JOHN SERGEANT'S MISSION TO EUROPE FOR THE
SECOND BANK OF THE UNITED STATES:
1816–1817

BY JULIAN P. BOYD

In the forefront of famous American court-room advocates of the first half of the 19th century stood John Sergeant of Philadelphia. At a time when a single pleading before the Supreme Court often took three or four days, drew the critical gaze of the whole nation through the daily press, and crowded the stuffy little court room with fashionable ladies, congressmen, lawyers, and others who admired legal forensics couched in "chaste rhetoric embellished with classical figure," he, with Binney, Webster, Emmet, Clay and others helped to dramatize many a lawsuit that otherwise might have been dull. Being small in person and having an undistinguished voice, Sergeant had little in common with those typical leaders of the bar who, like strutting generals, sent forth in unending procession whole battalions of argument, duly marshalled and dressed in precise attire, attacking and counter-attacking to the accompaniment of what at times might

---

1 This article is based primarily upon the John Sergeant Papers and Sergeant manuscripts found in other collections in The Historical Society of Pennsylvania and upon such printed sources as the following: *Select Speeches of John Sergeant of Pennsylvania* (Philadelphia, 1832); R. C. H. Catterall, *Second Bank of the United States* (Chicago, 1902); *A Brief Review of the Origin, Progress, and Administration of the Bank of the United States to the present time; Respectfully submitted to the stockholders by a friendly monitor* (Philadelphia, 1822); *Speech of Mr. Sergeant delivered in the House of Representatives, February 22, on the Bank of the United States* (Washington, 1819); W. G. Sumner, *History of Banking in the United States* (New York, 1896); D. R. Dewey, *Financial History of the United States* (New York, 1903); A. P. C. Griffin, *List of Works Relating to the First and Second Banks of the United States, etc.* (Washington, 1908).
well pass for a semblance of heavy cannonading. John Quincy Adams thought that Sergeant’s speech in the Cherokee Cases was "cold and dry" and he said that the ladies listened to it with exemplary patience. But these facts only serve to emphasize the brilliancy of a reputation at the bar won by strategy and searching intellectuality rather than by histrionic pleading. Sergeant’s arguments in such notable cases as Osborn vs. Bank of the United States, Worcester vs. Georgia, and the Girard Will Case—the last of which brought him an offer of a place on the Supreme Court bench—have been duly applauded and somewhat extensively recorded both in contemporary and subsequent print, though no one has taken advantage of the rich opportunity for a full-length study of his legal career. One of his significant achievements has evidently escaped all mention by historians, and it is deserving of at least a footnote in our fiscal annals. His embassy in Europe for the Bank of the United States is, moreover, a story worth telling.

The expiration of the charter of the First Bank of the United States in 1811 had brought a great increase in the number of State banks during and following the War of 1812. Their mushroom growth had resulted in a tremendous inflation in their circulating notes, so that within a short time few of them were specie-paying institutions. Niles’ Weekly Register constantly referred to the great number of banks and said that "the present multitude of them in the United States

---

2 Charles Warren, The Supreme Court in United States History, II. 207.

3 H. A. Wise, in Seven Decades of the Union, p. 219, says that President Tyler offered the vacancy first to Sergeant and then to Binney and that each declined on account of age and urged that it be given to the other; this is doubted by C. C. Binney in his Life of Horace Binney, but it is accepted by Warren, op. cit., II. 387, and by Carson, Supreme Court of the United States, p. 325.

is no more fitted to the condition of society than a long-tailed coat becomes a sailor on shipboard.' According to the report of a committee of the Pennsylvania legislature in 1820 money was so profuse that bankers could not find a demand equal to their power to produce notes, and it was said that not infrequently individuals were urged by banks to become borrowers "under promises of indulgences the most tempting." In an able speech to Congress in 1819 John Sergeant summarized the dangerous condition of the financial structure:

We had a currency, or rather . . . currencies, local in their circulation, and variously depreciated in different parts of the Union; in some quarters of the country as much as 20%. We had no general currency: none that would circulate freely everywhere. The effects were already very manifest and threatened to increase, to say nothing of the obstructions and difficulties which were thrown in the way of domestic commerce. . . . The revenue of the government was received in the paper of the State banks; its debts were paid in the same paper. . . . Its funds were not transferable from place to place, according to wants, but confined in their use to the local limits which bounded the circulation of the paper in which they happened to be paid.

