

PROBLEM 6

Jacksonian Democracy

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THE PERSONALITY of Andrew Jackson, swashbuckling frontiersman, Indian fighter, military hero, and President, is one which Americans have never been able to regard with calm detachment. Idolized or hated, praised or excoriated, he has been a figure of compelling interest from his day to our own. But Jackson was more than a fascinating personality. The political movement he led and the philosophy of which he was the symbol have profoundly influenced our national development.

Jacksonian Democracy was a reaction against the ideas and forces in the ascendancy in the United States from 1815 to 1824. The exuberant, expansive America that came out of the second war with Great Britain was in the first stages of an economic revolution. Factories had sprung up in numbers sufficient to make a significant breach in the simple agrarianism of earlier days. Thousands of families were pushing west to buy fertile government lands on easy credit terms, lands which yielded rich stores of cotton, corn, and hogs and provided a basis for the prosperity of countless villages and towns. Artisans found increased call for their skills, new wants and new services arose side by side, occupations became more specialized, and productive units grew larger. Companies were organized to build toll roads and canals, to establish towns, and to speculate in lands. As Americans produced more, sold more, and had more money to spend, the ranks of the merchants swelled and their operations expanded. And everywhere bankers poured forth floods of paper money, inviting the alert to borrow capital with which to follow the alluring roads to fortune. Things were in the saddle.

In politics, the Republican party ruled unchallenged during the period, its surface harmony ruffled only by the struggles of rival leaders for power. But it had quietly dropped its Jeffersonian philosophy. Though Federalism was dead, Hamilton's economic program, surviving the Jeffersonian blight, had reappeared in the congenial postwar years, to be embraced by younger Republicans of the type of Henry Clay, John C. Calhoun, and John Quincy Adams. Whig Nationalism, as their political philosophy has been called, held sway for more than a decade after 1815; following Jackson's victory in 1828 it furnished the platform for the National Republican, later Whig, party.

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laboration between government and the business community which they called "the American System." A protective tariff was levied to shield and encourage manufacturing; a second national bank and numerous state chartered banks provided capital, investment opportunities, and commercial facilities; and both state and federal governments undertook to open up the channels of commerce by an ambitious series of internal improvements. The advocates of these measures were more successful than Hamilton had been in attracting wide popular support. The allegiance of many Westerners and landlocked Easterners was won by the promise of transportation facilities, tariff protection was granted to wool and other farm produce, and farmers generally were told that the growth of manufacturing would create a greater home market for agricultural products.

The progress of the American System before 1825 was occasionally impeded by the lingering constitutional doubts of Presidents Madison and Monroe. But when John Quincy Adams entered the White House, with Henry Clay as the leading member of his cabinet, it seemed that the last obstacle to nationalist hopes had been removed. Adams's first message to Congress was an expression of Whig Nationalism in its full development:

"The spirit of improvement is abroad upon the earth. It stimulates the hearts and sharpens the faculties not of our fellow-citizens alone, but of the nations of Europe and of their rulers. While dwelling with pleasing satisfaction upon the superior excellence of our political institutions, let us not be unmindful that liberty is power; that the nation blessed with the largest portion of liberty must in proportion to its numbers be the most powerful nation upon earth, and that the tenure of power by man is, in the moral purposes of his Creator, upon condition that it shall be exercised to ends of beneficence, to improve the condition of himself and his fellow-men. While foreign nations less blessed with that freedom which is power than ourselves are advancing with gigantic strides in the career of public improvement, were we to slumber in indolence or fold up our arms and proclaim to the world that we are palsied by the will of our constituents, would it not be to cast away the bounties of Providence and doom ourselves to perpetual inferiority? In the course of the year now drawing to a close we have beheld under the auspices and at the expense of one State of this Union, a new university unfolding its portals to the sons of science and holding up the torch of human improvement to eyes that seek the light. We have seen under the persevering and enlightened enterprise of another State the waters of our Western lakes mingle with those of the ocean. If undertakings like these have been accomplished in the compass of a few years by the authority of single members of our Confederation, can we, the representative authorities of the whole Union, fall behind our fellow-servants in the exercise of the trust committed to us for the benefit of our common sovereign by the accomplishment of works important to the whole and to which neither the authority nor the resources of any one State can be adequate?"¹

The nationalists, however, were to be disappointed in the very hour of victory. The Adams administration was the target of attack by an implacable opposition,

¹ *Register of Debates*, 19th Congress, 1st Session, Appendix, 8.

which hamstrung most of its measures. Adams' defeat for the Presidency in 1828 by Andrew Jackson marked the ebbing of the American System, and the tide did not fully turn again until after 1861.

