

An Unnamed Financier Writes to Nicholas Biddle (1831)

The Second Bank of the United States (BUS), headed by its president, Philadelphia financier, Nicholas Biddle (1786-1844), was the largest business in the nation. Incorporated by congressional charter in 1816, the BUS replicated Alexander Hamilton's First Bank of the United States in blending public and private finance. Eighty percent of its \$35 million capital stock was issued to private stockholders, both foreign and domestic, while the U.S. Treasury owned the remaining twenty percent. At once a for-profit commercial bank, a repository for the nation's public money, and the country's sole fiscal agent, the BUS helped to collect and distribute federal money and serviced the national debt. The Bank's notes circulated widely from hand to hand and were payable for all public debts, including customs duties and land sales. Individuals who subscribed to the Hamiltonian view that the federal government should play an active role in shaping the economy heralded the Bank's unique ability to regulate unsound lending practices among smaller banks, provide the nation with a uniform currency, and smooth out destabilizing gyrations in prices and trade, all of which made the bank integral to stable commerce. But for strict constructionists, states' rights advocates, and most followers of President Andrew Jackson (1767-1845), the BUS was unconstitutional, served the interests of foreign stockholders, favored merchants and speculators over farmers and artisans, and bribed members of the press and Congress. Storage of the nation's vast public deposits, moreover, gave the BUS, according to Jacksonian critics, an unfair advantage over state banks. Added to this were rumors that the Bank had actively campaigned against Jackson in the presidential contest of 1828, contributing funds to Jackson's opponent, John Quincy Adams.

In 1829, during his first year as president, Jackson criticized the Bank on constitutional grounds and faulted the institution for failing to provide a stable currency. A multi-year political struggle between Jackson and Biddle ensued. What eventually became known as the "Bank War" emerged as one of the nation's most important political events in the nineteenth century. To rebut Jackson's attacks and secure a new twenty-year charter for the Bank, Biddle, from early 1830 to mid-1832, orchestrated one of the earliest public relations campaigns conducted on a nationwide scale—working with lawmakers, financiers, BUS branch officers, campaign surrogates, newspaper editors, and political theorists to propagate pro-BUS media.¹ On March 17, 1831, an unnamed officer² at the BUS branch office in Richmond, Virginia, wrote to Biddle in a letter marked "private," discussing the best strategies for success. The letter, a portion of which is transcribed below³, demonstrates that Biddle was engaged in a sophisticated, interregional political campaign, using the branch offices to gauge public opinion.

Dear Sir,

I had the pleasure of receiving your private letter of the 8th inst... From the best information that I have lately obtained as to the views and plans of the enemies of the Bank about the President, it would seem, that they intend to make the position of the renewal of the Charter a party one – to persevere in their hostility to the present Bank – to abandon all substitutes, and rely exclusively on the State Banks for carrying on the business of the government. And they calculate, that in this way, they will unite in their favour the friends of

State Rights, and of State Banks. And of course it is also calculated it will unite these interests in the support of the election of Genl Jackson.

I received lately from Mr. Cowperthwait⁴, a private circular, requesting to be furnished with a list of names of the persons in this quarter to whom information may be sent, on the subject of rechartering the Bank. While no one can be more desirous than I am for the diffusion of correct information on this subject, yet I am inclined to think, that to produce a salutary effect on the public mind where such information is most wanted, a good deal will depend on the manner in which that information is communicated. I cannot say how matters stand in other places, but I have the most entire belief that in this quarter, the question of the renewal of the Charter is, and will be, entirely and almost exclusively, a political one, sustained, and urged on by the quiet influence of the State Banks – or rather, certain influential persons connected with them. The population of this congressional district (except that of the city of Richmond) is the most ignorant and perverse of any in the State; and a large portion of the voters are entirely under the control of a few professional politicians. They have always been conspicuous for their opposition to the Bank of the U.S. and there is not a man the Nation, more disposed, or who does more, to keep alive and strengthen that opposition, than the present representative from this district. He commenced his political career by railing at, and denouncing the Old Bank of the U.S. with a degree of bitterness and animosity discreditable to any man; and tho' for sometime after the establishment of the present institution, and while he and his friends were getting favours and emoluments from it, he was quiet, he soon returned to his old faith and to his old practices. In addition to all his former motives for opposition, he has now, according to his notions of the matter, a very strong personal one; and there are no lengths he will not go, more or less openly, against the renewal of the Charter. He affects now, to have very little to say on the subject, insinuating that he is under constraint, and entirely at the mercy of the Institution; and thereby turning the forbearance of the Bank into the means of doing it an injury. – I may add, that I have good reasons for believing, that he is at the bottom of all the hostility which appears in this quarter against the Bank, such as the disingenuous and contemptible propaganda, which from time to time appear in the Richmond Enquirer, and of which I shall send you another specimen.