To remedy this situation the Second Bank of the United States was chartered, and John Sergeant, as the representative in Congress from Philadelphia, began his long period of usefulness to the Bank by supporting the joint resolution which authorized it to begin operations. It was no doubt a warranted appreciation of this legislative aid as much as it was Sergeant’s official position and private standing that won him a place as one of the Federalist members of the board of directors of the Second Bank.

---

5 October 26, 1816.
7 Speech of Mr. Sergeant delivered in the House of Representatives, February 22, on the Bank of the United States (Washington, 1819).
8 Sergeant stood fourth in a list of thirty-eight candidates, and received 68,394 votes; Niles’ Weekly Register, November 9, 1816.
Probably no one on the board appreciated better than Sergeant the appalling obstacles that lay ahead. "The task was a fearful one," he wrote in later years, and though this statement was made for political effect in behalf of the Bank, it is borne out by the facts. The first task that faced the Bank was that of putting the nation back on a specie-paying basis, or, in more modern language, on a gold standard. The fate of the national credit was bound up with the Bank's fate: more than $11,000,000 of public deposits were in the State banks. These credits were to be transferred to the Second Bank, and all payments by it to the government were to be made in specie. The joint resolution creating the Bank, moreover, required that it must go into operation by the first Monday in April, 1817, or forfeit its charter. To put its own and the national credit on a firm basis and to check an accelerating inflation in the space of a few months was indeed a fearful task. It is possible that a failure to appreciate fully the monumental obstacles facing the Bank has led to an overemphasis by historians of the charge of gross mismanagement of its affairs during the administration of William Jones. Perhaps there was something more than mere political propaganda in Sergeant's complete statement: "The task was a fearful one; and the manner in which it has been executed, when it comes to be fairly developed, will seem little short of marvellous." For John Sergeant was an honest, devout, sincere man, who was given neither to large exaggeration nor to deceptive propaganda, and, for that matter, his words do not stand entirely unbuttressed.

Obviously, to put the country back on a specie-paying basis, specie had to be called out of hiding whence it had been driven by inflated paper currency, or, in

---

*Sergeant's Mission to Europe: 1816–1817*

---

9 *Speech of Mr. Sergeant . . . February 22 [1819], etc.*

10 Catterall, op. cit., pp. 23–24.
the face of an adverse trade balance with Europe, purchased abroad. The latter indeed seemed the only way. Perhaps, as Catterall says, the amount of specie kept on hand by the Bank during its first years was "pitiably inadequate." No doubt it was also disadvantageous to the Bank to import specie from Europe and was therefore a "foolish task . . . foolish because the Bank bought at an advance in Europe and sold at a loss in the United States. This was bailing water with a sieve." 11 But a sieve, apparently, was the only instrument at hand. European bankers, from whom specie would have to be obtained, must have known of this advantageous market for their hard money. They must also have known of the desperate need of the Second Bank for putting the nation back on a specie-paying basis. This knowledge must have dictated to them the wisdom of advancing the price of specie as much as possible. If, therefore, specie-payment was the most important task before the Bank, obtaining specie at as near to par as possible was the most delicate and the most severe problem to which it could address itself. All this would have to be done quietly, almost secretly, to avoid raising the price of loans and of specie, and, to make the problem still more difficult, would have to be done swiftly. Specie should start coming in by the spring packets if the Bank were to begin operations and pay the government in gold and silver.

The first move was made by the London bankers, showing that they were all too keenly aware of the situation. The Baltimore Patriot reported in November, 1816, that it had received word "from the very best authority" that an agent in this country representing "certain highly respectable merchants in London" had offered to supply the Bank of the United States with $10,000,000 in silver at 4s.8d. sterling per

---

dollar, which the Bank was to pay for at any time convenient to itself at 5% interest in London, and which was to be secured by United States six per cent bonds owned by the Bank. 12 "We understand," said the Patriot, after pledging itself to guarantee the accuracy of the account, "that the bank will probably accept the offer, at least a large portion of the amount. This will render specie abundant in the country, and produce better times for the community." Niles' Weekly Register reported that it was expected this offer would be accepted, and added: "We fondly hope . . . we may have some little more regularity and order in business than we have lately had." 13 These editors were correct in their information that the Bank had been approached by a London house, but as the subject was developed it was seen that two different understandings of the offer prevailed in London and Philadelphia.

