That same day Biddle indicated to McDuffie another reason for Dallas's selection: Cadwalader believed Dallas would be more inclined to resist postponement than General Samuel Smith, chairman of the Senate Committee on Finance. Under Dallas's sponsorship the memorial could also be entrusted to a special committee rather than the hostile finance committee.<sup>40</sup>

Senator Dallas did not rush blindly into Biddle's scheme for immediate recharter of the bank under his sponsorship. He carefully

<sup>35</sup>Catterall, *Second Bank*, 221.

<sup>36</sup>Nicholas Biddle to George M. Dallas, December 31, 1831, Biddle Papers, LC.

<sup>37</sup>George M. Dallas to Sophia Dallas (wife), December 25, 1831, Dallas Papers, HSP.

<sup>38</sup>Henry D. Gilpin to George M. Dallas, January 4, 1832, Henry D. Gilpin Papers, HSP.

<sup>39</sup>Nicholas Biddle to George M. Dallas, January 6, 1832, Biddle Papers, LC.

<sup>40</sup>Nicholas Biddle to George McDuffie, January 6, 1832, *ibid*.

weighed the pitfalls and dangers, the political and personal propriety, and the possible consequences of sponsoring recharter. He was disappointed that his urgings to delay recharter until after the election had been ignored. Although he considered himself compelled to sponsor recharter, he clearly saw the risks: "The President and all his Cabinet and all his friends are opposed to this movement at this time, and if made, they will consider it a political attack

. . . I run the risk of a controversy with the Cabinet, of constant attacks from my political friends, and of being misrepresented and misunderstood throughout the whole country."<sup>41</sup> He rhetorically asked Henry D. Gilpin if he could "decline, merely on party grounds, aiding an institution, of whose importance I am well convinced? To bring it forward is certainly contrary to my judgment:— but if they *will* advance, can I refuse to be their organ?"<sup>42</sup>

On January 9, 1832, scarcely three weeks after he assumed his senatorial duties, Dallas presented the Second Bank of the United States's memorial for renewing its charter to the Senate. He took that opportunity to state his own position clearly. He frankly wanted the Senate, the people of Pennsylvania, and the nation to know that he had discouraged early recharter because of its political overtones and the time remaining in the present charter. By deferring to the will of the institution and the sentiments of the Pennsylvania legislature in presenting the memorial, he was acting "virtually as an instructed agent."<sup>43</sup> Dallas considered his speech well-received but found the deep attention with which the senators listened to his maiden speech near upsetting.<sup>44</sup>

Dallas then moved for a select committee of five to sponsor the recharter memorial. The Senate elected Dallas chairman and Daniel Webster, Thomas Ewing of Ohio, Josiah S. Johnston of Louisiana, and Robert Y. Hayne as members. Hayne was the only open opponent of the bank.<sup>45</sup>

The memorial for recharter was a surprise to most members of Congress, few of whom anticipated the move prior to the presidential election. Those who knew of the intended application

<sup>41</sup>George M. Dallas to Sophia Dallas, January 6, 1832, Dallas Papers, HSP.

<sup>42</sup>George M. Dallas to Henry D. Gilpin, January 8, 1832, *ibid.*

<sup>43</sup>*Congressional Register of Debates*, 22nd Cong. 1st Sess. (Washington, D.C., 1832), 53-55.

<sup>44</sup>George M. Dallas Diary, January 9, 1832, in Charles J. Biddle, *Eulogy of George M. Dallas* (Philadelphia, 1865), 28. The diary of the senatorial period is not in any of the Dallas holdings.

<sup>45</sup>George M. Dallas to Nicholas Biddle, January 9, 1832, Biddle Papers, LC.

were quite disappointed by Dallas's indifferent support and his clear opposition to early recharter. He explained to the bank's officers that his rather lukewarm remarks were designed to prevent personal difficulty and abuse and to show his political consistency.<sup>46</sup> He believed this position allowed him to emphasize his role as Pennsylvania's ambassador to the federal government and to maneuver between the extremes of the bank and Jackson with sufficient latitude to emerge on the side of the winner. To protect his position further, Dallas sold the four shares of bank stock purchased in 1830 to enable him to serve as a government director.<sup>47</sup> Friends and political associates complimented him on his remarks and fully approved of and supported his intentions. Even Senator Thomas Hart Benton, a staunch opponent of the bank, viewed his remarks as "equivalent to a protest from a well-wisher of the Bank against the perils and improprieties of its open plunge into the presidential canvass."<sup>48</sup>

