The Second Bank of the United States in Cincinnati

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THE SECOND BANK OF THE
UNITED STATES IN
CINCINNATI

by

Robert Leo Connelly, S.J.

A Thesis Submitted to the Faculty of the Graduate School
of Loyola University in Partial Fulfillment of
the Requirements for the Degree of
Master of Arts

June
1956
LIFE

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CHAPTER I

SECOND BANK OF THE UNITED STATES

The story of the second Bank of the United States in Cincinnati begins in 1814, during the War of 1812. The charter of the first Bank of the United States had expired three years previous, but in 1814 the question of a bank again presented itself. "On January 4, 1814, Mr. Lefferts, of New York, presented the petition of one hundred and fifty citizens of that state 'praying for the incorporation of a National Bank, with a capital of $30,000,000.'"¹

John C. Calhoun, the real leader of the bank party in Congress, favored the charter of a National Bank, but at the outset of the struggle, he was opposed by the strict constructionists under the leadership of John W. Eppes, son-in-law of Thomas Jefferson. In the debate over the Bank during 1814 most Federalists favored it while Democratic-Republicans generally opposed it. One proposal for a National Bank was that the Bank be established in the District of Columbia. This would eliminate the problem of establishing the Bank in the states,

since some thought it unconstitutional "to create corporations within the territorial limits of the States, without the consent of the States."² There were to be no branches of this bank. This proposal, however, was defeated, as well as another proposal in April of the same year.

In September, 1814, the question of the bank was again brought before Congress. The proposed bank was again debated pro and con, but finally, in February, 1815, "on the motion of Lowndes (pro-bank) the bill was indefinitely postponed."³ Now that the War of 1812 was over, a quite different problem confronted the lawmakers. Previously the interested parties had sought to establish a bank for the purpose of procuring loans to carry on the war. With the close of the war, a national bank was needed to settle the currency problems in the United States.

President Madison wanted the State banks to resume specie payments, but since the State banks would not comply with this request, and specie was scarce in the country, the President suggested the establishment of a National Bank. "If the operation of the State Banks cannot produce this result (i.e., the establishment of a general medium of exchange), the probable operation of a National Bank will merit consider-

²Ibid., p. 7.
³Ibid., p. 17.
At this period of our history the monetary system of the nation was quite unstable, because the value of paper money fluctuated greatly. Madison felt a National Bank was, therefore, of the utmost importance.

This proposed Bank was savagely attacked. First, the opponents objected to the proposed capital of $30,000,000, which they wished reduced to $20,000,000. The State Banks objected to this National Bank since they feared the power which this bank would put in the hands of the government. The question of the constitutionality of the bank, however, was scarcely mentioned at this time.

After much debate, it was decided not to reduce the capital of the proposed bank; that the government would hold stock in the bank; and that the President and Senate of the United States should appoint a number of the Directors.

On March 14, 1816, the House passed the bill by a vote of 30 to 71, while, after some debate, the Senate passed the bill on April 3. The House then quickly approved the amendments, and the President gave it his approval on April 16. Calhoun, the great defender of the Bank, considered himself to have been quite instrumental in securing the charter. "I might say with truth that the bank owes as much to me as to

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4 Quoted in Catterall, p. 17.
any other individual in the country; and I might even add that, had it not been for my efforts, it would not have been chartered." (Calhoun in the Senate, 1834; Benton, Thirty Years, Vol. I., p. 414)5

Branch banks of the second Bank of the United States were also part of the approved bill. The reason for the establishment of branch banks is quite simple. The United States government wanted a uniform currency throughout the nation, and branch banks would be an effective means of securing the uniformity. Branch Banks were to be established in every state where two thousand shares or more of stock were held, and where the state legislatures agreed to the establishment of a Branch. Another reason for branch banks was to insure a fair distribution of the capital of the bank to the places where it was most needed. Branch banking also provided a certain facility in gaining knowledge of the relative needs of business in different places, and of responding promptly to these needs by means of agents who were there with the required local knowledge. The place of branch banking in that new Bank is explained by Catterall:

The possession of branches was the most characteristic and the most essential feature in the plan of the first and second Banks of the United States. Without them they would have been virtually useless to the government; unable to exercise an efficient control over the state banks; incapable of furnishing

5Quoted in Catterall, p. 21.
accommodations in discounts and exchange throughout the country; unprovided with a note circulation of uniform value, or with any extended currency. On the other hand they would have been relieved from hostile contact with states and state banks and freed from the charge of unconstitutionality.6

Twenty-nine was the total number of branches established by the Bank. A chart shows the places and dates of establishment.

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<td>17. Cincinnati</td>
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(Discontinued - 1825; re-established - 1825, together with an agency)

| 18. Chillicothe | 1817 | (Discontinued - 1825; and agency established) |
| 19. Middletown  | 1817 | | |
| 20. Hartford    | 1824 | | |
| 21. Mobile      | 1826 | | |
| 22. Nashville   | 1827 | | |
| 23. Portland    | 1828 | | |
| 24. St. Louis   | 1829 | | |
| 25. Buffalo     | 1829 | | |
| 26. Utica       | 1830 | | |
| 27. Burlington  | 1830 | | |
| 28. Natchez     | 1830 | | |
| 29. Macon       | 1830-34 |

Agencies

This brief history of the foundation of the second Bank of the United States is sufficient background for a study of the Bank in Cincinnati. For brevity, the second Bank of the United States will be referred to as the Bank throughout this work.

6Catterall, p. 376.
7Ibid., p. 376.
Reference necessarily will be made to the Bank as a National institution, but this will always be in connection with the Branch Bank in Cincinnati. Stress will be placed on the effect of the Bank on Cincinnati and the part the Bank played in the history of Cincinnati, rather than on the importance of Cincinnati in the history of the Bank. The Cincinnati branch will be considered more than the Bank as a national institution.
CHAPTER II

UNITED STATES BANK IN CINCINNATI: 1817-1820

President Madison's approval of the Bank Bill on April 10, 1816, did not immediately bring a branch of the Bank to Cincinnati. It would be some time before the Bank machinery began to work, and for a Bank to be opened immediately in Cincinnati would have been difficult. Cincinnati was then considered a frontier town with a population in the vicinity of 10,000. While it was a center for western commerce, and promised to be prominent in American business because of its location on the Ohio River, it would be some time before Cincinnati gained this national importance. But finally on January 28, 1817, a branch of the Bank was established in Cincinnati. In the Cincinnati Directory for 1819 this Bank was said to be located at 103 North Main Street, which is between the present Third and Fourth Streets. With the establishment of the Bank, it was also necessary to appoint a Board of Directors, and the home office in Philadelphia showed great wisdom in its choice of Directors.


2Charles Theodore Greve, Centennial History of Cincinnati and Representative Citizens (Chicago, 1904), I, 496.
Judge Jacob Burnet was the President,\(^3\) and Gorham A. Worth, the Cashier of the new institution. The list of Directors presents an interesting group of men since care was obviously taken to select outstanding individuals.\(^4\) Martin Baum, James Findlay, John H. Piatt, Hugh Glenn, James Keys, Thomas Sloo, Jr., William H. Worthington, Andrew Mack, William Piatt, Joseph Perry, Daniel Drake, and William H. Harrison completed the list of Directors. A word should be said about a few of these men. Judge Jacob Burnet was the brother of Isaac Burnet, who held the office of Mayor of Cincinnati; while Worth was an able New York financier who was brought to Cincinnati by the home office because of his known financial abilities. Both the Piatts were leading men in the city, and would soon have their own banking establishment.\(^5\) Daniel Drake is one of the most important men in Cincinnati history. He was listed in the Cincinnati Directory as Physician, President of the Cincinnati Literary Society, and on the committee of the Agricultural

\(^3\)Burnet's Notes on the Northwestern Territory, "The former went into successful operation under the superintendence of an intelligent Board of Directors, and of Gorham A. Worth, Esq., an experienced financier of New York." (Cincinnati, 1847), p. 408.

\(^4\)Greve, p. 496.

\(^5\)Cincinnati Times-Star, October 2, 1834. This was taken from a pamphlet at the Historical and Philosophical Society of Ohio, University of Cincinnati Library. The pamphlet is merely a collection of clippings from newspapers, but is called Banks of Cincinnati and Currency.
Throughout his lifetime he was greatly respected by his fellow Cincinnatians. William H. Harrison would one day hold the high office of President of the United States.

Small wonder, then, that the people placed such confidence in this new Bank from the outset. The home office had seen to it that these directors would naturally command the confidence of the citizenry. To complete the personnel of the Bank, Lewis Whiteman was appointed Teller; David McKnight, Bookkeeper; and Thomas Heckewelder, Discount Clerk. The Bank commenced business, and began discounting on April 27, 1817.

The list of Directors for the following year will be inserted now rather than later so as not to break the narrative.

The following men are appointed Directors of Office of Discount and Deposit of the Bank of the United States in the city for the ensuing year, Viz:

James Findlay
Jacob Burnet
James E. Platt
George P. Torrence
James Keys
John F. Keys
Thomas Sloc, Jr.
Jacob Burnet, Esq., has been re-elected President.

The period which immediately followed the establishment of the Bank in Cincinnati was one of apparent prosperity, but

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6Cincinnati Directory, 1819, pp. 84, 95, 151.
7Cincinnati, Liberty Hall and Gazette, April 21, 1817.
8Ibid.
9Ibid., February 18, 1818.
real inflation. The end of the War of 1812, the increase in the population of Cincinnati, and accelerated building operations all pointed to a new and bright era in the history of Cincinnati. The accommodating banks with their ready loans also helped to create this delusion of prosperity.\(^10\) Within a short time, however, this bubble would burst, and a great depression would fall upon the city. The part played by the Bank in this depression will be the subject of this chapter.

The new Bank brought a capital of over one million dollars to Cincinnati.\(^11\) Specie was also once more in circulation. The Bank began discounting, which consists of taking the interest on the loan at the time the loan is made, rather than later when the borrowed money is paid back to the Bank. The banking hours were from 10 A.M. to 1 P.M., and the Bank discounted only on Tuesdays. The leading men of the city, in their need for money, soon became greatly indebted to the Bank through these loans or bills of discount.\(^12\) During and after the War of 1812 great debts had been contracted in the East by western businessmen. Now that the Bank was established in the city, these men began securing loans in order to pay off these debts.

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\(^{10}\) Greve, p. 496.

\(^{11}\) Greve, p. 246.

\(^{12}\) Louis A. Rufener, Money and Banking in the United States, (Boston, 1934), p. 234.
At this time, the early part of 1819, the balance of trade between the East and the West leaned heavily toward the East. This means that the West was buying heavily in the East, and at the same time great sums of money were likewise owed by these western businessmen because of this unbalanced trade. The following problem then arose because of this unbalanced trade. The Bank in Cincinnati issued notes to other banks in the Cincinnati area. These local banks, in turn, issued the notes to the people of the city. The notes were then used by the Cincinnati businessmen to pay their debts in the East. When the eastern businessmen received the notes, they turned them in at branches of the Bank in the East, and in turn, received specie for their notes. But when these notes came due they had to be paid where they had been issued, which, in this case, was Cincinnati. The net result was that specie was drained from the eastern offices of the Bank, and more and more specie began to accumulate in the West. Since the center of population and the greater part of the nation's business was in the East, it would have been better for business had such a condition not arisen. Had the trade between the East and the West been equalized, this problem would probably not have confronted the

The Bank directors were fearful that more and more specie would be taken from the Eastern branches until their condition would become perilous. To avoid this, the home office felt it had to take some drastic action. On July 20, 1818, a directive was sent to the Cincinnati branch with orders to collect the balance due from the local banks at the rate of 2½% every thirty days, and if the local banks were overdue in their payments, then the Bank was to charge 6% interest after thirty days. This demand meant that $144,000 must be paid to the Bank every thirty days, but it was absolutely impossible for the local banks to meet such a demand on such short notice. Nor would the Bank, on the other hand, accept the notes of banks which did not pay specie for their notes. The Bank wanted specie or its own notes in payment of the debt. Specie, though, was still scarce in the West, and the Bank notes had never been in great circulation in Cincinnati. Most of these notes had been sent to the East to pay debts.

The fact that money was loaned to farmers who had great


15Ibid., p. 284.

difficulty in paying in specie, and whose only security was usually property showed poor management on the part of the Bank. Added to this was the problem of the valuation of the land, for property was good security only so long as the property kept its value, but once the credit of Cincinnati in the East fell, then property, too, lost some of its security.

All the local banks pleaded for time to meet the demands, but the Bank was adamant, and would make no concessions and give no extensions. The Bank's action in this matter helped to bring on a period of depression and panic in Cincinnati. It was not true, though, that the Bank of the United States was the sole cause of this depression. The credit of Cincinnati local banks was likewise poor in the East which was all the more reason for the Bank's refusal to extend the time for paying the debt.17

The above is simply a statement of the problem. An examination of the financial position of the Bank will help explain why the Bank in Cincinnati and the city became immersed in such a dilemma. Bills of discount amount to loans. If loans are made indiscriminately, without reference to a person's security or future power to pay, a bank may find itself financially insolvent. The fact, too, that the security is real estate is

17Greve, p. 596.
not always a safeguard that the loan can be paid off quickly. The Bank was guilty of just such blunders. Bills of discount were issued out of proportion to the security of the borrowers. They should have been careful, also, since most of the borrowers intended to use the money to pay off debts, not to put the money into anything constructive or productive.18 Most of the borrowers intended simply to renew their debts when it came time to pay the bills of discount.19 All of these items should have been considered and foreseen when bills of discount were issued.