The task of making these loans and of contracting in Europe for specie was one that would tax the abilities of an experienced diplomat in fiscal matters. His task would be to borrow from bankers who already knew or guessed too much without letting them know how desperate his need actually was. He would have to go into the bullion market without letting the merchants know how much specie he wanted or whether, in fact, he wanted any very badly. His bargaining, too, would have to be carried on with the leading bankers of the world, in whom the Old Lady of Threadneedle Street had been developing a technique of banking diplomacy for generations and whose slightest financial whispers often reverberated like thunder down the corridors of European chancelleries. He would, of necessity, be the financial emissary of a young and not too lusty nation, but recently the antagonist in two wars of the power he sought to borrow from and tra-

12 Quoted in Niles' Weekly Register, November 16, 1816.
ditionally its rival in matters of trade. He would go as the agent of a newly-created and not yet operating corporation, without experience, without sure knowledge of its own future, without reputation to bargain upon, almost without anything save the desperate need within the nation and within its own gangling structure, and this must be concealed as much as possible. John Sergeant, thirty-seven years old, quiet and scholarly in nature, a student of finance, of law, and of men, was the person upon whose shoulders this trying task fell.¹⁴

The choice was a wise one. Sergeant had been identified with politics in Pennsylvania, first as a McKean-Jefferson Republican and later as a Federalist. In the Pennsylvania legislature he had distinguished himself by his interest in banking and his pioneer work for internal improvements. Though still young, he was recognized as one of the leaders of a famous Philadelphia bar, and, but recently elected to Congress, he was in his public capacity well fitted to aid the Bank in such a mission. His ancestry on both sides was distinguished: his father's family came from New England and included the noted missionary John Sergeant. His father, Jonathan Dickinson Sergeant, had been an ardent Revolutionary leader in New Jersey and Pennsylvania. On his mother's side was Jonathan Dickinson, first president of the College of New Jersey.

His selection was made almost as soon as the board was organized. Instructions were in process of preparation while he made necessary personal arrangements. A European journey was not a thing to be undertaken lightly. Letters of introduction must be secured, a secretary must be obtained, scores of favors for friends from conveying letters to buying London dolls had to be undertaken or denied. Sergeant must not forget his obligations either as a member of Con-

¹⁴ *Niles' Weekly Register*, November 30, 1816.
gress or as a family man; he must squeeze every possible cultural benefit out of this rare event, and he would want to visit some of the ancient halls of learning. Westminster and Versailles, of course, must be included in his itinerary, but he must never permit these interests of a personal nature to interfere with his great task. Into his packet went a letter to the famous Dr. Thomas Brown, professor of moral philosophy at Edinburgh; another to Professor E. D. Clarke of Cambridge, commending the bearer for his literary attainments as well as his political standing; and still another to Lafayette. The East India Company would have a great deal to say about the market price of silver in London, and so a letter to the chairman of the board was included, introducing Sergeant as a "gentleman of standing in the Councils and influence in the monied establishments of this country." His official status was still further enhanced by an open letter from Secretary of State James Monroe to American ministers and consuls in Europe, with which various confidential dispatches were included. Letters to Baring Brothers and Reid, Irving and Company of London, to Messrs. van Eeghen and Company of Amsterdam, to Barber and Company of Liverpool, and to other European bankers constituted his chief documents. He was described in these letters as "a gentleman of great respectability," "one of our first law characters," "representative in Congress . . . and member of the Board of Directors of our National Bank," "a distinguished character in this country."\(^{15}\)

But the chief document that Sergeant tucked away in his small trunk was that given to him by President Jones dated December 4, 1816. This document detailed the objectives of his mission. By it he was instructed to proceed at once to England, to procure $5,000,000

\(^{15}\) These letters are in the John Sergeant Papers, The Historical Society of Pennsylvania.
in specie, for which he was to negotiate a loan secured by funded six per cent government bonds which Sergeant carried with him, and to arrange a London agency for the Bank where European dividends could be paid. Of the $5,000,000 in specie, $2,000,000 were to be engaged at once. The object of the mission, his instructions stated, was primarily to place in the vaults of the Bank, as soon as possible, "such an amount of specie as shall command confidence." Sergeant was instructed to make the loans and purchase the specie in London if possible, but if not to proceed to Paris or Amsterdam and make similar efforts there. On December 9, the board of directors held another meeting and decided that Sergeant should engage $3,195,000 in specie to be shipped at once instead of the $2,000,000 originally designated.