Dallas's efforts to maintain his neutral posture on recharter were severely tested over the next six months between introduction and passage. Thomas Hart Benton launched two premature attacks on the Senate floor; Dallas successfully rebutted both.<sup>49</sup> But Senate efforts to modify the charter and make it acceptable to both friend and foe were futile. Initiative on recharter passed to the House.<sup>50</sup>

Nicholas Biddle used every possible means to encourage Dallas into more of a pro-bank course, but to no avail. He sent Horace Binney, the bank's chief solicitor, to Washington to testify before the select committee and to prod Dallas. He also called Dallas's attention to the Pennsylvania legislature's February reaffirmation of its pro-bank resolution. Armed with these, Dallas was to approach Jackson, impress upon him Pennsylvania's opposition to his stand, secure his modification, and pass the memorial as an administration measure.<sup>51</sup> Dallas did not pursue Biddle's elaborate plan, refusing to

<sup>46</sup>*Ibid.*; George M. Dallas to Sophia Dallas, January 10, 1832, Dallas Papers, HSP; Catterall, *Second Bank*, 223-224.

<sup>47</sup>George M. Dallas to Henry D. Gilpin, January 25, 1832, Dallas Papers, HSP. Certificate of sale signed by Thomas Biddle, January 27, 1832, Dallas Papers, HSP; Henry D. Gilpin to George M. Dallas, January 27, 1832, Gilpin Papers, HSP.

<sup>48</sup>Henry D. Gilpin to George M. Dallas, January 11, 1832, Gilpin Papers, HSP; Benton, *Thirty Years View*, I, 227.

<sup>49</sup>*Register of Debates*, 113-156, 329-355; George M. Dallas to Henry D. Gilpin, January 25, 1832, Gilpin Papers, HSP; George M. Dallas to Sophia Dallas, February 8, 1832, Dallas Papers, HSP.

<sup>50</sup>Horace Binney to Nicholas Biddle, January 24, 1832, Biddle Papers, LC; George M. Dallas to Henry D. Gilpin, January 28, 1832, Dallas Papers, HSP.

<sup>51</sup>George M. Dallas to Henry D. Gilpin, January 15, 1832, George M. Dallas to Sophia Dallas, January 25, 1832, Dallas Papers, HSP; Horace Binney, February 6, 1832, Biddle Papers, LC.

“degenerate into a hateful partizan . . . . Do they really imagine,” Dallas protested, “that I can or ought to forget that I am a Senator, in order to become an advocate?”<sup>52</sup> Other Philadelphians did approach Jackson with Biddle’s scheme but found him noncommittal regarding modifications.<sup>53</sup>

The Senate select committee delayed presenting its “fairly manageable . . . Bank Bill” to the full Senate pending the House bill or the widely rumored administration modifications.<sup>54</sup> A House resolution appointing a committee to “examine into the affairs of the Bank of the United States . . . and to report the results of their inquiry,” ended all hope for early consideration.<sup>55</sup>

When Dallas learned of the House committee, made-up of Augustin S. Clayton, John Quincy Adams, George McDuffie, Richard M. Johnson, Churchill C. Camberling, Francis Thomas, and John C. Watmough, he suggested to Biddle that “the fiercest and fullest enquiry will be best.” Only full cooperation with the committee would prevent lengthy delays which would endanger passage prior to adjournment.<sup>56</sup>

Realizing that the House investigation would take six weeks, Senator Dallas reported his committee’s bill to the Senate. The major modifications included a fifteen-year charter, bank notes payable at all branches, non-bank property to be held for only two years, a two-branch limit in each state, and a million and one-half dollar bonus to the government.<sup>57</sup>

Dallas followed the House investigation very closely. During the six-week inquiry his opinion regarding the bank as a necessary financial institution and recharter underwent rapid and marked evolution. The day before he reported out his committee’s recharter bill to the Senate floor, Dallas was wholly with the bank. In the midst of the investigation one month later, he was “worried to death by the

<sup>52</sup>George M. Dallas to Henry D. Gilpin, February 5, 1832, Dallas Papers, HSP; Govan, *Biddle*, 181.