The following figures are taken from the State Papers, and help to show the condition of the Bank in its early years in Cincinnati. On July 29, 1817, the Cincinnati branch discounted on personal security $713,415.28; in October, 1817, $1,103,615.14; and on November 14, 1817, $1,865,883.05.20 These figures show that the Bank used little discernment in issuing notes. Considering the size of Cincinnati, and the mediocre condition of its business, such heavy discounting was far too great. By December, 1818, the amount had dropped only to $1,863,529.62. With specie being drained from the East,

18Catterall, p. 61.

19Ibid., p. 61.

because of just such excessive discounting by the Western branches, the home office of the Bank was forced to call for the balance of the debts. Although circumstances forced the Bank to handle the situation in this fashion, it seems that a wiser and more provident course of management in the Branch Bank in Cincinnati could have prevented such drastic action by the home office. The depression and the state of confusion that followed the depression manifested the untimeliness of the Bank's action at this time.

According to one author, the business of the city and vicinity came to a stand still, and many of the leading businessmen of the city lost property as well as money. Jacob Burnet thought, "The business of Cincinnati and its vicinity was prostrated; many of her most intelligent businessmen were ruined; and she did not recover from the shock, for many years."

A good deal of real estate in Cincinnati went from the hands of the citizenry into the hands of the Bank. Mr. S.S. L'Hommedieu writing in 1874 tells of the first bank mob in Cincinnati: "In 1819 or 1820 we had our first bank mob. A procession was formed in the upper part of town, and marched down Main Street. A large number of drays helped to form the column...the procession reached Fourth Street, without interruption. When

21Greve, p. 570.

22Burnet's Notes, p. 409.
opposite the Major's office, which stood on the South-east corner of Main and Front Streets, our worthy Major, Isaac G. Burnet on his crutches, placed himself at the head of the procession, and from the statute book read the riot act.23

To add to the general confusion and depression which was beginning, there was the action taken by the local banks at this time. The demand of the Bank for the balance due on the debts forced the banks of Cincinnati to follow a course of action which was necessary, but which also helped to aggravate the situation in the city.

As soon as the Bank had called for the balance due on July 30, 1818, the local banks subsequently stopped the payment of specie. A wave of terror then hit the city. The Liberty Hall and Gazette, and the Inquisitor and Advertiser began carrying news items about these actions. The Advertiser, as it will be referred to, edited by Moses Dawson,24 was quite unfavorable to the United States Bank.

On November 10, 1818, the Gazette reveals that the local banks had decided to stop the payment of specie, and that this local action was forced on them by the previous action of the


24Moses Dawson was a life long friend of A. Jackson, and greatly influenced by Jackson's opinions on the Bank. Cf. Chapter Five.
Bank. The reasoning behind this action of the local banks was that by stopping the payment of specie they could prevent the Bank from draining the area of all of its specie. The Advertiser, for the same date, mentions the concern of the townpeople at what the local banks had done, and that "the meeting called at the Hotel on Saturday evening was fully attended." 25

The Gazette carried this notice about the proceedings of that Saturday evening just mentioned:

At a meeting of the citizens of Cincinnati, convened at the hotel on Saturday evening, November 7, in pursuance of public notice, William Corry was called to the chair, and Micajah T. Williams, appointed Secretary.

On motion it was

Resolved, that a committee of five be appointed to investigate the causes which have induced the banks to suspend specie payments.

Resolved, that Henry Bechtie, William Corry, David Wade, Jesse Embree, and Peyton S. Symmes be that Committee.

Resolved, that the committee make their report on Thursday evening next, to which time this meeting adjourns, to meet at the same place.

William Corry, Chairman
M.T. Williams, Secretary 26

Reference was made in the Gazette of a meeting to be held on Thursday, November 12, 1818, to discuss the findings of that five man committee. Then on Tuesday, November 17, 1818, the committee reported that "sufficient cause exists for the suspension of specie payments by the state banks of the place." 27

25Advertiser, November 10, 1818.

26Gazette, November 10, 1818.

27Advertiser, November 17, 1818.
The action of the local banks, therefore, had the approval and backing of the people of the city. This certainly did not hold true for the Bank's action. In the December 1, 1918 issue of the Advertiser, we read that city banks were still paying specie, but only to those people to whom payments were due at the land office of the city.

The effect of the financial distress then rampant in the city is described in glowing language by Greve. "People," he says,

"began to scatter like rats from a submerged flour barrel. Sheriff Heckewelder complained that his friends had taken a sudden notion to travel, at the very time that he most wanted them. Some fled East, some West, some to Kentucky, and some to Lord knows where. It soon became impossible to get money anywhere. Building was brought to a sudden stop. No more brick wagons, stone wagons, or new cellars were to be seen in the streets. The mechanics lately so blithe and cheerful had gone in different directions in search of work, at any price, to keep themselves and families from starving. Almost any mechanic could be hired for fifty cents a day, working, as was then the custom, from sunrise to sunset. Few could get employment at that. They were willing to work at anything they could do, and at any rate. One of our boss carpenters bought a wood saw and buck, and went about saving wood. Our leading bricklayer procured a small patch of ground near the Brighton House, and raised watermelons, which he sold himself, in the market. The only professed sashmaker, the late John Baker, Esq., who died not long ago a millionaire on Walnut Hills, procured a piece of woodland in the country and chopped the wood, brought it to market, sitting on his load, and sold it for a dollar and a half a cord."28

The attempt by the Bank to collect the balance due on the debts was regarded as an attempt by the Bank to call in all

28Greve, p. 570.
specie. While the people also realized it could result in draining the Cincinnati area of all its specie, at first they only feared this would happen, but as 1818 progressed, they began to see their fears realized. The course taken by the Bank to gather in the money is revealed by the newspapers of the day. On November 10, 1818, when condemning the action of the Bank in calling for the balance of debts, the editor of the Gazette says this action could result in draining the entire area of all specie, and "this specie or a large proportion of it, must sooner or later, have found its way over the mountains to discharge the debts of the branches." Only two weeks later, the editor's fear is realized when the following article appeared:

We are sorry to be under the necessity of informing our readers, that two wagon loads of specie from the Branch Bank, left this place on Monday last for Pittsburgh, intended to replenish the vaults of the Mother Bank in Philadelphia. To see the Western country drained of the precious metals must be at all times a subject of deep regret; but at this critical and embarrassing period, it is calculated to fill the minds of those who have the welfare of this section at heart, with the most melancholy forebodings. It is now demonstrated, that the establishment of Branch Banks among us, has produced an effect dramatically opposed to what was expected from them.

In the same issue, the Gazette tells of two wagon loads of specie taken East from Chillicothe. Then in the early days of

29Gazette, November 10, 1818.
30Ibid., November 25, 1818.
31Ibid.
January, the steamboat "Perseverance" came from Louisville to Cincinnati with a boat load of specie said to be in the vicinity of $100,000. "The long expected draft from this office we presume will accompany it hence." On February 23, 1819, the Gazette told of the departure of the "Perseverance" for Pittsburgh. Apparently a good deal of money was taken on at Cincinnati because the boat landed in Cincinnati with $100,000 aboard, but departed from the city with a load of $400,000 worth of specie. The next mention of specie being sent East is in June, 1819, when the steamboat "General Pike" left for Maysville with a good quantity of specie.

The depression in Cincinnati and which was to get steadily worse in the next few years, has already been treated. With practically all of the specie drained from the Bank and sent East, little remained in 1820 but to see the Bank finally closed in Cincinnati.

Langdon Cheves, the President of the Bank of the United States, was of the opinion that there should be fewer branches of the Bank scattered throughout the country. Cheves had told his friend, Secretary of the Treasury William H. Crawford,

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32Advertiser, January 5, 1819.
33Gazette, January 5, 1819.
34Ibid., February 23, 1819.
35Ibid., June 1, 1819.
that there were too many branches: "For a time we must bear with them, but I hope they will be reduced."\textsuperscript{36} But no immediate attempt was made to close the Cincinnati branch. Instead, some other measures were taken to protect the interests of the Bank. In November, 1819, the home office of the Bank recalled Mr. Worth from the office of Cashier of the Cincinnati branch, feeling they should take decisive action at Cincinnati because of the delay in the reduction of the debt due to the Bank by the local banks.\textsuperscript{37} In January, 1820, however, Worth was returned to Cincinnati as Cashier of the Bank.\textsuperscript{38} The home office seemed to be more pleased with conditions in Cincinnati. Shortly after, Jacob Burnet was again re-elected President of the Bank in Cincinnati by a unanimous vote.\textsuperscript{39}

Despite the better turn taken by the Bank, it is still true that Cincinnati was in a depression, and that Cheves persisted in reducing the number of Branches. That Cheves finally had his way is shown by an article in the \textit{Western Spy}:

"The United States Branch Bank at this place has been discontinued. The funds, we understand, are to be transferred to the Branch at Chillicothe, and an agency established here\textsuperscript{40}"

\textsuperscript{36}Dewey, p. 196.

\textsuperscript{37}Charles Frederic Goss, \textit{Cincinnati the Queen City}, (Chicago, 1912), 2 vols., p. 177.

\textsuperscript{38}Ibid.

\textsuperscript{39}Adviser, March 7, 1820.
to wind up the business."40 Actually the Bank was discontinued on October 12, 1820, and although Cheves wished to discontinue other branches, he found it "inexpedient to discontinue any other office."41

This final action by Cheves marked the end of the first period of the Bank of the United States in Cincinnati. During its three years of existence, the Bank was anything but a success, and its operations can be best described as "poor banking." The next chapter will tell how for five years, until the Cincinnati Branch was reopened in 1825, this agency carried on the business of the Bank in the city, as well as the story of the 11 years' existence of the Bank after its re-establishment.

40Western Spy, October 12, 1820.
41Catterall, pp. 79-80.
CHAPTER III

BANK IN CINCINNATI: 1820 - 1836

The first period of the Bank in Cincinnati was characterized as a period of "poor banking," but fortunately the second period would find Cincinnati and the Bank prosperous for the greater part of eleven years until the charter expired in 1836. Before studying the activity of the Bank which was re-established in 1825, there is much to be said of the intervening years from 1820-1825. The depression continued for the greater part of these five years in Ohio, and some measures were taken against the Bank. In fact, the very existence of the Bank was jeopardized during these years.

On October 12, 1820, the Bank had been closed, but to carry on the work of settling debts and making adjustments, an agency of the Bank was established. There were still debts to be paid, and Mr. Thomas Wilson, Cashier from Philadelphia, was sent to Cincinnati to settle these affairs of the Bank. What Wilson did as Cashier, and the attitude of the people toward him and his work, is found clearly in the writings of Jacob Burnet.

1Ford, p. 358.
2Greve, p. 570.
Mr. Wilson was most demanding in the immediate payment of the debts. Most injurious, as well as hateful, to the city was the land policy which he employed to collect the debts. According to Burnet, the Bank Directors "made a very large profit on real estate, taken from their debtors, at their own valuation, which in many instances did not exceed half the amount of its intrinsic value."\(^3\) This simply means that the Bank took land in payment of debts. \(^3\)Burnet, as well as the other parties involved, objected most strenuously to the Bank evaluating the land as the Bank saw fit. Wilson, though, continued in his dogged determination to collect the debts.

Jacob Burnet describes the effects of Wilson's policy as follows:

It is impossible for a person, who did not see the reckless course of Mr. Wilson, the Cashier and agent of the Mother Bank, to form an adequate idea of the desolation which it produced. The business of Cincinnati and its vicinity was prostrated; many of her most intelligent businessmen were ruined; and she did not recover from the shock for many years. In 1821 and 1822, when this work of desolation was going on, the whole country was laboring under pecuniary embarrassment....such was the state of things when this severe blow was inflicted on the people of Cincinnati.\(^4\)

To make matters even worse, when Wilson returned to Philadelphia, he painted a drab picture of Cincinnati. "He and his principals regarded Cincinnati as a city without credit and without honor and seemed of the impression that there was no

\(^3\)Burnet, p. 411.