So much did Sergeant enjoy the confidence of the board of directors that he was not limited in his instructions as to the rates he was to pay for the specie, though he was probably bound by verbal instructions not to exceed a certain limit. This is indicated by a letter which he sent to President Jones just as he was on the point of embarkation. "It has been suggested by some gentlemen," wrote Sergeant, "That the mission to England ought not on any account to be allowed to fail, and that, for a limited sum, the Bank ought not to be restrained by price, a loss of that kind being deemed preferable to the permanent injury the credit of the Bank might suffer from not obtaining any specie." Such a communication authorizing Sergeant to purchase a limited supply of specie at any price might, if lost in the precarious mail service, fall into

---

17 Ibid. Sergeant's power of attorney from the Bank was dated December 10, 1816.
hands that would profit from such knowledge. It was then too late to establish a cypher for confidential communications between Sergeant and the Bank, but he suggested a cryptic sentence to be employed in this one instance if the directors thought his suggestion wise. He took care to protect himself by asking Jones to make any resolutions to this effect full and explicit.  

Sergeant sailed on the Superior about the middle of December. Arriving at Liverpool on January 18, he handed the port authorities a special passport given to him and Lieutenant John Watmough, his secretary, showing that they were on a mission "connected with the public interest." This document Sergeant hoped would permit them to avoid the delay of having their baggage unloaded according to slow routine, but it was January 22 before he was able to set out for London. In his satchel on that journey he carried $3,195,000 worth of government bonds, his trump card in the game which he as official representative of the Bank of the United States and eight allied banks in Pennsylvania had to play for the preservation of the American banking system.

As soon as he had landed at Liverpool, he had dispatched a letter to Baring Brothers, desiring an interview with Alexander Baring, senior partner of the house, and another to President Jones saying that the London money market looked favorable for his enterprise. But having arrived in that center of finance, he found on January 26 that his mission would inevitably be attended with even "more difficulty in

---

19 John Sergeant to William Jones, dated at Philadelphia, December 12, 1816. In the Etting Collection, Bank of the United States, I. 92, The Historical Society of Pennsylvania. "A letter from you, simply stating, that the Board assent to the suggestion in my letter of the 12th Dec. 1816, to the extent of (whatever the sum may be) will be considered, to the amount specified, as an order to regard no limitation of price. . . . P.S. Be good enough not to omit the underscore."  

20 Sergeant to William Jones, January 22, 1817; John Sergeant Papers.
negotiating a loan than we were led to suppose.”\(^{21}\) Alexander Baring was in Paris, attendant upon the negotiation of a French loan of such size that unfavorable comment had been made in Parliament and in the public press, and it was not known when he would return. Sergeant therefore called upon Reid, Irving and Company, and Thomas Reid urged him to keep silent about the purchase of specie, as any news of his object would tend to raise the price. From Sergeant’s subsequent negotiations with the house of Reid, Irving and Company it appears that this sage counsel was not given altogether out of solicitude for Sergeant and the Second Bank. In any event both Sergeant and Reid were disappointed on this point, for the newspapers soon published accounts of his arrival and the price of silver rose. “The arrival of Mr. Sergeant . . . is mentioned in the London papers,” reported Niles’ Weekly Register, “and dollars are said to have risen in consequence.”\(^{22}\) Sergeant attributed the rise in price to other causes as well, notably the French loan which was being arranged by Alexander Baring and the arrival of the spring fleet of the East India Company, though he added that “the rumor that I had come for a large amount was not without its influence.”\(^{23}\)

During these preliminary conversations with Reid, Irving and Company pending the return of Alexander Baring from France, Sergeant discovered from the senior partner that previous communications of Reid, Irving and Company to the Bank had been misunderstood. This fact made such unpleasant impressions on Sergeant’s mind so far as this particular house was concerned that he wondered if the assurances had ever been given in good faith. He thereupon asked for a copy of the letter to the Bank. After some delay, this was secured, but the firm said that inasmuch as the

\(^{21}\) Sergeant to William Jones, January 26, 1817; John Sergeant Papers.

\(^{22}\) March 22, 1817.