By the way, the Editor of the Richmond Enquirer⁵ is a very singular character....[H]e seems to have no scruples in republishing from others, the most barefaced misrepresentations

and even falsehoods, when they seem calculated to answer a present purpose. He affects great independence in his Editorial capacity, while at the same time, his excessive vanity, makes him the dupe of any designing men who may use the necessary means to get hold of him. These means are very simple. They are mainly, to compliment him on his talents, his independence, and for his adherence to principle; and to intimate that the Enquirer guides the politics of the State; and that its opinions and suggestions are duly attended to at Washington. It is in this way he is held fast to the present Administration of the general government. The incense is offered to him, sometimes directly by Mr. Van Beuren himself, sometimes by Mr. Cambreling⁶ – but most frequently through the representative from this district. And it is by such means as these that the Enquirer is always ready to respond to the Ruling influence in the Administration whether it regards the Bank US, or any other matter in which it is desired to secure the support of Virginia.

As to the administration of the Bank U.S. or as to Banking generally, the Editor knows very little of such matters. Indeed he makes no pretensions on the subject. He places himself, as he says, on the constitution – and even then, he can only repeat or amplify the early opinions of Mr. Jefferson, and Mr. Madison: And yet, under the influence before alluded to, he is always ready and eager to republish all the base slanders against the administration of the Bank, as the most profligate Editor in the Union....

I have troubled you with these details, that you might be the better able to judge for yourself how matters stand here respecting the Bank U.S. and how far it would be expedient to transmit directly from the Bank, or from any printing Office, any publications in favour of the Bank, to persons in this quarter. It is not only my own opinion, but that of a very judicious and well informed man in these matters, well acquainted with the character of the population, a friend of the Bank – and who authorizes me to mention his name to you – that such a course can do no good, but – may, probably would do harm. He strongly advises against it. He says that certain demagogues in the district would avail themselves of the circumstance, and at the different taverns, and lodging places in the country, indulge in the most shameless misrepresentations, and invectives against the Bank, and encrease the prejudices which already exist against it. And that the usual slang of certain disingenuous enemies of the Bank, about the Bank's bribing the press, would not be forgotten.

Altho' there is a manifest partiality among the people in business in this city in favour of the State Banks, and some strong prejudices in certain quarters against this Office, yet I am

inclined to think that the great body of the respectable part of the population would not be opposed to the renewal of the Charter: but I do not believe that furnishing them at this time with any publications on the subject would be of much use: or at least I think that nothing more would be necessary than what might be supplied through this Office. If at any time it is thought expedient to have any articles published for circulation, some of them may be sent here for distribution.

I will conclude this long – and if you have read thus far – I fear tiresome letter – by remarking that while in other parts of the Union, there may be strong opposition to the renewal of the Charter of the Bank, from personal, local, and personal interests, - and at Washington, from personal prejudice and those who are disposed to flatter it – yet I am persuaded that in no quarter is this such an inveterate hostility to the Bank – the result of a combination of corporate interests – personal enmity – and political and blind devotion to the views of the Secretary of State, as there is in this congressional District.

¹ For a more extensive distillation of this argument, see Stephen Campbell, “[Funding the Bank War: Nicholas Biddle and the Public Relations Campaign to Recharter the Second Bank of the U.S., 1828-1832,](#)” *American Nineteenth Century History* 17, no. 3 (September 2016): 273-299.

² The author of the letter is unnamed, but it may have been James Robertson, the cashier of the BUS branch in Richmond. H.R. Report 460, 22nd Congress, 1st Session, 518, Serial Volume 227.

³ Transcribed by Stephen W. Campbell. The original letter is contained in the Nicholas Biddle Papers, located in the Manuscript Division of the Library of Congress.

⁴ Joseph Cowperthwait was the Second Assistant Cashier of the BUS parent branch in Philadelphia.

⁵ Jacksonian editor Thomas Ritchie.

⁶ Churchill Caldom Cambreleng (1786-1862), a Jacksonian Representative from New York.