\(^4\)Ibid., p. 409.
disposition on the part of the citizens to maintain their solvency."5 The depression, while Wilson was in Cincinnati, was still rampant and Cincinnati was at low financial ebb. Cincinnati debtors were aided by the good will of creditors. "In 1821 and 1822 when this radical remedy was undertaken, the whole country was embarrassed and creditors found it everywhere necessary to indulge their debtors. Otherwise the whole west must have assuredly become a community of bankrupts."6

Prior to Wilson's visit to the city, there appeared an interesting observation in one of the Cincinnati newspapers. "From the expose of the Bank of the United States, lately submitted to Congress, we abstract the following items, showing the state of the late office at this place, on the 30th of September....From this statement it appears that, the small sum due at this place, which the Bank modestly requires to be paid immediately in specie, is only $2,251,061. All the specie in the western country, leaving out New Orleans and the branch banks, is probably less than two million dollars."7

The editor, in a facetious manner, meant to demonstrate how absurd it was for the Bank to demand the payment of the

5Ibid., p. 410.
6Greve, p. 570.
7Cincinnati Western Spy, December 28, 1820.
Cincinnati debt in specie and on such short notice. In view of the figures quoted from the report, it would seem a physical impossibility for the city to pay the debts quickly and in specie. Again, it is strange how persistent and unyielding the Bank was in its efforts to collect the debts. Had the city been entirely at fault the course of the Bank would be more justifiable, but since poor management was perhaps the primary cause of the Bank's losses, one would think the Bank would have been more sensible in its attempts to collect.

The lack of banks in the city was also an indication of the financial distress of Cincinnati. "From the fall of 1821 until 1825 there were no banks in the city." Banking had come to an absolute halt in Cincinnati. Catterall lists the distribution of capital in the various branches of the United States Bank during the 1820-1825 period. Of the nineteen branches which are listed only thirteen show any record of capital, and Cincinnati is not among these thirteen.

Matters were definitely not improving, and consequently the people of Cincinnati who were indebted to the Bank were concerned to such a degree that they held meetings to discuss their problems. "Those who are indebted to the Bank of the United States, are requested to meet this evening, at 7 o'clock,

8Charles Frederic Goss, Cincinnati the Queen City, (Chicago, 1912) I, p. 179.
9Catterall, p. 80.
at the Cincinnati Hotel. It is hoped that gentlemen who are interested will attend. Another notice to the same effect appeared just three weeks later in the Gazette. Despite these meetings in the months immediately after the close of the Branch in Cincinnati, Mr. Wilson carried out his strict policy, and little was, or could be, done to curtail his measures. One Cincinnatian, though, had a unique way of meeting his debts, or at least, so it would seem from a notice in the Advertiser.

"The United States Branch Bank in this city was vidently broken and entered on Saturday or Sunday last, and robbed of near eight thousand dollars in specie. A reward of one thousand dollars is offered by the agent for the apprehension and convictions of the villains....We believe that suspicion has yet fixed upon no person."  

With Cincinnatians fighting to exist through their depression, and hampered by the unyielding claims of the Bank, another battle was being waged on a State and national scale which not only affected Cincinnati, but the very existence of the United States Bank. The struggle resulted from the attempt of various States to tax the branches located within their respective boundaries. "It was only the decisions of the Supreme Court in the cases of McCulloch vs Maryland, and

10*Gazette*, November 22, 1820.

11*Advertiser*, April 3, 1822.
Osborn vs the Bank of the United States which saved the Bank. Had it lost either of these cases, there can be no doubt that it would soon have been taxed out of existence in all of the southern and western states."12

The right of the States to tax any Branch of the Bank of the United States apparently had been decided once and for all by the decision of the Supreme Court in the McCulloch vs Maryland case, "denying the right of Maryland to interfere with the federal government by taxing its agencies, and declaring the state law unconstitutional."13 Maryland's legislature in 1818 had imposed a heavy tax on the Baltimore Branch of the United States Bank. Originally the Maryland law was upheld, but then the case was referred to the Supreme Court. After prolonged debate, a decision was handed down by the Chief Justice Marshall on March 6, 1819, upholding the constitutional power of Congress to charter the Bank, and denying the right of Maryland to interfere with the federal government by taxing its agencies. The Maryland State Law was declared unconstitutional.

Despite this decision by the Supreme Court bitter opposition to the Bank continued throughout the United States, with the most violent opposition to the court's decision found in

12Catterall, p. 65.

the State of Ohio. A law had been passed in Ohio empowering
the State to tax each branch of the United States Bank within
that State. The statute declared that the tax should be
collected by the State on the fifteenth of September of every
year. The Bank, in defiance, and perhaps in fear of this
statute, filed a bill in the circuit court to prevent the
auditor, Ralph Osborn, from collecting the tax. Osborn ignored
this prohibition, and on September 17th, his agents entered
the Bank at Chillicothe, leaped over the counter, and forcibly
took the money from the vaults. The entire action is well
described in Greve:

The authorities who were about to collect the tax were
enjoined by the United States Court from proceeding with
the collection and a copy of the petition for injunction
was served by the Cincinnati agent upon the State auditor.
No copy of the writ of injunction was served with the
papers. The state officials concluded there had been no
technical service of the injunction and the writ for
collection was turned over to John L. Harper and by, in
company with Messrs. J. McCollister and T. Orr, served
upon the officials of the Bank. His instructions
were if the payment were refused that he was to take the
amount from the vaults if he could do so without force,
but if opposed, he was to present the facts to a magis-
trate. He entered the Bank September 17th, made the
demand, which was refused, and thereupon took the moneys
of the Bank - $98,000. This resulted in a proceeding
for contempt.\(^\text{14}\)

The significance of this action is mentioned by Cheves:
"The outrage can rarely be paralleled under a government of law,
and if sustained by the higher authorities of the states, strikes

\(^{14}\text{Greve, p. 573.}\)
at the vitals of the Constitution."15

The Bank immediately instituted suits against Osborn, and when it was found that the Bank would not drop the suits, the state of Ohio passed a law in January, 1821, to "withdraw from the Bank of the United States the protection and aid of the laws of the State in certain cases,"16 unless the Bank promised to pay four per cent of its profits to the State or else discontinue the Bank in the State. Later, when the Bank continued the suit, the State of Ohio said it would return $90,000 of the $98,000 which was taken if the Bank would promise to pay that four per cent or remove the branches from the State. Naturally, though, the Bank still refused to meet these demands, and eventually the State returned the money to the Bank.

A final decision was given by the Supreme Court in this case in February, 1824.17 The decision of the McCulloch vs Maryland case was re-affirmed, and once more it was declared unconstitutional for the States to tax any branch of the United States Bank within the individual States.18 It is plain why a decision against the States was so helpful to the Bank, for the States could have taxed the Bank completely out of existence, and to

15Catterall, p. 90.
16Catterall, p. 90.
17Catterall, p. 91, Wheaton, p. 738.
18This decision of Osborn vs U.S. Bank is discussed quite thoroughly in Kelly and Harbison.
have kept that $98,000 in 1819 would have been most detrimental to the Bank.

In the Gazette of 1823 a notice revealed that the people of Cincinnati were expecting a decision from the Supreme Court at almost any hour: "The great cause between the State of Ohio and the United States Bank was expected to have been decided by the Supreme Court at Washington City, the present week. Messrs. Wright and Hammond are in attendance as counsel for the State, and Mr. Clay as Counsel for the Bank."¹⁹

There in some detail is the picture of the activities of the Bank during the stormy period of 1820-1825. It was certainly a period of opposition to the Bank, and a difficult financial period for the city. But in 1825 the picture began to change, and the city saw itself emerging from the depression in which it had floundered for six years.

The Bank established another Branch in Cincinnati in May, 1825, and Mr. Peter Benson, the new Cashier, was sent from Philadelphia to open this reestablished branch. James Reynolds was named President of the new institution, and once more the Bank took care to choose a board of well known directors: Bellamy Storer, M.P. Cassilly, William Neff, John H. Groesbeck, William Philips, Henry Emerson, J. W. Mason, C.W. Gazzam, Joseph Best, William Greene, Luman Watson, and Benjamin Urner. The capital

¹⁹Gazette, March 11, 1823.
stock of this Bank was set at $1,200,000.\textsuperscript{20} Along with the Branch an agency was established in 1825 for the purpose of securing debts incurred during an earlier period of the Bank, and superintending the sale of real estate.

The Bank building seemed to have been one of the most beautiful edifices of the city at that time. The following description was given of the Bank building. It was "one of the chastest specimens of architecture within the city."\textsuperscript{21} The front was of freestone, and was forty feet wide, exclusive of the wings which were nineteen feet each in width. The remainder of the building was of brick and two stories high. An engraving of the building is available in Mansfield's \textit{Cincinnati} in 1826.

"Mr. Paulson - It is with real pleasure we learn that Mr. Strickland, architect of the U. S. Bank in this city has determined to introduce the new improvement in windows, now used in all the great buildings of Europe - viz., the frame and sash of the windows to be of brass (instead of wood) which is everlasting in durability is ornamental, and will be a safe guard to the Bank."\textsuperscript{22}

Most likely this improvement was found in the Bank building in 1826. The \textit{Cincinnati Directory} for 1829 places the Bank on

\begin{itemize}
\item \textsuperscript{20}Greve, p. 1019.
\item \textsuperscript{21}Greve, p. 1019.
\item \textsuperscript{22}Gazette, June 15, 1819.
\end{itemize}
Main Street between Third and Fourth Streets. It would seem that, although occupying the same location as the first Bank, the Bank was housed in a new building since no particular mention was ever made of the beauty of the first Bank building. The discount days were now Tuesday and Friday, and the Bank was open from 9 A.M. to 2 P.M.

A list of some of the later directors will be given so as to complete the list now. In 1831 two of the new directors were David Guynne and Josiah Lawrence. The same officers managed and directed the Bank for some years, and there were few changes in the directorate. In 1834 among the new names were William McLean, Thomas W. Bakewell, Lewis Howell, Charles Sonnatag, Lewis Whiteman, Griffin Taylor, Charles S. Clarkson and Jacob Resor.23

Despite the failure of the Bank in the first period, a system of banks was still necessary for the financial security of the city. After a depression such as Cincinnati had just experienced there was a great shortage of specie in the city, and the people would necessarily have to borrow money to pay debts, and, more important, purchase the bare necessities of life. The Bank would therefore meet a great need in Cincinnati. At the same time more wisdom was displayed by the Bank directors during this second period of operation. The Bank enforced specie payment,

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23 Greve, p. 1019.
compelled the local banks to keep their circulation within safe limits, and particularly did the Bank take care that their discounting was done within reason. There is no doubt that the management of the Bank from 1825 to 1836 aided the general prosperity of the West, and of Cincinnati in particular. 24

Previously it was mentioned that the capital of the Bank in 1825 was $1,200,000, but within a few years the capital reached $1,700,000, and by 1829 it was a high of $2,200,000. 25 In 1829 the Bank of the United States was the only banking establishment in the city. In view of the prosperous condition of the city, it is somewhat strange that other banking institutions had not opened by this time. But despite the success of the Branch Bank, and the good management of the directorate, the Bank was not to continue as a permanent institution in Cincinnati. President Jackson's position on the Bank must be examined to understand why the Bank would soon be discontinued in the United States.

American historians do not agree precisely why Jackson opposed the Bank, although it would seem he was against the East and the Bank as a sectional policy. Mr. James A. Hamilton, writing of an interview with Jackson in December, 1827, says that "he expressed strong opinions against the Bank of the United States." 26 But after 1830 his opposition to the Bank seemed to

24 Ford, p. 358.
25 Ibid.
26 Gatterall, p. 183.
mount. In general, Jackson's reasons for opposing the Bank were that the Bank was unconstitutional, and, as a powerful privileged monopoly, dangerous to society.27 Jackson, himself, had this to say of the origin of his dislike for Banks. "I think it right to be perfectly frank with you. I do not think that the power of Congress extends to charter a Bank...I do not dislike your Bank any more than all Banks, but ever since I read the history of the South Sea Bubble, I have been afraid of banks."28

If those are Jackson's sincere reasons for opposing the Bank, one might well question his knowledge of banking and currency in general. Certainly, his reasons for opposition do not seem scientific or based on any logical objections. The fact remains, though, that he seriously objected to, and fought the Bank at every turn, and due to this opposition, the Bank would fail to be rechartered. Jackson's popularity with the people of the United States must be kept in mind when one considers Jackson's ability to fight and defeat the Bank.

The first indication that the Bank would not be rechartered was a bill which was passed by the Senate in 1832, and by the House in July of that year, which provided for a recharter of the Second Bank of the United States. President Jackson vetoed the bill, which meant the end of the Bank. In the fall of that

27Catterall, p. 184.
28Catterall, p. 184.
year, Jackson was reelected President. This veto, besides killing the Bank of the United States, did much to develop local banking in Cincinnati, since the city saw that the Charter would definitely expire in 1836. In an issue of the Advertiser there appeared an article about beginning local banks at this time. "The great desideratum now with our fellow citizens is a bank to take the place of the Bank of the United States when its affairs shall have been wound up. There seems to be much anxiety to have a bank that would reserve the profits arising from it." 

Banks, even if not the United States Bank, were necessary in a growing city like Cincinnati. This impetus to local banking was also increased by Jackson's determination to take the government's funds from the United States Bank and deposit them in State banks. It is interesting that by 1836 there were thirteen banks in Cincinnati as compared to none in 1824. This desire to transfer United States' funds to State banks was made effective when Jackson appointed a new Secretary of the Treasury since the previous Secretary had opposed Jackson's transferral of U. S. funds. On September 26, 1833, Roger B. Taney issued an order that ten million dollars of public money, then deposited in the Bank of the United States, was to be gradually withdrawn and deposited in State banks.

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29 Holdsworth, p. 355.