\(^{23}\) January 26, 1817.
letter was a private and confidential communication they would have to ask that he report only its substance and not its exact phraseology. The nature of these conversations with Reid, Irving and Company served to increase his original leaning toward Baring Brothers and he prudently kept the former house ignorant of some of the important aspects of his mission. Meanwhile, time was passing and the price of silver was rising.

Finally, on February 21, almost a month after Sergeant had reached London, Alexander Baring returned from France and that same evening Sergeant had an appointment with him at his home to discuss the objects of his visit. Baring was probably worn by travel, and Sergeant was desperate because of the valuable time that had been lost. How adroitly the young lawyer stated his case or with what finesse he urged the loan must be left to conjecture along with that multitude of unrecorded decisions that take place in the quiet of libraries or studies before becoming historical by public pronouncement. But at any rate Sergeant failed to convince Baring that such a loan could be made at that time; courteously but firmly Baring declined the request, stating that his house, on account of political considerations, would have to be very cautious in the matter of foreign loans. It was at least plausible that an American loan following so close on the heels of the French loan which had been so strongly criticized in the press and in Parliament would draw still further unpleasant attention and would perhaps be injurious to the house making the loan. Sergeant knew that his mission would have political effects, and he wrote that he dared not even attend Parliament for

24 Sergeant to Jones, February 12, 1817.
25 In a letter dated November 29, 1933, Messrs. Baring Brothers & Co. inform me that their records throw no light upon Sergeant's negotiations.
his presence in the gallery would certainly be commented upon in print.

However, he continued his negotiations with the two houses, and within the next few days Baring Brothers apparently decided that they might do in conjunction with Reid, Irving and Company what they dared not attempt alone. From the two houses he received a proposal which revealed how clearly the London bankers appreciated the difficult position he was in. They offered a loan of $3,200,000 for two years at 5%, plus a commission of $160,000 for making the loan and buying the dollars. They would agree neither to buy the specie at a given rate nor to furnish it at a specified date, yet the interest and commission on the loan would have to be paid from the date of making the contract. The statement of the terms must have filled Sergeant with dismay, yet he kept his counsel and wisely asked that the terms of the proposal be reduced to writing. This he secured the next day and was further dismayed to note what he thought was a characteristic inconsistency between the verbal and the written representations of Reid, Irving and Company. In view of the terms of the proposal this seeming evidence of want of good faith or, at best, of incautious statements, was particularly disturbing to Sergeant, for the conditions named were such that all power rested with the bankers. Nevertheless, Sergeant deliberated over the contract and possibly, on account of the valuable time that had already elapsed, considered its acceptance. On February 27 he wrote the Bank that he had declined the offer.

In explaining his action to President Jones, Sergeant said that he did so because of the hard terms that were asked of the Bank, being worse than those an ordinary bank of deposit would ask of an individual: the commission for making the loan and buying the specie was exorbitant, the Bank would have to
pay interest on $3,200,000 from the date of making the contract, and despite this it could not be certain when it could use any of the specie or at what cost it might be obtained. In short, the terms would put the Bank in the hands of the contractors who, if wanting in faith or even in discretion, might leave the Bank at the end with the loss of loan, interest, and commissions. Even by their utmost exertions and by using great discretion, the bankers, Sergeant thought, could obtain specie only in small quantities and at an unknown cost. "I hope I entertain no unjust suspicions," wrote Sergeant as he closed his despairing letter; but he emphasized the fact that Reid, Irving and Company would not contract to deliver dollars at a given rate.

Before going to the Continent Sergeant made one more attempt to plumb the London money market. Smaller houses, he thought, might be induced to form a pool and make at least a part of the loan. Thomas Wilson and Company were consequently led to make a temporary loan of $500,000. In addition, Sergeant was brought to believe that through "two other respectable houses" in London the Bank could get $3,195,000 in such amounts as called for, at a rate of 5% only on such sums as were called for, and at a commission of 5% on the loan. Preparations were made through these smaller houses to have the markets in Amsterdam and Paris sounded through secret agents, and Sergeant set about to leave for Paris around March 1.