<sup>53</sup>Nicholas Biddle to Charles J. Ingersoll, February 6, 1832, Charles J. Ingersoll to Nicholas Biddle, February 9, 1832, Biddle Papers, LC; Catterall, *Second Bank*, 225; Gammon, *Campaign of 1832*, 131. Former Congressman Ingersoll and Congressman Henry Horn both approached the administration with Biddle’s proposal but met with no success.

<sup>54</sup>Charles J. Ingersoll to Nicholas Biddle, February 13, 21, 23, 1832, Biddle Papers, LC; George M. Dallas to Henry D. Gilpin, February 22, 1832, Dallas Papers, HSP; Govan, *Biddle*, 183; Hammond, *Banks and Politics*, 390.

<sup>55</sup>Benton, *Thirty Years View*, I, 236.

<sup>56</sup>George M. Dallas to Nicholas Biddle, March 15, 26, 1832, Biddle Papers, LC.

<sup>57</sup>*Register of Debates*, 530-558; George M. Dallas to Nicholas Biddle, March 13, 1832, Biddle Papers, LC.

incessant rumors as to the development of the Bank Committee." He was even more convinced that his advice to the directors to "put off application for a charter until the next session" would have been the wisest course. By the close of the investigation his evolution was nearly complete: "I expect the Bank to make me sick. The reports are dirty and disturbing beyond measure."<sup>58</sup>

The House committee finally concluded its investigation in mid-April. The majority report found numerous violations of the charter, especially concerning the branch draft system, loans to Congressmen, and loans to newspapers. The pro-bank minority issued a report refuting these charges. John Quincy Adams issued a separate report vindicating the bank. While these reports had little impact in Congress, the investigations from which they originated did embarrass the bank. Public opinion was swayed by the smoke, furor, and unanswered questions they raised.<sup>59</sup>

In the Senate Dallas announced his intention to call up the bank bill for consideration on May 23.<sup>60</sup> Nicholas Biddle arrived in Washington on May 21 and conferred with Secretary of State Edward Livingston and Secretary of the Treasury Louis McLane in a final effort to obtain an administration sponsored compromise bill. Failing in this, he co-ordinated floor procedures with Dallas and Webster in the Senate and McDuffie in the House.<sup>61</sup>

In calling up the bank bill for consideration by the Senate, Dallas reported that his committee's consideration of the House reports led it to believe there had been no misuse or violation of the charter by the bank. He then gave a capsule history of the bank and the ways in which it had fulfilled the aims and provisions of its original charter by providing a sound currency, acting as collector of the public revenue, and restoring and maintaining specie payments. In light of these facts, he announced, the committee made only minor changes in the charter to correct the imbalance and technical violations about which it learned. Dallas then presented the modifications and closed

<sup>58</sup>George M. Dallas to Henry D. Gilpin, March 12, 1832, George M. Dallas to Sophia Dallas, April 10, 12, 1832, Dallas Papers, HSP.

<sup>59</sup>Benton, *Thirty Years View*, I, 241; Govan, *Biddle*, 198.

<sup>60</sup>George M. Dallas to Sophia Dallas, May 15, 1832, Dallas Papers, HSP; George M. Dallas to Nicholas Biddle, May 15, 1832, Biddle Papers, LC; *Register of Debates*, 899-900. Dallas also moved that the Senate print 5000 copies of the House majority report as an indication that his committee did not believe the report damaging to the bank.