30 Advertiser, January 2, 1833.
The effect of Jackson's determination to wipe out the Bank was keenly felt in Cincinnati. After Jackson had announced to the Congress on September 18, 1833, that the Bank would not be rechartered in 1836, Charles Hammond, editor of the Gazette commented that the result would be that "the people of Cincinnati would have to pay to the Bank $2,200,000 in discounts and liquidate a large credit based upon bills of exchange, within two and a half years."31

Shortly after Jackson's message hardships began to be felt in Cincinnati. Moreover, George W. Jones, Agent of the Bank at Cincinnati, had received orders that where the obligation was fully secured and the interest paid, the debtor should not be pressed, but where the mortgage would not cover the debt, the mortgage was to be foreclosed.32 Hammond argued that the only real solution to the problem was to recharter the Bank, because the people could not meet, within two and a half years, the enormous debt they had contracted without doing great harm to the city. That Hammond was not altogether correct in his reasoning will be seen when the land policy of the Bank is treated.

Mass meetings were held throughout the State, and the meeting at Cincinnati is said to have attracted more than 900 people. The figure is remarkable since the population was then only

31Francis P. Weisenburger, The Passing of the Frontier, (Columbus, 1941), p. 278.

32Ibid., p. 278.
around 20,000. This meeting at the market house in Cincinnati suggested that the Bank be rechartered with certain modifications. The petition with 4,310 signatures was then sent to Washington, D.C., and on April 11, 1834, this petition, together with one from the citizens of Franklin County, was presented to the Senate by Mr. Weing, the Whig Senator from Ohio.33

The following exemplifies the financial distress which began to fall upon Cincinnati: "A report from Cincinnati asserted: 'the brokers hold the destinies of the Ohio State Banks in their hands... If something be not done immediately, 2/3 of the state banks must stop... The country is rushing for specie hourly.... flour fell in one day $1.25 per barrel... lard 1/4 cent per pound; this last item alone will, I fear, ruin many enterprising men.' A traveler, after visiting leading cities from Baltimore westward wrote that commercial despondency was greatest at Cincinnati."34

The leading men of Cincinnati considered the situation at the time so drastic that even Jacksonians were inclined to favor the recharter of the Bank, and Mr. Dawson hesitated at this time to criticize the Bank. One Jacksonian politician thought "every financial "vexation and embarrassment" was being attributed to the "president and his advisers" and that the Democrats in

33 Ibid., p. 279.
34 Ibid., p. 280.
Cincinnati were indeed in "a gloomy condition," forced to admit that the opposition in the city would beat them by 900 or 1000 votes."35

In March, 1835, the Bank in Cincinnati finally began the sale of its offices when an order had been issued to this effect by Nicholas Biddle.36 The last months of the Bank in Cincinnati repeat somewhat the story of 1825. The specie was shipped to the East, while at the same time the Bank in Cincinnati was doing its utmost to collect all debts and clear up its affairs in the city. Mr. Timothy Kirby was appointed agent of the Bank to collect these debts after the Bank was finally closed. It must not be thought, though, that the city was undergoing a depression comparable to that of the twenties, although contraction and financial distress were experienced.

By November, 1835, contrary to what had been expected, the Bank of the United States had disposed of the debt (active) of nine branches, among which was the Cincinnati branch.37 The Bank would wind up its affairs quietly and certainly, and near the termination of its career, it did not seem to cause much stir in the United States. That the Bank could close so quickly and expeditiously speaks well for the condition of the Bank.

36 Catterall, p. 366.
37 Catterall, p. 369.
Catterall mentions that the agency of the Bank was closed in 1836, although Timothy Kirby stayed on as agent of the Bank. The Bank of the United States was closed in Cincinnati in 1836 when the Congress failed to recharter the Bank. In the Cincinnati Directory for 1836 mention is made of thirteen banks in the city, but no mention of the United States Bank, a far cry from 1826 when the only bank was the United States Bank.

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38 Catterall, p. 400.

39 Cincinnati Directory, 1836, pp. 207-212.
CHAPTER IV

THE BANK AND PUBLIC OPINION IN CINCINNATI

The present chapter will discuss the sentiments of certain authors, newspapers, and the people of Cincinnati toward the Bank. The importance of popular attitudes toward the Bank throughout its troubled history suggests extensive study of this factor in Cincinnati. What Moses Dawson, Editor of the Inquisitor and Advertiser thought of the Bank is reserved for the subsequent chapter since Dawson was always the spokesman for the Democratic Republicans in Cincinnati, and he had a good deal to say about the Bank.

In general, the only favorable comments toward the Bank are found in secondary sources, although some encomium was found in local newspapers. Sufficient historical knowledge and perspective, together with a lapse of over one hundred years since the time of the Bank explain this fact. Very rarely is any praise of the Bank found in the writings of contemporaries of the Bank. Catterall, undoubtedly the authority on the Second Bank of the United States, treats the Cincinnati branch repeatedly in his work, and a good deal of financial data is therein contained.

The following are some of the criticisms Catterall levels against the Branches of the Bank in the West.
Most of the defects of the Branch system can be best summed up in a failure to exercise sufficient control over the offices of the Bank. Specifically, there were such mistakes as loans made by the Bank with real estate as security. In a new and growing area of the nation where many loans are necessarily for long periods, this land security is an unwise policy. Another problem of the Branch system was the policy of appointing local directors for the bank who of necessity handled the funds of their relatives or friends. Often enough these directors forgot the best interests of the Bank, and looked more to the good of the community, which actually was not best for Cincinnati or the Bank as a national institution. Finally, the distance of the Cincinnati Branch from Philadelphia, and the poor means of communication prevented that close scrutiny over the Branch which its interests required.¹

Catterall refrains from passing any definitive judgment on the Bank in Cincinnati, but he does admit that these drawbacks of the Branch System are somewhat equalized by its assets which were already mentioned. In general, Catterall takes a favorable approach to the Bank.

One difficult factor to analyze is the part played by the Bank in the depression. The depression had gravely affected the Queen City, and newspaper clippings revealed that the Bank was

¹Catterall, p. 400.
thought by many to have been the real cause of the depression. Another author, however, does not share the opinion that the Bank was the total or primary cause of the depression.

"It may perhaps be just to say," says Sumner, "that but for the Bank of the United States, the West would never have been drawn into the depression." This statement seems somewhat too strong in view of the fact that there had been inflation in the West for a year and a half before the United States Bank opened."2

Holdsworth does admit that the Bank's activity did help to accentuate and increase the inflation and subsequent depression. In the light of what has already been said of the Bank and its problems in issuing bills of discount, it is difficult to see how the Bank can be totally exonerated in the matter of causing, at least partially, the inflation and depression.

This problem of the depression is closely linked to another, namely, the activity of the other banks in Cincinnati at the time of the depression, and then later during the second period of the Bank. On the effect of the United States Bank on the local banks, Ford says: "This United States Bank, instead of being a benefit to Cincinnati, was an injury as it forced into bankruptcy the other banks in the city, and involved many of its most influential citizens."3 The period referred to by Ford was the

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2Holdsworth, p. 239.

3Ford, p. 358.
first period of the Bank in Cincinnati. When it is remembered what effect the enormous debts incurred by the people and the local banks had on Cincinnati, it is safe to say the Bank did force these local banks into bankruptcy. Actually, the Bank had to force many into debt only because of the large debts contracted by these local banks. Had the local banks been more provident, it is more than likely that they would not have gone bankrupt, or at least not in such numbers as they did.

Responsibility for the excessive bills of discount is the next question to be answered. Some blame for the overdiscounting can be placed on the shoulders of the people of Cincinnati, since it was they who borrowed the money, but ultimately the blame for this over-discounting has to be put on the Bank. Consequently, the Bank was quite instrumental in forcing the local banks into bankruptcy.

On the other hand, Ford only mentions the harm done to local banking by the Bank before and during the depression. Impetus was given to local banking by Jackson's policy of not rechartering the Bank. Local banking began to flourish near the expiration of the Bank, while the mistakes of the United States Bank, as well as the subsequent good management of the second period of the Bank, provided Cincinnati bankers with valuable experience.

A good number of petitions were filed at this time concerning the continuance or discontinuance of the Bank, and some study
should be made of these documents. 4

On February 21, 1832, a petition from the Commercial Bank
of Cincinnati was filed in favor of the recharter of the Bank of
the United States. Even Jacksonians during the 1830's in
Cincinnati were persuaded that the Bank should be rechartered.
Another petition was presented by 4,130 citizens of the Cincin-
nati area on April 11, 1834, to the United States Senate in
favor of the recharter. That all the petitions were not favorable
toward the Bank is seen in the petition of April 28, 1834, which
was signed by 500 citizens of Hamilton County.

We, the undersigned, respectfully represent what opinions
may have heretofore prevailed in the community, as to the
constitutionality, usefulness, and expediency of the National
Bank, under the necessary restrictions, experience has amply
proved that the present Bank of the United States is an
institution alike dangerous to the welfare of our fellow
citizens. It has become evident to every unpreJudiced mind,
that it can, at its pleasure, by suddenly contracting its
discounts and accommodations, produce general and incalculable
distress in the mercantile part of the community, and
through them on every farmer, mechanic, and laborer, thus
keeping the whole industry of the country subject to continual
fluctuations and thereby enabling the speculator, who may
be apprised of its intended movements, to realize a fortune
at the expense of the industrious classes.

We solemnly believe it to be unwise and impolite to vest this
enormous and uncontrolled power in any body of men, corporate
or incorporate; and that to restore the public deposits to

4 In the Historical and Philosophical Society of Ohio in the
University of Cincinnati Library, there are a number of short
pamphlets which contain certain petitions about the Bank. These
petitions are listed under the heading of the Second Bank of the
United States (332.11). This is the only title or identification
for them. References to these petitions in the footnotes will
be simply "petitions for the United States Bank."
the United States Bank would be nothing short of a prominent step towards rechartering this dangerous institution.

And whereas we are decidedly of the opinion, that the pecuniary distress which is said to be existing in our commercial cities but which we are happy to say does not prevail to any considerable extent in this part of the country, has been produced by the tyranny of the Bank itself, and not, as the friends and retainers of that institution assert, by the bare removal of the government deposits. Therefore, we, your memorialists, disavow all party feelings, respectfully remonstrate against the restoration of the deposits, and pray your honorable bodies to continue them in the local banks.

The objections against the Bank in this petition are generally concerned with the role of the Bank in the depression, and the effect the Bank's discounting had on Cincinnati life. This petition agrees with Jackson in that these petitioners suggest taking funds from the United States Bank and depositing them in the local banks.

On May 19, 1834, the citizens of Belmont County, Ohio, filed a petition opposed to the measures of the executive, and praying for relief from the distress. The measures of the executive referred to are the attempts by Jackson to put United States' funds in local banks, and his failure to recharter the Bank. Athens County, Ohio, on May 21, 1834, filed a petition against the recharter, while on the same day a petition for the recharter was filed in Green County, Ohio. On June 24, 1834, Muskingum County, Ohio, filed a petition against the recharter. The citizens of Champaign County, Ohio, drew up a petition for a

5Petitions for the United States Bank.
recharter on April 28, 1834. People were definitely not positive just what they wanted with regard to this Bank. Many still recalled the dark days of depression, and the role they said the Bank played in the depression, but now they saw that another depression could fall upon the city, even if the Bank were not in operation. To put the Bank out of existence when so much money and real estate was in its hands might well result in a period of depression. Some also realized that the Bank was much better organized now, and thought that it should continue in Cincinnati.

The attitude of Cincinnatians toward the Bank is found in the newspapers of the day. Generally speaking, the Gazette never took sides on the issue of the Bank. Charles Hammond, editor of the Gazette, gave the Bank fine national coverage. He printed all Congressional reports on the Bank, and usually most of the proceedings of the Home Office. Opinions of various men on this national institution were also given, but what the Bank did in Cincinnati, or what Hammond personally thought of the Bank is rarely mentioned. Moses Dawson criticized the Gazette and Mr. Hammond for this indifferent policy toward the Bank. Some references were found in the Gazette, but usually they were concerned with the first period of the Bank. The Gazette is particularly silent about the Bank from 1825 to 1836, while Dawson's invective is greatest during this period of the Bank.

When the Bank called for the almost immediate payment of
debts in 1818 an editorial on this action appeared in the Gazette:
"If the banks only were to suffer by these measures many may be found to exclaim, let them suffer; but let it be considered that this measure of coercion is not confined to the banks; it extends to every individual who has any dealing with the branch bank of the U.S. land offices - and if it had not been resisted, would at no distant day, have drawn into the vaults of the branches every dollar of specie in the western country." 6

Evidently, Hammond did not approve of this action of the Bank, but his criticism of the Bank is rather restrained. A week later the editor bemoans the condition of the city and says: "cannot common sense and honesty devise some way by which the community may be relieved from its sufferings, produced by the mismanagement of banks." 7 Hammond uses the word "banks," and he is referring to the local banks, but it would seem that ultimately he is chastizing the Bank of the United States, because the Bank was the reason why the local banks had to demand immediate payment of debts. After this short criticism of the Bank, there follows a long two-column tirade against this institution.