Then, on February 27, the agent for the Second Bank received a surprise in the form of a note from Reid, Irving and Company. That firm expressed regret that the negotiations had been broken off and suggested that in the mode of paying interest some modifications of the former terms might be made. To this Sergeant on the same day sent what would at first glance appear to be an indifferent dismissal of the
subject. Yet a careful inspection of the original draft of his letter, containing many interlineations and changes, shows that he exercised great deliberation in drawing it, and, completed, it shows traces of the hand of a diplomat. He replied in effect that the manner of paying the interest was of small consequence, and, this being so, he particularly regretted that Reid, Irving and Company had opened the negotiations again with such an offer. For, as the matter waived was so comparatively unimportant, it would appear "on the other side" as if in the conversations "everything had been pressed to the utmost against the Bank." This, he thought, would unavoidably create unpleasant feeling, which would be worse than if the loan had been peremptorily declined. Having dispatched this answer, and probably hoping fearfully that his dismissal of the subject would provide a reopening, Sergeant departed for the Continent, whence were coming reports that made his mission look all the more discouraging.

The first week in March he was in Paris, but even though aided by Thomas Wilson and Company his efforts there were unavailing. A secret agent who had been sent to Amsterdam reported that very little if any specie could be obtained and that efforts to get a large amount would send the price up at once. Sergeant returned wearily to London, discouraged and disappointed. There was nothing to do but reopen the conversations with Baring Brothers and Reid, Irving and Company. Counting on the good will of Baring Brothers toward the Second Bank and the eagerness of Reid, Irving and Company to execute a profitable contract, it was possible that some modifications of the former stringent conditions might be secured. On this phase of the negotiations documents are lacking, but on March 7, Reid, Irving and Company and Baring Brothers sent Sergeant a letter which, in the light of

---

26 Sergeant to Reid, Irving and Company, February 27, 1817.
the terms first asked, bears strong testimony to the success of his conversations with the two houses. Both firms agreed to contract for delivery at convenient ports in America within six months $3,195,000 in silver dollars at 4s.8d. sterling per dollar. This included all charges in the negotiation necessary for purchasing the specie and shipping it from wherever it could be bought. There was to be no formal loan, though the payment for the specie was to be deferred until January 1, 1819, with interest at 5% to be paid only on the amount of specie from the time it was bought. There were to be no commissions or other charges.²⁷

These terms were harder than the Bank or Sergeant had hoped to get, but they were exceedingly different from the terms that the two houses had first proposed. "I had no choice," wrote Sergeant to Jones, "but to accede to these terms or leave the object entirely unaccomplished."²⁸ Accordingly on March 8, he asked that the contracts be drawn up stating these terms. This was done and, on March 12, in the spacious rooms of one of England’s famous banking houses, a group of nine London bankers formally signed the thick parchment document with the lone representative from America and affixed seals opposite their names.²⁹ Dollars shortly after rose in the London market to 5s.1d. and to a still higher quotation in Amsterdam, thus testifying to the opportune moment of signing and to the difficulties which the two contracting houses were meeting with. Sergeant could now relax, his mission accomplished—not on terms that he desired, but on the best that could be got.

"The two houses," wrote Sergeant to President Jones two days later, "will execute the contract with as much rapidity as possible, and I think you will re-

²⁷ Reid, Irving and Company and Baring Brothers to Sergeant, March 7, 1817.
²⁸ Sergeant to Jones, March 14, 1817.
²⁹ An original copy of the document is in the Sergeant Papers.
Sergeant's Mission to Europe: 1816–1817

ceive a part [of the specie] before the first of July.” Baring Brothers and Reid, Irving and Company gave Sergeant “the most positive assurances” that the specie would be shipped without delay. But the London silver market continued to advance. By April 22 the price had again subsided to 5s.1d. and on that day Sergeant had a conversation with Alexander Baring. “He thinks a considerable quantity will be got at Lisbon, and perhaps some may now be on their way to the United States. He has written to his house, repeating what he had before said, that they must execute the contract, if possible, without regard to price, and,” concluded Sergeant, “I have no doubt that he is sincere.” Sergeant had no cause to yield this opinion in the following months. “So far as respects the house of Baring Brothers,” he wrote on June 13, “I am happy to say, that I believe they have fairly and faithfully endeavored to execute the contract.” At Lisbon, Leghorn, and Gibraltar that firm secured something more than $400,000 in specie, endeavoring to fulfill their contract even though it meant loss. But, Sergeant reported, Reid, Irving and Company, to whom had been allotted the markets of London and Gibraltar, had not procured a single dollar, despite the fact that half of the time stipulated in the contract had elapsed. This was the more to be wondered at in view of the fact that they might have purchased a large quantity without incurring a loss. Meanwhile President Jones had written Sergeant that the directors had approved his “comprehensive, luminous, and satisfactory” report, and he had added: “We shall look with solicitude for a liberal supply of specie in June.”