<sup>61</sup>Nicholas Biddle to George M. Dallas, May 19, 1832, Nicholas Biddle to Thomas Cadwalader, May 30, 1832, Biddle Papers, LC; George M. Dallas to Sophia Dallas, May 21, 1832, Dallas Papers, HSP; Catterall, *Second Bank*, 227; Govan, *Biddle*, 198-199.



with the opinion that the bank was constitutional and should be rechartered.<sup>62</sup> Well aware of the aroused public opinion regarding recharter and therefore quite concerned that his speech be properly reported, Dallas was quite disappointed with the wretched report in the *Telegraph*. He had not conceived it possible for a reporter to "omit so much, to disjoint so much, and to pervert so much." He was afraid he would "probably be put to the trouble of self-vindication by writing out for the *Intelligencer*."<sup>63</sup>

Daniel Webster followed Dallas's opening remarks with a two-day defense of the bank. Thomas Hart Benton led the opposition attack and called first for major revisions in the bill but finally urged postponement of the bill until the next session. Dallas labeled his own unrecorded rebuttal of Benton's proposals as "one of my happiest efforts."<sup>64</sup> After these set speeches other Senators proposed a multitude of amendments to the recharter bill. Those which were approved included a recharter bonus of \$200,000 a year, distributing that bonus to the states, allowing the bank five years to sell its real estate holdings taken as collateral in loan defaults, requiring the bank to receive the notes of any branch in payment of debt, and permitting the circulation of notes of less than \$50.<sup>65</sup>

On June 6 the bill was presented for a third reading. Three days later a motion for indefinite postponement failed by a vote of twenty to twenty-four, and the bill was ordered to its third reading. Senator Benton then delivered a final two-day speech against the bank.<sup>66</sup> With final passage evident from the numerous votes on amendments to the bill, Dallas took pride in his work and his moderate method of achieving his goal: "I see that I am congratulated in the newspapers about my course. No attack yet from any quarter. I think I am pretty safe. A straight forward mode of proceeding is always best."<sup>67</sup> On Monday, June 11, 1832, the Senate approved its recharter bill by a twenty-eight to twenty vote. As he voted, Dallas announced that he had divested himself of his bank stock at the beginning of the session

<sup>62</sup>*Register of Debates*, 943-950; George M. Dallas, *Speech of Mr. Dallas Upon the Bill to Modify and Continue the Charter of the Bank of the United States* (Washington, 1832). These public remarks do not agree with Dallas's private views regarding the bank's constitutionality expressed as early as December, 1829.

<sup>63</sup>George M. Dallas to Sophia Dallas, May 24, 1832, Dallas Papers, HSP.

<sup>64</sup>*Register of Debates*, 954-977; George M. Dallas to Sophia Dallas, May 28, 1832, Dallas Papers, HSP.

<sup>65</sup>*Register of Debates*, 1005-1008, 1033-1043.

<sup>66</sup>*Ibid.*, 1047-1071.

<sup>67</sup>George M. Dallas to Sophia Dallas, June 6, 1832, Dallas Papers, HSP.

and no longer had any personal interest in the bank.<sup>68</sup> On July 3 the House passed its version by one hundred six to eighty-four. The Senate concurred in a House amendment allowing all branches of the bank to exist in those states presently having more than two.<sup>69</sup> The measure then went to President Jackson. The danger of a veto loomed large, and Dallas warned the Family in Philadelphia to "keep . . . out of any precipitated expressions or proceedings."<sup>70</sup>

Senator Dallas found the veto "final and conclusive against any Bank—on constitutional ground as well as ground of expediency." He was upset, however, because the veto's basic arguments followed the logic and position of Isaac Hill and Thomas Hart Benton. Dallas was most concerned about the political impact of the veto in his own state: "How Pennsylvania is to stand the reductions of the tariff, the extinction of the Bank, the proclaimed denunciations of the Judiciary (which is a part of the veto) and the dead set made against manufactures and Internal Improvements (also a part) I cannot anticipate." He urged his supporters in Philadelphia to "think a great deal before you even express an opinion."<sup>71</sup>

Both Dallas and his fellow Pennsylvanian, Wilkins, dutifully followed the instructions of the Pennsylvania legislature and joined the Senate majority in voting to override Jackson's veto, but the twenty-two to nineteen-vote fell well short of the required two-thirds.<sup>72</sup> By this time Dallas had chosen his public course—he would support Jackson. "As to the Bank—let that go—We ought to have it, but we can do without it. The attempt to excite hostility to the Administration . . . will recoil." He urged his Family party members to organize a town meeting supporting Jackson and the veto. Virtually every prominent Jacksonian in the city signed the call for the meeting.<sup>73</sup>

Between fifteen and twenty thousand people jammed Independence Square to attend the rally, the largest to that date. Congressman Henry Horn, president of Old Hickory Club #1, opened the meeting with a justification of his vote for recharter as

<sup>68</sup>*Register of Debates*, 1073.