On January 9, 1819, the Gazette mentions that a complaint had been presented by the citizens of the Cincinnati area to the State Legislature of Ohio, but no comment by Hammond accompanies this notice of the petition. In July, 1820, an article announced

6 Gazette, November 10, 1818.
7 Gazette, November 17, 1818.
a meeting to discuss the problem of specie, or the lack thereof, in Cincinnati. Again, there is only a statement of the fact, and no expressed agreement or opposition to the meeting. Later in 1820 the Gazette announced a meeting to be held by those indebted to the Bank.

Concerning the depression in the city and the entire State and the subsequent deflation of prices, the Gazette remarks: "Is it to be attributed to the operation of banks and depreciated currency? No, for our banks, so long blamed as the cause of all our evils, are swept away, and our currency is sound and healthful." Hammond is here certainly not blaming the local banks for the depression which was just about over, but in saying that the banks are swept away a note of sarcasm seems evident, and perhaps Mr. Hammond is indirectly blaming the United States Bank.

The few excerpts from the Gazette provide evidence of the generally indifferent attitude of the Gazette toward the Bank. Even though indifferent and not openly hostile to the Bank, Hammond did seem to cause opposition to the Bank among the people of Cincinnati through his journalistic mouthpiece, the Gazette.

Much of the hostility toward the Bank in Cincinnati was due to the land policy which the Bank employed for many years. Therefore, the land policy must be understood to understand this hostility better.

8Ibid., May 18, 1824.
The Bank was never too popular an institution in Cincinnati. Even when the Bank Charter was about to expire, the people voted for a recharter because they knew a failure to recharter the Bank would harm the city. They had no particular desire for the Bank, or appreciation of its worth to the city.

The land policy of the Bank dates from 1817 when the Bank began to issue bills of discount with land or property as the security for the loan. The danger inherent in such banking is evident. A man may receive a loan from a bank, and because of poor business or a depression, he may not be able to meet his debt or make the payments on the loan on time. Since this man has put up his land as the security the bank can take his land in payment of the debt. If the value of the real estate is then put at a low figure by the bank, the debtor may discover he has little paying power from his land, and he may still owe the bank more money. This is what happened to many who had borrowed from the Bank in Cincinnati.

When speaking of the losses which the Bank suffered in the South and West in 1820, Catterall tells how this depreciation in the value of land helped to lower the losses of the Bank in the West. The final loss of the Bank in the South was $2,234,138, while in the West it was $552,576.78. The explanation for this small loss in the West is to be found in the depreciation of the

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9Catterall, p. 66.
western lands. The Bank accepted the property at its depreciated 
value in the liquidation of the Cincinnati debt during 1818-1819, 
and then later when Cincinnati began to grow and business pros-
pered and more people came to Cincinnati, the price of land 
soared, and the Bank then sold the land at a great profit. Had 
it not been for the unexpected increase in the value of the real 
estate, the loss of the Bank in the West could hardly have been 
less than $2,000,000.10

Before showing the degree of the Bank's power over Cincinnati 
because of the land, it obtained in the payment of debts, a word 
should be said of the effect of this depreciation of the value 
of real estate on the depression. "The second branch of the United States Bank at Cincinnati did not receive the criticism 
which the first branch had received, although the first branch 
had in reality, as is now the general opinion, been a great help 
to Cincinnati in preventing the continued expansion and excessive 
rise in real estate value, which has preceded and largely been 
the cause of the great depression of 1820."11 The credit of Cincinnati was low in the East, and generally the East looked 
with disdain upon Cincinnati. All this helped to devalue real 
estate of the entire Cincinnati area, especially when the debt 
was great, and the city had difficulty in paying the debt in

10Ibid., p. 67.
11Goss, p. 181.
in specie. At the time this devaluation of real estate did inflict great financial distress on the people of the city, but in the long run, this all helped in the recovery of the city from the depression. Naturally, at the time, those who were suffering from the depression were not particularly concerned about the future, nor happy that the Bank benefited from this devaluated land.

Catterall tells how the Bank managed to collect the payment of debts when the Branch of the Bank was closed in Cincinnati:

In addition to the regular offices, there were several agencies of various kinds. Two were located at Chillicothe and Cincinnati whose sole business was to secure the debts incurred during the early years of the bank and superintend sales of real estate. In 1833 the suspended debt at Cincinnati was $2,528,350. When any part of this was secured by mortgage, and interest was regularly paid, the debtor was not disturbed; where the security was insufficient the mortgage was foreclosed, and the property sold, usually to be purchased by the bank which then improved it in whatever way possible. The final operation was sale of the improved property in small parcels at a profit. The branch at Cincinnati was re-established as an aid to carrying out this policy. As a result of efficient management of these affairs the sale of real estate in the West in the end not only secured returns sufficient to cover all the losses of the early years, but yielded an excess.12

During the period from 1820 to 1825 George Jones was agent of the Bank in Cincinnati. Herman Cope followed him, and then Timothy Kirby became the last agent of the Bank. Kirby handled the affairs of the Bank after the Branch was closed in 1836.13

12Catterall, p. 400.
13Greve, p. 517
The following section will show to what extent the Bank controlled the city, and also what the leading men of the city thought of the Bank's land policy. According to Catterall, the power of the Bank reached the following proportions: "As a consequence of the transfer of real estate, the bank owned a large part of Cincinnati: hotels, coffee houses, warehouses, stores, stables, iron foundries, residences, vacant lots; besides over 50,000 acres of good farm land in Ohio and Kentucky."\(^{14}\)

In view of this list of possessions which the Bank acquired it is no wonder the people had such a dislike for this institution. Of the Bank's ability to acquire land, Senator Benton says, "I know towns, yea, cities....where this bank already appears as an engrossing proprietor. All the flourishing cities of the West are mortgaged to this money power. They may be devoured at any moment. They are in the jaws of the monster. A lump of butter in the mouth of a dog. One gulp, one swallow, and all is gone."\(^{15}\) Senator Benton's description of the action of the Bank is somewhat exaggerated, but his criticism expressed an attitude that was prevalent and not completely without foundation.

There are other examples of the public opinion toward the land policy of the Bank. Colonel James Taylor is quoted by Ford

\(^{14}\)Catterall, p. 66.

\(^{15}\)Ibid.
This Bank was a large-sized shark...Many citizens of the Cincinnati area were injured by the Bank, among them General William Lytle (it broke him up), Judge Burnet, Mr. Carr, St. Clair, Morris, William Barr, and others. Lytle had to give up his homestead, now owned by Dr. Foster and others, and some tracts of land in Hamilton and Clermont counties. Burnet gave up his homestead where the Burnet House stands. I know the bank made large sums of money out of its debtors. I, as well as my Father, bought considerable property of the agent, taken for debts. The money was mostly made from vacant ground, taken and subdivided.\[16\]

It is interesting that Burnet was also hurt by the policy of the Bank, and in view of his own loss perhaps his sharp tone is more understandable in the following excerpt from his Notes:

"It is a fact highly honorable to the persecuted debtors of that institution that the statute of usury was not pleaded in a single instance; though it was a fact easy of proof that in at least one half of the cases the defendant did not receive from the bank more than sixty or at most seventy per cent of the amount for which they gave their notes."\[17\]

Furthermore, although the agent of the Bank had given the impression after the Bank was first closed in Cincinnati that the Bank would sustain a great loss, Judge Burnet, the president of the Bank, states that the Bank would make profit and with triple usury. Burnet also states that the debtors often had their land taken from them at a value less than one half the

\[16\]Greve, p. 571.

\[17\]Burnet's Notes, p. 411.
intrinsic worth of the property. This honesty of Burnet is
somewhat strange since he was the President of the Bank during
its first period in Cincinnati. But when it is remembered that
he, too, suffered by having too lose a good deal of property
because of the Bank, it is not too odd that he should be so
frank about the transactions of the Bank.¹⁸

In Daniel Drake's Memoirs, there is mention of a transaction
completed by the Bank which involved land of Moses Dawson.
"In 1825, he parted to the Bank of the United States, for
twenty-five thousand dollars, in payment of his debt, one of the
most beautiful and valuable squares in Cincinnati; and which
the people were in vain urged to buy at that price for the use
of the city."¹⁹ This financial loss of Moses Dawson to the Bank
adds to an understanding of why Dawson had such an intense
hatred of the Bank.

Mr. L'Hommedieu, writing in 1874 of earlier conditions in
Cincinnati, mentions the havoc caused by the loss of land in
Cincinnati:

In 1825 and 1826, she was undergoing the severe ordeal of
paying off "old Debts." Through the branch bank established
here by the United States Bank, during the years of infla-
tion and extravagance which preceded this period, most
of the large real estate owners had become almost hopelessly
in debt, and large portions of their property had been taken
by the United States Bank, and subsequently sold at an

¹⁸Catterall, p. 411.
¹⁹Edward D. Mansfield, Memoirs of the Life and Services of
Daniel Drake, (Cincinnati, 1855), p. 132.
advance. Some obtained the right of redemption, and, by borrowing money in New York and Philadelphia, succeeded in saving their estates; but many, if not a majority of their debtors, went under. Interest ranged from ten to thirty-six per cent, and there was no legal limit. At this period, the valuation of the property listed for taxation in our city was $6,848,433, not more than some half-dozen or less of our citizens combined are now worth.20

It should be quite clear from what has been said that the Bank of the United States had acquired extensive tracts of real estate in Cincinnati through its policy of taking land and all forms of real estate in payment of debts. The fact that the Bank took the land at a comparatively low price, and subsequently sold it at a much higher figure, thereby deriving great profit from the depression and financial failure of the city, greatly angered the citizens. That the Bank was able to keep out of debt by means of this policy did not particularly interest the people. They simply saw themselves facing financial ruin because of the Bank's policy.

A complete list of the real estate bought and sold by the Bank in Cincinnati would be far beyond the scope of a study such as this. Information as to what the Bank controlled in Cincinnati may be found in the Land Office records in the Court House, Cincinnati, Ohio. Records of land bought and sold by the Bank are there recorded, but for the sake of illustration some examples of the land purchased and sold by the Bank are here pro-

20Pioneer, p. 16.
These transactions will be presented in chronological order, and in some instances the cost of the land when first purchased and the cost when resold will be given. Indication of the location of the property will also be provided so that the value of the land will be better appreciated.

The terms "inlot" and "outlot" will appear in the following pages. The term "inlot" refers to sections of land toward the south part of present downtown Cincinnati. The term "outlot" refers to land toward the northern part of the city and north of the canal, or the present Central Parkway.

References to pages for these transactions from the Abstract Co. will not be given since the records are strangely numbered, and a reference would have little significance. The records are easily accessible in the Abstract Company office. The page numbers mentioned are from the Court House Record books.

Mr. Stephen McFarland and his wife, Catherine, sold land to the Bank on August 10, 1820. This was recorded in book "v-1," page 381, on December 4, 1820. The consideration of the land was

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21 The record of these sales was obtained from the Abstract Company, owned by Mr. Francis X. McCarthy, Temple Building, Cincinnati, Ohio. Mr. McCarthy's is a law firm, and the company records contained all the data about the following transactions.

22 The record books referred to here are the record books of the Court House, Cincinnati, Ohio. The recording date will always be after the date of actual sale or purchase.
The property in question was on the corner of Fourth and Vine Streets. Today this would be in the midst of a rather exclusive shopping center of small stores.

Joseph Evans and his wife, Rachel, sold property to the Bank on August 14, 1820. This was recorded in Book V-I, page 383, on December 5, 1820. The consideration for this property was $3600. There is mention made of a mortgage on this property just before the land was sold. The property was the west half of inlot 241, and amounted to a sixteenth of a block since the block in question had eight inlots. This block was bounded by Race, Fourth, Vine and Fifth Streets, and the inlots were unnumbered 242-239 and 217-214. This property is now occupied by the Netherland Plaza Hotel.

On December 8, 1823, Frances H. St. Clair, widow of Arthur St. Clair, sold land to the Bank. The sale was recorded in Book 21, p. 414, and was made on January 15, 1824. The land was that part of outlot 31 which is south of Wayne Street. The consideration was $250.

John S. Benham, Trustee, sold a section of land to the Bank on December 8, 1823. The transaction was recorded in Book 21, page 412, on January 15, 1824. The property in question was the greater part of the block now bounded by Seventh, Main, Eighth, and Walnut Streets. The exact bounds of the property are quite complicated. The amount involved in the transaction was $12,422. This was in discharge of a certain judgment which had been handed
in court on May 11, 1821.

In the following sales there is some discrepancy as to what was actually sold, but as well as possible it will be clarified. Nicholas Longworth and his wife, Susan, sold land to the Bank on November 1, 1824, for a consideration of $4,200. This was recorded in Book 22, p. 389, on February 5, 1825. The property bought by the Bank was a house and a lot on the corner of Vine and Fifth Streets. This was part of inlot 217. On this corner now stands the entrance to Mabley and Carew Department Store.

The following illustration shows division of the block into inlots.

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<th>Race</th>
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4th

The above mentioned sales and resales of the real estate of present metropolitan Cincinnati should give some indication of the land owned by the Bank in Cincinnati.23 Exactly what was on the property bought and sold by the Bank would be difficult to ascertain. Ordinarily the record of a land sale merely provided the boundaries of the property in question and the amount.