---

30 Sergeant to Jones, dated at London March 14, 1817; Etting Collection, Bank of the United States, II. 29.
31 Sergeant to Jones, March 16, 1817; ibid., II. 30.
32 Sergeant to Jones, dated at Paris, April 23, 1817; ibid., II. 44.
33 Sergeant to Jones, London, June 13, 1817; ibid., II. 48.
34 Jones to Sergeant, April 29, 1817; John Sergeant Papers.
same time that Reid, Irving and Company wrote Sergeant that neither they nor Baring Brothers had been able to secure a single dollar, *Niles' Weekly Register* gave a glowing account of the termination of Sergeant's mission:

Our readers will all recollect that Mr. Sergeant went to England . . . to negotiate an exchange of United States' stock for specie —and they will learn, with pleasure, that he has entirely succeeded, and on the most advantageous terms. The precious metals, on private account, are also flowing in from all quarters, especially from England. It may be fairly presumed, from what we see in the papers, that from 800,000 to 1,000,000 of dollars arrived in the United States, from that country, within the period of the last week.85

Niles thus helped to strengthen confidence in the Bank by a judicious use of "also" which implied that the Bank was receiving its share of specie along with that which flowed in on private consignments in the ordinary course of trade. But it was not until July 30 that the *Saunders* docked at Philadelphia with specie from Leghorn to the amount of $46,119, the first consignment from Baring Brothers. The Lisbon and Gibraltar shipments came in within the next fortnight, totalling $154,000, and when the *Inconstant* from Jamaica put in at New York on August 15 with $402,000 on board, Niles exclaimed: "Specie is pouring in from all quarters."86 In August and September a total of more than $1,300,000 in specie arrived from the London agents, but in the next six months only $890,000 came in under the contract with Baring Brothers and Reid, Irving and Company. On November 27 President Jones wrote the Boston branch of the Bank:

I perceive that your specie is fast diminishing and am aware of the necessity of replenishing your vaults as early as possible, but as we find it very inconvenient to press our debtor Banks under existing circumstances, it will be necessary to spin out your resources with the utmost economy until we are reinforced

---

85 Reid, Irving and Company to Sergeant, May 15, 1817; John Sergeant Papers; *Niles' Weekly Register*, May 3, 1817.
86 *Niles' Weekly Register*, August 16, 1817.
from abroad which we hourly look for at New York to a large amount, and shall on its arrival supply your office liberally.\textsuperscript{37}

In the face of this need it became necessary to arrange new agencies in Jamaica, Paris, and London. By the spring of 1818, more than six months after the limit set in the contract signed by the two houses on March 12, 1817, Baring Brothers and Reid, Irving and Company had sent to America only $2,200,000 in specie, or about two-thirds of the total amount contracted for. Thomas Wilson and Company, who had been friendly to Sergeant in the early days of his mission, came to the rescue of the bank in 1818 and furnished $675,000 in gold and about $3,000,000 in silver. During the same period Thuret and Company of Paris sent about $500,000, and the Jamaica agents forwarded some $940,000.\textsuperscript{38} But by this time John Sergeant, who had laid the foundation for the foreign agencies, was serving the Bank in Congress and at the bar.

Before leaving Europe he set out on a wide circuit with his letters of introduction to famous persons and men of learning. He went to Antwerp, Amsterdam, Rotterdam, perhaps to Scotland, and then back to London. In each of these places, although his mission was technically at an end, he did all he could to assist Baring Brothers and Reid, Irving and Company in securing specie. He was deeply affected by the attitude of the latter house, and it was no doubt with this in mind that he closed his last report to President Jones, and with it his embassy, with the statement that he would remember the enterprise mainly for "the painful solicitude which untoward circumstances induced in the object of my mission."\textsuperscript{39}

\textsuperscript{37} Jones to W. Gray, Etting Collection, Bank of the United States, II. 62. On December 8 a ship from Jamaica arrived with $401,000 on board, and $150,000 were sent from New York to Boston; \textit{American State Papers, Finance}, III. 331.

\textsuperscript{38} \textit{American State Papers, Finance}, III. 338 ff.

\textsuperscript{39} Sergeant to Jones, June 15, 1817; John Sergeant Papers.