<sup>69</sup>*Ibid.*, 1175; George M. Dallas to Henry D. Gilpin, May 24, 1832, Dallas Papers, HSP.

<sup>70</sup>George M. Dallas to Henry D. Gilpin, May 24, 1832, Dallas Papers, HSP.

<sup>71</sup>*Ibid.*, July 10, 1832, Gilpin Papers, HSP; George M. Dallas to Sophia Dallas, July 9, 11, 1832, Dallas Papers, HSP.

<sup>72</sup>*Register of Debates*, 1296.

<sup>73</sup>George M. Dallas to Henry D. Gilpin, July 13, 1832, Gilpin Papers, HSP; *American Sentinel*, July 24, 1832.

the expression of his constituents. Most Pennsylvania Jacksonians who had supported the bank now adopted the same argument. Charles J. Ingersoll, George M. Dallas, George Phillips, and James Page all expressed this same theme of continued support for Andrew Jackson. Dallas reminded his audience that his sponsorship of recharter in the Senate and his veto to override the veto were "instructed" actions. His support of the veto now was a personal action, and he cited his speeches against recharter during the congressional session, the charges of misconduct by the bank brought out by the congressional investigation, and Jackson's reasons as stated in the veto to justify his position. Above all he cited his continuing support for Jackson, bank or no bank.<sup>74</sup>

The elections of 1832 produced a rather unique but temporary circumstance for Pennsylvania's Democracy—unity. The numerous factions formed a grand alliance to meet the new vigor and strength of their anti-Masonic and allied rivals and to offset any defections resulting from the veto. The Family headed the alliance. It controlled both senatorial seats and the state's favorite son vice presidential nomination and exercised the predominant influence with the governor. Dallas discretely remained in the background in 1832, allowing others to make the speeches and write the pamphlets and editorials. He stressed senatorial dignity as the bar to active campaigning, but it was the bank issue which made his personal participation a dubious asset to the Democratic cause.

The state election returns in October gave the Democrats slim majorities in most contests including the re-election of Governor George Wolf. Family members rationalized that the narrow victories would force Democrats into greater unity and vigilance throughout Wolf's second term to insure Democratic victories in 1834 and 1835. His victory also ended all doubts concerning a third Jacksonian victory in Pennsylvania in spite of the bank veto.<sup>75</sup> The November returns gave early and decisive indications of that fact.

Following the elections Senator Dallas announced his intention not to seek re-election. He based his retirement on domestic obligations, personal inconvenience, and the desire for democratic rotation in office. His withdrawal was also prompted by political reasons—

<sup>74</sup>George Plitt to James Buchanan, August 1, 1832, James Buchanan Papers, HSP; George M. Dallas to Bedford Brown, August 1, 1832, in *Trinity College Historical Papers*, VI, 68, quoted in John S. Bassett, *The Life of Andrew Jackson* (New York, 1925), II, 621.

<sup>75</sup>Henry D. Gilpin to Louis McLane, ca. October 20, 1832, Gilpin Papers, HSP.

the Democratic party's grand alliance had lasted only through the elections and had already evaporated so that the party was again so factionalized that his re-election by the legislature was doubtful. The failure of the legislature to elect a successor until December, 1833, confirmed this suspicion and the wisdom of his decision. Voluntary retirement conveyed a better image than defeat, uncertainty, or a bare majority victory after bitter and lengthy balloting. Dallas expressed satisfaction with his decision: "I believe I have wisely chosen the period of victory to express my determination not to be re-elected to the Senate. Our newspapers are noticing my retirement in a very complimentary manner."<sup>76</sup>

<sup>76</sup>George M. Dallas to D. S. Hassinger, December 4, 1832, Dallas Papers, HSP. This letter reaffirms his earlier decision and reflects a second refusal to the Democratic legislators' pressure to stand for re-election. See also the *Easton Democrat*, December 6, 1832; George M. Dallas to Sophia Dallas, December 6, 1832, Dallas Papers, HSP.