23Further transactions will be found listed in Appendix I.
Mention is rarely made of what buildings or establishments were on the property.

What authors have thought of the Bank in Cincinnati, and what the public mind was toward the Bank should be clear enough from this chapter. The Bank was never a popular institution among the people of Cincinnati, and this will be highlighted in the next chapter when the sentiments of Moses Dawson, the Bank's chief antagonist, are presented.
CHAPTER V

MOSES DAWSON AND THE UNITED STATES BANK

Moses Dawson, Editor of the *Inquisitor* and *Advertiser*, was born June 9, 1768, in or near the city of Belfast, County Antrim, Ireland. While he was still a young man a hatred of British domination pervaded Ireland which resulted in the organization of the Society of United Irishmen, a secret and social organization. Dawson was a member of this organization, and for his participation in it he was twice arrested, although he escaped the fate of his companions who were convicted and hanged as traitors and rebels. After his acquittal, he remained in Ireland for twenty years, although still a warm Irish politician.

He was active in Belfast about the year 1810 in organizing the new Lancastrian schools, but in 1816, Mr. Dawson was concerned with the publication of a periodical at Glasgow, Scotland, wherein political subjects were discussed in a manner not at all, in the authorities' eyes, edifying or agreeable. His opponents took measures against him, but he eluded them by fleeing to America where he arrived in May, 1817, at Philadelphia.

He left Philadelphia soon after, and went to Lexington, Kentucky, where he remained only a few months. In 1818 he moved to Cincinnati, Ohio, where he made his permanent home. He opened a
school there of the Lancastrian type, but was unable to make a success of this venture.

After the failure of his school, he turned to the Inquisitor and Advertiser of which he became an associate Editor in 1821, and the sole Editor and proprietor in 1823. This began his career of twenty-five years on the Advertiser where he was most instrumental in disseminating intelligence and molding public opinion. Dawson was always considered to be the Democratic leader in the West in his time, and he helped Jackson in his campaign for election and re-election. All of Jackson's policies were likewise vehemently espoused by Dawson. Dawson died at Cincinnati, December 4, 1844, a short time after making a trip to the Hermitage, the home of Jackson.

Dawson's life can best be described as that of a crusader, of a man who had deep convictions, and who was persistent in his efforts to carry out and promulgate these convictions. This is the man who fought the Bank of the United States in Cincinnati from 1821 to 1836 when it was finally closed.¹

Dawson's dislike and distrust of the Bank of the United States was due to personal convictions and study, but he was also deeply influenced by his close friend, Andrew Jackson, whom he

¹The Family of Moses Dawson of Cincinnati, 1819-1842. Extracts from a collection of family records of Moses Dawson. Compiled by C.C. Dawson, Albany, New York, 1874. This given to Historical and Philosophical Society of Ohio by Harry Pence, typewritten copy, Cincinnati, 1929. (Four pages).
personally admired, and whose opinions he heartily endorsed. A vast correspondence was carried on between these two men, and the variety of topics touched on shows the close friendship between them.²

Mr. Dawson's opinion of the United States Bank, as well as President Jackson's attitude toward this institution, is clearly expressed in two letters of 1830. A study of these two letters, as well as a later one of 1837, should cast light on Dawson's view of the Bank, and the degree to which he relied on Jackson for his personal estimate of the Bank.

The first letter under consideration will be that of Dawson to Jackson, Cincinnati, July 5, 1830. After mentioning some personal matters in the first paragraph, Dawson then tells Jackson what he considers Jackson's opinions on the Bank. Some sections of the letter are almost illegible and it was impossible to understand each and every word of the letter.

Dawson says: "It has always appeared to me that you depreciaed (sic.) a Bank that would either give influence to the general government or that could be carried on independent of state sovereignty or of state taxation... not to touch upon...

² The letters from Moses Dawson to Andrew Jackson are to be found in the Library of Congress, but a copy of them may be found on microfilm in the Historical and Philosophical Society of Ohio in the University of Cincinnati Library. The Jackson to Dawson correspondence is at present in the possession of the Xavier University Library, Cincinnati, Ohio. The letters referred to in this chapter are from the collection at Xavier University.
the question of constitutionality its expediency seems questionable.\(^3\) Dawson thus interprets Jackson's views of the Bank, and in previous chapters it has already been seen that Jackson objected to the Bank on just these points. Dawson objected to the power of the Bank, and the independence of the Bank from the power of the States. The question of its constitutionality also bothered him. From this paragraph of the letter it seems evident that Dawson had known of Jackson's view on the Bank before 1830, and most likely he was influenced then by Jackson in his editorials in the *Advertiser*.

Dawson, in the same letter, does admit the necessity of a bank to handle the funds of the government, but then he discusses the problem of discounts and loans. That he opposes a bank such as the United States Bank which issued these loans, is evident when he says, "So far as I can form a judgment on the subject, a Bank or national exchequer should not be a Bank of discount -- the lending or dealing in money should be left to private individuals."\(^4\)

The role the Bank played in Cincinnati by its issuance of discounts has already been discussed, and it has also been seen how dangerous these bills of discount were in the early years of the Bank when care was not taken about issuing them. Dawson,

\(^3\)Letter from Moses Dawson to Andrew Jackson, Cincinnati, July 5, 1830.

\(^4\)Ibid.
assuredly, was mindful of the disaster of the twenties when he wrote this letter, and from experience he probably objected to the issuance of these bills of discount. He would rather have banks or private individuals handle the problem of loans.

Dawson ends his discussion of the Bank with this confession of ignorance and request for help: "These we confess but very crude ideas on the subject but as the discussion is now all important to the nation, I am anxious to have lights thrown on it; at the same time, I feel timorous to embark in it without having some idea of what has occurred to you on the subject -- but my notions might conflict with those who better understand or who better digested it."

Evidently Dawson wanted Jackson's advice so that he could use his observations in the Advertiser. On July 17, 1830, Jackson answered Dawson's letter, acknowledging Dawson's letter of July 5, 1830. Two paragraphs concerned private affairs between the two men, and the Bank question is then treated in the third paragraph of the letter. Jackson begins the discussion by saying, "a republic should only have national bank of deposit, with powers in time of war, if the emergency required it, to issue its paper bearing a moderate interest payable at the end of the war." Jackson therefore did not favor a bank which

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6 Letter of Andrew Jackson to Moses Dawson, Hermitage, July 17, 1830.
could issue bills of discount, but rather a bank of deposit only. By issuing government paper in time of war, Jackson meant that the government would issue money to the people during wartime to meet the needs of war, and at the expiration of the war, the people would pay a small interest on the notes. This is as far as he wanted the loans to go.

Jackson admits that it would be possible to have a bank of deposit and discount if care were taken to obviate the difficulties of the Second Bank of the United States, but at heart, he opposes such a Bank. He ends this letter to Dawson by stating his dislike: "But I have always thought republics ought never to become brokers, therefore, never ought to have any other bank but one entirely national, and that of deposit only." Thus the Bank desired by Jackson would be a bank where the people could deposit their funds, and nothing more.

There is another letter written to Dawson by Andrew Jackson dated May 26, 1837. This letter was written after the closing of the Second Bank of the United States in Cincinnati and the expiration of its national charter, but it still further elucidates Jackson's views on the Bank. Jackson is quite optimistic in this letter over what he considered, the conquest of his democratic-republican party. Many of Jackson's objections to the Bank are contained in this letter.

7Ibid.
Jackson criticizes the Bank through much of his letter, and then speaks more directly to Dawson, and encourages him to labor unceasingly against the Bank, and to show the evils of such a system to the people of Cincinnati:

We must not despair of the republic - these wicked schemes must be laid bare before a virtuous people - the labourers of our country - you have communed well, but you must redouble your ardour, and bring to the view of the labour of our country the great injury their labour sustains from the frauds imposed upon them by this paper credit system, when the constitution guarantees to them in return for the product of their labour an undeviating metallic currency of gold and silver - this they are entitled to and would receive if it was not for the frauds imposed upon them by the aristocracy, who by their paper credit system, are making them hewers of wood and drawers of water for them. 8

It is again clear how Jackson is appealing to the common man, and how much evil he thought was wrought upon the small man because of the paper currency of the Bank. Jackson had always been against such a paper system, and wanted only gold and silver in use as means of exchange. He always distrusted the paper system, and this distrust was partially due to his own ignorance of the system, as well as his own dislike and fear of the wealthier classes whom he thought controlled the Bank, and who would do their utmost to swindle the poorer classes in this country.

That Jackson wanted Dawson to speak out against the Bank and all of the evils of the Bank, as seen by Jackson, is quite evident from his exhortation to Dawson: "Then show the people that

8Letter of A. Jackson to Moses Dawson, Hermitage, May 26, 1837.
they are the sovereign power - bring to their view the prohibition in the constitution 'That no state shall coin money, issue bills of credit or make anything a tender for payment of debts but gold and silver in coin.' "...then, and only then, will the labour of our country be freed from the fraud and imposition of the paper credit system."9

Jackson goes on to deprecate the paper currency, and extol the need of only specie or coin for the means of exchange. Jackson tells Dawson that if the people will not exercise their right and power to abolish this paper system they "deserve to be slaves ....to the aristocracy of the country through this paper credit banking system."10

Jackson asks Dawson to act quickly in putting these ideas into print; - "If you will throw these hints into form and press it upon the people -" and ends by saying that the "Democratic Republicans have a more complete (sic) triumph than ever they had and we will have a real metallic (sic) currency; and it will be the last time Banks will suspend for political effect."11

With the close of the Bank of the United States, Jackson thought paper currency would go entirely from the United States.

Assuredly, from the context of the letter and tone of exhor-

9Ibid.
10Ibid.
11Ibid.
tation, Jackson did affect Dawson in his views in the Advertiser. These were Jackson's views, and he wanted his friend Dawson to carry them and impart them to the readers of Cincinnati. The final sentence of Jackson's letter ends with: "If you can benefit from the crude hints I have given in your addresses to the public, I will be happy." 12

Concern over the common man in the United States constantly recurs in Jackson's letters to Dawson, and for this he must be commended. But such great distrust and hatred of the wealthier classes of the country, whom Jackson always thought were swindling the poor people, is not equally admirable. Jackson was rather unjust in his praise of one class of American society and distrust and hatred of another. He was firmly convinced that the people of the country should act to abolish such banks as the U.S. Bank, and for this reason he was most interested in communicating his ideas on the subject of the Bank to this Editor of a newspaper.

Some of the earlier references from the Advertiser will not reflect the mind of Dawson because he did not own and direct the Advertiser until 1823. It will be noticed from the tone of the different remarks made by the Advertiser that Dawson was much sharper in his criticism of the Bank than was the Editor before him. In fact, the Bank is extolled by the previous editor.

12 Ibid.
The period from 1820 to 1825 offers practically nothing about the Bank in Cincinnati since the Bank had been closed for these five years.

On July 17, 1818, a lengthy article appeared which discussed the action of the Bank at that period. This article discussed the action of the Bank in calling for payment of debts by the local banks. The Editor wondered whether the action of the Bank was necessary, and then goes on to discuss the reasons behind the move:

Are the calls that are made on the other banks necessary for their own protection? If so, their course is not worthy of censure. But if it has arisen from a disposition to curtail the business of the other banks either through an invidious feeling or a spirit of monopoly, it deserves the severest reprobation. Whatever may be the motive, the effect on individuals and the public will certainly be oppressive and disastrous. The banks which are oppressed must defend themselves by calling on their customers, who cannot, in the time of general scarcity, obtain a sufficiency of current money to pay their bank debts. We should like to be better satisfied than we are of the necessity of the course which the branch banks are pursuing. Indeed, public feeling demands an explanation in a tone which will not be disappointed.\(^\text{13}\)

The Editor is certainly not condoning the action of the Bank, but neither is he extremely sharp in his rebuke of the Bank. The same tone is apparent in a later article in the same year: "The auditor of the State, it appears, has instructed the several collectors of the non-resident land tax, not to receive any paper in payment of taxes, except the notes of such banks as are re-

\(^{13}\)Advertiser, July 7, 1818.
ceivable at the land offices, and in the United States Banks. Of the propriety of this measure we shall say nothing at present. In the existing state of things, it may be expedient and even necessary."14 The fact that notes had to be recognized by the United States Bank always had been a thorn in the side of the people of the West, but the Editor here is careful not to criticize the Bank excessively for its relation to the State in this regard.

Another fine example of the impartial attitude of the Advertiser of this era is an article which appeared on October 20, 1818. Although here the Editor is actually pro-Bank. There is a long article in which he criticizes those who attack the Bank, and the article ends with "and to rebuke that scurrilous spirit which has so unjustly and vindictively assailed the Bank of the United States."15 It would seem here that the Advertiser is endeavoring to maintain a middle-of-the-road course toward the Bank, chastising it when rebuke is necessary, and defending it when censure is not in place.

The question of the taxation of the United States Bank by the States was discussed in an article in the early part of 1819. The Advertiser seems to take a favorable view of State taxation of the branches. This matter of taxation was frequently dis-

14 Ibid., September 8, 1818.
15 Ibid., January 21, 1820.
cussed by the newspaper during the hot battle on both the na-
tional and State levels, and for the most part the Advertiser
favored the Tax, but, on the other hand, the paper never strove
to work up public opinion against the Bank on this issue. Rather
it played the role of a bystander who simply narrates the facts,
without partisan comment or opinion.

The Bank had always been unpopular because of the high rate
of interest it charged on bills of discount, and especially
did the local banks and the people of Cincinnati complain about
the rates. The Advertiser ordinarily refrained from commenting
on the rate of interest, but in January, 1819, the Bank is cri-
ticized for " Charging more than six per cent per annum, on
loans or discounts to which latter the bank is restricted by its
charter." 16 The Bank did charge high interest, but nothing
that was said by the local banks or newspapers was ever effective
in lowering these rates during the first period of the Bank.
This charge about high rates was not so common during the second
period of the Bank in Cincinnati.

The following excerpts from the Advertiser deal with the
second period of the Bank, and are all after 1825. Little, if
anything, was to be found in the Advertiser during the inter-
mediate period. Everything found in the Advertiser from 1825
on was published under the editorship of Moses Dawson.

16 Ibid., January 21, 1820.
Dawson directed a set of rather pointed questions to the Bank on the problem of the property owned by the Bank. It is difficult to see how the Bank would have been able to answer these interrogations: "How does it happen that the agent of the Bank in this city refuses to sell property when a fair price is offered for it; giving a reason for holding over that 'it may bring a better price at a future day.'? Is it not the duty of the Bank, according to the letter and spirit of its character, to fix on any property, which they may obtain in payment of debts, a fair current value, and sell at that value to whomever may desire to purchase?"\(^1\) Naturally, no reply was forthcoming from the Bank. Dawson had a strong argument, and it is strange that the Bank would receive such severe criticism for its course of action, but still continue in this unfair manner of selling property. Dawson's dislike of the Bank's land policy may have been increased because he lost property to the Bank in 1825.\(^2\)

In a subsequent issue of the Advertiser, Dawson criticized the Bank because it had not answered some of the charges made against it by the newspaper,\(^3\) although one might wonder why he thought the Bank should answer these charges.

There is a most interesting article in the Advertiser which

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\(^{1}\)Ibid., January 11, 1826.

\(^{2}\)Memoirs of Drake, p. 132.

\(^{3}\)Advertiser, February 22, 1826.
concerned a mode of operation employed by the Bank to crush all opposition against itself. The following is a description of what the Bank was supposed to be doing:

Shortly after the Branch Bank was first established in Cincinnati the Liberty Hall, then edited, and partly owned, by a worthy and respectable gentlemen, now holding a high municipal office, contained some free, and by some considered severe strictures upon the Bank and its directors at headquarters, upon the appearance of which, the printing of the Bank was immediately withdrawn from the office of that paper - and in half an hour after the Advertiser was published last Wednesday, the subscription to this paper was withdrawn. Where then, are we to look for, or where can more decisive proof be expected than this, that it has been, and is the determination of this bank to extinguish every press that dares to call in question, or bring under discussion the operations or the principles of this dangerous and mischievous institution. 20

Dawson seemed quite justified in bringing this before the people of Cincinnati, because such actions made the Bank an unpopular institution in the city, as well as a rather feared one. Dawson is to be commended for his straight forwardness and his defense of freedom of the press, but it seems he is stretching a point when he says the Bank curtailed freedom of the press.

There now follow some articles which appeared in the Advertiser about the attitude of the other leading newspaper in Cincinnati, The Liberty Hall and Gazette. Dawson had some definite thoughts on the Bank, and was vociferous about anyone or anything that did or did not share these same sentiments.

Apparently Hammond and the Gazette had taken an unfavorable

20 Ibid., January 11, 1826.
stand toward the Bank because in the middle of 1826 Dawson commended Hammond and his newspaper for the stand they took against the Bank: "It is with great pleasure we give insertion this day to some remarks of Mr. Hammond upon the Mammoth Bank. We have pleasure under two considerations: first, that Mr. Hammond has not changed his mind on the subject, and second, that we do not altogether stand alone in the western country in daring to animadvert upon that ruinous institution.... Can they bear to have the bank struck off the list of their subscribers, and perhaps its advertising withdrawn? Aye, there's the rub." 21 Dawson was pleased at the stand taken by the Gazette, but he was also fearful that the pressure of the Bank might force the Gazette to take a more favorable attitude toward the Bank at a later date, fears which were later realized. In 1829 there appeared a long criticism of Hammond because he had spoken favorably of the Bank, and had not remained constant in his opposition to the Bank. That Dawson once thought highly of Hammond is seen in his closing remarks: "Hammond, it is well known, was some years ago, as violent against this institution as any other man in the western country . . . . . ." 22 The tirade against Hammond that accompanied this slight praise amply proved that Hammond and Dawson were now on different sides of the fence.

21 Ibid., June 3, 1826.
22 Ibid., December 30, 1829.
Another long diatribe against Hammond appeared in May, 1829. Hammond is sharply criticized by Dawson, and the article closes with this cutting remark against the Gazette as well as Hammond himself: "That the Cincinnati Gazette is the pensional press of the United States Bank, we think we have additional proof in the refusal of the Editor to publish the essay signed 'J.' which our readers will find below."23 The article signed by 'J.' goes on to criticize the bank. Dawson's remarks here about the Gazette seem somewhat extreme and reflect the character of the man. He was most spirited, and was determined to have his way over the Bank. To accuse the Gazette of being the press of the United States Bank is a rather exaggerated charge.

Dawson's invective against Hammond reached a climax when he spoke as follows: "This vile calumniator professes to be the advocate of the bank now, though many years have not passed over his head since he publicly declared it to be an unconstitutional and mischievous bank."24 Dawson was not one to let opposition to his ideas go unnoticed. There is no record, on the other hand, that Hammond ever entered into literary pugilistics with Dawson over the question of the United States Bank. Hammond spoke out on the question, but he was content with that, and no personalities or names ever entered into his remarks.

23Ibid., May 29, 1830.

24Ibid., May 11, 1833.
Earlier in the Chapter mention was made of a letter from Dawson to Jackson written in July, 1830. Dawson had written this letter to Jackson to obtain his ideas on the Bank, and the letter had been partially prompted by a Report by the House Committee on Ways and Means, May, 1830. Comment was made in the Advertiser on this Committee report, and the entire movement in the United States to secure a recharter of the Bank. The following excerpts are concerned with the problem of the recharter of the Bank.

In 1830 there appeared a long article giving the report of the Ways and Means Committee on the Bank. Mr. McDuffie was the Chairman of this Committee, and the report of the Committee had been for a recharter of the Bank. Shortly after the report appeared, an article was written by Dawson in comment to the report. Naturally he attempts to fight the recharter of the Bank. No similar attack by the Gazette on the Committee report is to be found at the time. "We recommend our readers to read the report with attention. It is now clear that the arguments it contains are those which are to be relied on for a new charter. We invite all those who from actual experience know the fallacy of the arguments and the absence of truth in almost all the assertions made by the committee to take an active part in exposing the unsoundness of the arguments, and the fallacy of

25Ibid., May, 1830.
the assertions." It was just twenty-one days later that Dawson wrote Jackson asking the President for his views on the Bank.

The Advertiser then made another appeal to the people of Cincinnati to oppose the recharter of the Bank by means of their voting power. "We say again, let the people beware - let them have their township, county, and district meetings, and put in nomination such candidates only as will make known their sentiments and their intentions with regard to the Bank." At this period of the Bank in Cincinnati the condition of the Bank was quite sound, and people in general were somewhat pleased with the Bank, but Dawson still persisted in his opposition to the institution. At the beginning of 1832 the Advertiser mentioned a petition that was being distributed asking for a recharter of the Bank. The Editor requested the people to ignore this petition.

We list some of the complaints which the Advertiser advanced from time to time against the Bank. Practically every possibility was explored in the attack on the Bank. Dawson printed a letter from a man who had been displeased with the Bank while he had been in the city at a prior date. "I assure you that should

26 Ibid., June 15, 1830.
27 Ibid., September 17, 1831.
28 Ibid., December 11, 1832.
I ever again visit the city, I shall take care to deposit my funds in some place where I can have the privilege of drawing the same kind when called for."29 The man was unhappy because he was unable to collect specie from the Bank, and in 1826 when this happened, the absence of specie was a serious problem. Later in the same year a very cutting article appeared condemning the Bank for the power it possessed in the affairs of our country.

"The United States Bank and Branches wield an immense control over the monied interests of the United States. They hold exclusively, the command of the money market, they regulate the rate of exchange to suit their own view. In times of mercantile distress, they decide who shall sink, and who shall swim. In short, they have the power, and they 'rule with a rod of iron.'"30 Such sweeping statements were bound to stir up public opinion against the Bank, and the charges made against the Bank were well suited to worry the people and make them fearful of the power of this institution within their city limits.

To add a note of authority in his battle against the Bank, Dawson featured an article by Thomas Jefferson. In it the constitutionality of the Bank was brought up once more, and the Bank was likewise accused of sending all the profits of the Bank out of the State to wealthier men in the East. The article ended

29Ibid., February 15, 1826.
30Ibid., June 14, 1826.
with the following admonition: "We would recommend the particular attention of our readers this day to the sentiments of Mr. Jefferson on this great national evil, the United States Bank."31

Such constant attacks on the Bank by Dawson had a cumulative effect. The people had not been completely satisfied with the United States Bank, and the Advertiser saw to it that all objections against the Bank were constantly brought before the public. Naturally, little was ever said in praise of the Bank. As a source of news, the Advertiser should not have taken such a partisan stand on the Bank, but the character of Dawson made such impartiality impossible.

These quotations should show sufficiently how strongly Dawson fought the Bank in Cincinnati. His opposition will also show why the Bank had such difficulty in gaining public confidence in Cincinnati, and why it was so difficult to obtain a recharter for the Bank.

31Ibid., November 4, 1830.
CHAPTER VI

ANDREW JACKSON AND THE BANK

Andrew Jackson opposed the Bank for several reasons. He feared the power of the Bank, and he worried about the constitutionality of the Bank. He also disliked the Bank because he said it was not equally helpful to all classes of people in the United States. Before finishing this study of the Bank in Cincinnati, the justice or reasonableness of Jackson's attempts to close the Bank must be discussed. His reasons for closing the Bank are well known, but little has been said about the wisdom of his action.

The constitutionality of the Bank always loomed large before Jackson, but in view of the two decisions of the Supreme Court which upheld the power of Congress to charter a Bank, Jackson's objections to the constitutionality of the Bank seemed rather absurd. The Maryland vs McCulloch and Osborn vs The Bank of the United States decisions should have taught Jackson.

Jackson likewise feared the power of the Bank. But it seems strange to conclude that the only way to curb the power of the Bank, if that power actually existed, was to refuse its recharter.

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1Catterall, p. 184.
In the face of the good done by the Bank and the efficient management of the Bank, Jackson would have shown greater wisdom in making changes in the organization of the Bank, rather than in simply abolishing this institution. A further study of the Branch Bank in Cincinnati will provide added reasons why Jackson should not have failed to recharter the Bank.

First, the benefits of this branch system of banking will be briefly enumerated. It will appear how absurd it was to abolish an institution that was highly advantageous to the country. Then, if it can be demonstrated that the weak points of the Bank could have been remedied without destroying the Bank, the argument against Jackson will be all the stronger.

The funds of the Treasury were collected, transferred, and disbursed only by means of the Branches of the Bank, and the Bank furnished the country a currency better and cheaper than any which had yet existed in the United States. The Branches also made the amount of currency in circulation more flexible, since the notes of the Bank were issued in response to business demands in the various sections of the nation, and then withdrawn as the demands died away.

Another great advantage of the Branch system was that loans were made in the South and West at cheaper rates than could have

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2Ford, p. 358.
3Catterall, p. 401.
been had without the Bank. This ability to supply cheap loans made it possible for Southern and Western industry and commerce to flourish. It has already been seen how the Bank, especially during its second period in Cincinnati, met a great need when it was able to issue these loans or bills of discount to the banks and citizens of the city. There were difficulties at the end of the second period of the Bank because of the money owed the Bank through loans, but that was simply because Jackson wanted the Bank closed, and the money owed to the Bank had to be collected quickly and promptly. Had the Bank not been closed in 1836 there is little reason to believe that the city would have had the difficulty it did in meeting the payment on loans, because there would then have been no reason for the Bank to call for immediate payment.

These Branch Banks were likewise assured of more capable management than local banks since the Branch Banks received the attention of able men at Philadelphia, as well as of the local directors. The system enabled the directors to secure valuable information about business and men which a local banking concern at that time could not have commanded. This Branch system also provided a greater supply and distribution of specie than would have been ordinarily possible under another system of banking.4

4Amount of specie in circulation was discussed previously in Chapter I.
These benefits of the United States Bank, along with the fact that the Bank did a successful job in its branches about 1833-1836, are reasons why Jackson should not have failed to recharter the Bank.

But to present a complete and fair picture, the evils of the system must be enumerated because in them ample reason may be found against rechartering the Bank. In general, all the defects of this Branch Bank system can be resolved into a failure on the part of the Home Office to exercise adequate control over the Branches of the Bank. To insure this necessary control of the Branches there were needed able directors, intelligence, and a constant vigilance over the various branches of the Bank. The manner in which the Bank was set up in 1836 did not make this altogether possible, but this could have been changed without destroying the Bank. A Board could have been set up at Philadelphia, entirely independent of the business and cares of the East, whose sole concern would be the management and direction of the offices of the Bank in the South and West. This Board would supervise and direct the activities of the Branches, and see to it that these Branches did not get out of control. This defect of the Bank, and it was admittedly a defect, could have been remedied through a change.

Another glaring defect of the Bank in Cincinnati as well as in other Western and Southern cities was the matter of loans. The Bank was a valuable institution because it could make loans
at low rates, but it could be dangerous if the loans were indiscriminate or too often or without attention to the type of security. Already this evil has been pointed out in Cincinnati, as well as the degree of harm this inflicted on Cincinnati. This evil, though, could have been, and for the most part during the 1830's, was avoided by better management on the part of the Branch. Loans, then, from one point of view, were an evil, but looked at differently, and with good management and direction, were a real boon to a growing city such as Cincinnati.

The fact that the directors of the Bank in Cincinnati were local men was another drawback in the system. These men, as said before, often forgot the best interests of the Bank, as well as of the city, and thought too much of the individual and personal demands which were often not in the interest of all concerned. That Cheves was worried about the poor local management of the Branches of the Bank is seen in the following letter:

I am perfectly satisfied that with the present organization of the Bank it can never be managed well....the directors are frequently governed by individual and local interests and feelings....I hope the Presidents may be made to devote their whole time to the business, engage in no other business, and receive a very liberal salary, which would make them value their offices and be afraid of losing them.... Nay, there is no calculating the actual loss and the loss of gain the Bank has sustained by the want of competent and confidential men at the head of the branches. 5

5Cheves to Crawford, May 27, 1819, Exposition, p. 73; and report of the Committee of Stockholders, October 1, 1822, ibid., p. 11., Catterall, p. 381.
Assuredly, then, this local management was an evil, but it could have been, and to some degree, was remedied when the Home Office took greater care to choose qualified cashiers sent from the East. Here, again, a change, or perhaps just more careful supervision could have taken care of this defect in the system. One reason why it was difficult to keep a close check on the operations of the Branches was the poor system of communications of the time. But this would improve in time, and in the last years of the Bank's existence the Home Office had greater knowledge of the Cincinnati Branch.

These admitted defects loomed as reasons for failing to recharter the Bank. When it is considered how they could have been remedied without destroying the Bank, Jackson's action seems less justifiable.

A good deal has been said how the Bank hurt the city of Cincinnati, and how unpopular, except for a brief period at its inception, the Bank was in Cincinnati. The Bank did harm the city at certain times, but it must be said that the Bank could sometimes share the blame with the people themselves, and the evils of the Bank could have been remedied. In the final years of the Bank's career in Cincinnati, the Bank helped the general welfare of the people until Jackson began his work of destroying the Bank.

The conclusion drawn is that although the Cincinnati Branch did, at times, provide reasons for not rechartering the United
States Bank, still in view of the benefits of the Branch Bank system and the possibility of remedying the evils of the then existent Bank, Andrew Jackson was not wise in opposing the recharter of the Bank of the United States with its branches throughout the United States.

A last tribute to this much discussed institution is provided by the words of Catterall:

Up to the period of the Bank War, the connection between the Bank and the Government was an immense benefit to both, but particularly to the Government. But having stated this conclusion, there is a corollary which is just as inevitable. With the growth of the Union, with the increase of national wealth and of population, the bank would have been progressively useful. From this point of view, it becomes obvious that Jackson and his supporters committed an offense against the nation when they destroyed the Bank. The magnitude and enormity of that offense can only be faintly realized, but one is certainly justified in saying that few greater enormities are chargeable to politicians than the destruction of the Bank of the United States. It was the overthrow of a machine capable of incalculable service to this country - a service which can be rendered by no bank not similarly organized. 6

6Catterall, p. 476.
CHAPTER VII

CONCLUSION

The content of this work summarized so as to focus the scope and purpose of this work. In the first chapter it was observed that the Second Bank of the United States was established because a uniform currency was necessary throughout the United States, and a national Bank with Branches would insure this uniform currency with equal and fair distribution of specie and paper. Opposition to the Bank rose from the camp of the Democratic Republicans who feared excessive power in the central government. One of the Branches of the Bank was located in Cincinnati, Ohio, which was then on the boarder of our growing country. Even then, Cincinnati was an important trade center, and it promised to become more important in the future. Hence, the selection of Cincinnati for a Branch of the Bank was a wise and natural choice.

The first period of the Bank in Cincinnati from 1817-1820, treated in Chapter II, was an uneasy and turbulent time. Simultaneous with the establishment of the Bank, Cincinnati entered upon a period of prosperity and inflation. The people were optimistic about the future, and soon they had borrowed great sums from the Bank. Soon, though, the Cincinnati Branch re-
received orders from the home offices in Philadelphia to call in as much specie as possible, and charge higher rates on loans. Naturally, the other banks of the city were displeased with the action of the Bank. The situation became daily more serious especially since Cincinnati credit in the East was very low. Finally the city found itself in the midst of a depression. The people, therefore, met to discuss the Bank's action in calling in specie, the high rates on loans, and the demand for immediate payment of loans. Their protests were futile, as greater amounts of specie left Cincinnati destined for the East, and conditions became more serious. Finally, on October 12, 1820, the Branch Bank in Cincinnati was closed.

Although closed in Cincinnati, an agency of the Bank remained to carry on some business, and to collect the remainder of numerous debts. The people were still meeting in protest to the Bank, but these protestations were likewise still in vain. It was at this time that the famous decisions of McCulloch vs Maryland and Osborn vs United States handed down by the Supreme Court saved the Second Bank of the United States from being taxed out of existence.

The period from 1820-1825 was one of depression and hardship for Cincinnati, and the losses felt by the citizenry because of the Bank were by no means insignificant. Throughout this period the Bank made settlements and collected all possible debts. The year 1825, though, saw the reestablishment of the
Bank in Cincinnati with a subsequent period of stable banking. From its reestablishment until its close in 1836, the Bank did a great service to the city, and Cincinnati enjoyed financial security. But President Jackson opposed this institution, and despite the efforts of the pro-Bank elements in Congress and the United States, the charter of the Bank was allowed to expire which meant the close of the Bank and all its Branches.

After this history of the Bank in Cincinnati, the fourth chapter treated some opinions on the merits and demerits of the Bank. Generally, only authors of secondary sources speak highly of the Bank and the role it played in Cincinnati history. On the other hand, opposition to the Bank is quite easily found. Many petitions were filed against the Bank, and the newspapers of the day were a daily source of criticism of the Bank. Contemporaries of the Bank said the Bank was largely responsible for the depression in Cincinnati, but later authors are not as strong in their condemnation of the Bank on this point.

The land policy of the Bank which consisted of taking land in payment of a debt was severely felt by the people of Cincinnati, and the manner in which the Bank conducted this policy is usually criticized by the Bank's contemporaries as well as by authors of secondary sources.

A separate chapter was devoted to the role played by Moses Dawson in the Bank's history because Dawson was a friend of Andrew Jackson, and his opinions on the Bank question are not
only abundant, but they mirror the mind of President Jackson. Dawson was most outspoken in his criticism of the Bank's land policy, the Bank's excessive control of business, and even of Charles Hammond, Editor of the Cincinnati Advertiser, who did not seem, according to Dawson, sufficiently hostile to the Bank. Dawson was also instrumental in maintaining unrest and discontent among the people toward the Bank.

The fifth chapter presented a discussion of the justification of Jackson's closure of the Bank. The position held in this work was that Jackson did not have sufficient reasons for failing to recharter the Bank, despite the various shortcomings of the system. These deficiencies could have been remedied, and a valuable banking institution would then have continued in existence.

This work is important not only because it presents a detailed account of the Bank's operation, as a national institution, in one Branch City, a study not hitherto made; but for the student of Cincinnati history it provides greater insight into the difficult years which confronted early Cincinnati. Certainly, the Bank did have a great deal to do with the financial history of Cincinnati, and, therefore, these early years are all the more intelligible with this study of the Second Bank of the United States.
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APPENDIX I

UNITED STATES BANK LAND TRANSACTIONS

Joseph Evans, by William Ruffin, the sheriff of Hamilton County, in a forced sale, transmitted land to the Bank on June 23, 1826. The transaction was recorded in book 25, p. 535, on August 25, 1826. The record of the transaction says that inlots 239-242 were involved, but later sales to the Bank of approximately the same land make this indication of the inlots involved seem vague.

Then Nicholas Longworth sold the western 105 feet of inlot 242 and the eastern half of 241 to the Bank on July 6, 1826. A record is in Book 24, p. 533, and was recorded on August 25, 1826. It would seem that this is simply land which Evans did not own when he is said to have sold four complete inlots in the above paragraph.

David Halloway sold land to the Bank on November 15, 1826, and a record is found in book 25, p. 124, and is dated December 16, 1826. The consideration was $530. The property was the northwest part of inlot 169 which is part of the present Keith Building and Theater.

Again, Joseph Evans sold land to the Bank on January 9, 1827. A record is kept in Book 25, p. 321, and is dated February 24,
1827. The property is all of inlot 242, except a strip of
ninety-five feet off the East, and the east half of inlot 241.
The consideration was $1182. It is not clear again how Evans is
able to sell this land to the Bank since he had had a forced
sale of this property here one year previous. Nor is it clear
from the records whether the Bank sold the property back to him,
or whether originally he did not actually sell all the land to
the Bank. This sale, though, was followed by a sale of the re-
mainning ninety-five feet of inlot 242, and the west half of in-
lot 241. Nicholas Longworth sold this property on June 10, 1827.
The transaction was recorded on February 24, 1827, in book 25,
p. 322. The consideration is marked as $1.00, but this is merely
a way of saying the land was bought. To mark the consideration
as $1.00 now became rather common, instead of marking the actual
cost of the property. Apparently, from these two transactions
it would seem that these two men had purchased the land back from
the Bank some time between June 23, 1826 and June of 1827.

Margaret Brown, widow of John Brown, sold outlot 30 to the
Bank on June 23, 1827. This is recorded in Book 25, p. 625, on
July 2, 1827. The consideration was a mere $30. The outlot
was bounded by Vine Street, outlot 31, Norther Row and Walnut
Street. It is mentioned in the deed that this land had originally
been granted to her deceased husband by John C. Symmes who had
received the original grant of lands for Cincinnati from the
United States Government.
On November 22, 1827, the Bank sold the south east corner of inlot 215 for the sum of $6000. It is recorded in Book 26, p. 651, on February 13, 1827. This is interesting since at an earlier date the Bank had bought approximately the same amount of property in inlot 215, and had received it for $4200, a difference and profit of $1800.

On January 1, 1829, the land of George N. Hunt, deceased, and Jane Frances Pendleton, sold land to the Bank, with the recording made in Book 29, p. 471, on February 27, 1829. The consideration was $119,260. The land in question was part of outlot 19 on which the Alms and Doepke Department Store is now located.

On December 30, 1829, the Bank sold the land, which David Holloway had originally sold to the Bank for $580, to Jazabad Lodge for $750. This is recorded in Book 33, p. 578; and was dated March 15, 1830. This time the Bank profited by $190 by the resale of real estate.

On July 16, 1830, the Bank sold the south side of inlot 241 for $2240. The record was made on October 11, 1830 in Book 35, p. 292. No great profit seems to have been made on this transaction because previously the Bank had bought all of inlot 242 and the east half of 241 for a total of $8182.

Also on July 16, 1830, the Bank sold the west half of inlot 242 for $5172. The record was made in Book 35, p. 282, on October 4, 1830. In view of what inlot 242 had originally cost the
Bank, the transaction appears to have brought the Bank a tidy gain.

The following August 26, 1831, the Bank sold part of inlot 217 to William Miller for $2330. Record was made in Book 39, p. 564, on September 16, 1831.

On September 24, 1834, for the sum of $2400, Daniel Gano sold a tract of land which is now part of the site of the Alms and Doepke Department Store. This was recorded in Book 50, p. 596, on October 24, 1834. More property in the same block was sold, but this time by the Bank, to John Philip Kestner on October 15, 1836 for $6500. Record was made in Book 61, p. 3, on November 29, 1836. Two years later, on February 20, 1838, the Bank sold another portion of land in that same block, this time to Joseph Cowperthwait, Thomas Dunlap, and Herman Copq for a consideration of $100 and other valuable considerations.

There is also mention made on October 1, 1834, of a new street called "Hunt" Street. The Bank of the United States opened this new street for public usage.
The thesis submitted by Mr. Robert Leo Connelly, S.J., has been read and approved by three members of the Department of History.

The final copies have been examined by the director of the thesis and the signature which appears below verifies the fact that any necessary changes have been incorporated, and that the thesis is now given final approval with reference to content, form, and mechanical accuracy.

The thesis is therefore accepted in partial fulfillment of the requirements for the degree of Master of Arts.