Three factors were responsible for the nationalists' defeat: First, a resurgence of rivalry among sections, classes, and interests, particularly on economic issues; second, an irresistible demand for political democracy and popular control of government; and finally, a revival of the Jeffersonian libertarian suspicion of the state and hostility to special privilege.

The growing complexity of national economic life had itself led to stresses and conflicts. The severe depression which struck the country in 1819 and lasted well into the next decade acted as a catalyst to bring the conflicts into the open and intensify them. Each section and each interest group forgot the generous nationalism of the postwar years and looked narrowly to its own welfare. Each found the causes for its distress in benefits granted to the others. All competed for relief at the hands of government. Manufacturers demanded additional protection as the way out of their difficulties. Westerners and upcountrymen of the seaboard states blamed their plight on lack of transportation facilities and became more strident in their insistence on internal improvements. Southern cotton growers saw the tariff as the root of their troubles and damned internal improvements for good measure. New England regarded the growth of the West with a jealous eye. The national bank was denounced everywhere as the villain of the piece.

This rivalry of sections and interests was reflected in the renewed bitterness of political warfare during the administration of the second Adams. Party lines were again sharply drawn, as the various factions opposed to the Adams-Clay group and its policies ranged themselves behind Andrew Jackson, the strongest opposition Presidential candidate. But there was more to the Jackson party than this welter of group rivalries. For Jackson was the strongest opposition candidate primarily because he had become the symbol of a surging demand for popular democracy.

1. POLITICAL DEMOCRACY

The republic in its early years was theoretically democratic, but in practice the will of the great body of the people was rarely registered in the actions of government. Most of the original states required some property qualification for voting and office-holding, and representation in the legislatures was usually so arranged that the older and wealthier sections had disproportionate strength. But more important was the fact that the people tacitly left public affairs to the educated and well-to-do. Local governments were usually tightly in the hands of small groups of prominent citizens, and the various county or town rings determined the composition of the state legislatures. The ambitious young politician curried favor with the established party leaders rather than with the voters. In like manner, on the national level, politicians gained promotion by faithful service to the "Virginia Dynasty," which chose the Presidents at quadrennial Congressional caucuses. All this was natural enough when the influence of government was little felt by the people generally. Widespread interest in state or national issues was rare, and elections usually served merely to ratify the decisions of political leaders, or occasionally to decide between the claims of rival members of the dominant group.

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But a ferment began to work in the very years of the flowering of nationalism. In the West new states were framing constitutions which, though modeled on those of the older states, exhibited plainly the more democratic nature of western society. Governors were elected by the people rather than by the legislatures, and, after 1817, none of the new constitutions required any property qualification for voting. The example of the transmontane states was felt on the seaboard in a growing demand for democratic reforms.

Influences other than these were probably more important. As the greater complexity of economic relationships multiplied the points of competition in society and as the nationalist program taught the country what government could do in the economic sphere, the conviction grew that men and groups could work out their salvation by the ballot. The depression of 1819 made people desperate. As the level of income and values plunged precipitously downward from the point at which they had borrowed, debtors great and small were faced with destruction. Farmers, especially those on worn-out lands, found themselves poorer at the end of a year of labor than at the beginning. Workingmen suffered wage cuts and unemployment; in countless cases they lost their homes on mortgage foreclosure or were thrown into jail for debt. The vague disquietude of the multitudes who had been left behind in the race for wealth was turning into active resentment.

As the battle among the various national interests waxed hotter, popular faith in political salvation increased. The western states experienced bitter struggles between debtor and creditor groups over relief legislation. Purchasers of federal lands on credit exacted lower prices and easier terms from Congress. Workingmen's parties were organized in the cities to fight imprisonment for debt and to champion free public schools. And always and everywhere was the demand that government be made more responsive to the people. In the states the democratic impulse stimulated constitutional change, resulting after 1820 in significant extensions of political democracy.

Popular agitation on the national scene was directed against "King Caucus." In the Presidential campaign of 1824, Andrew Jackson—a national hero by virtue of his victory at New Orleans, but weak with the politicians—capitalized on this democratic sentiment when his managers astutely identified his candidacy with the fight against the caucus. Receiving the largest popular vote of any of the four candidates, he became a martyr to democracy when the House of Representatives chose Adams. The campaign for 1828 began immediately, as a four-year fight to vindicate both Jackson and popular rule.

The Ballot Demanded

One of the bitterest struggles between the old order and the new occurred in the Virginia constitutional convention of 1829. The reformers directed their fire against the provisions of the old constitution regulating qualifications for voting and the apportionment of representation. Only freeholders, or those owning one hundred acres of unimproved land, twenty-five inhabited acres, or a house and lot in town, were allowed to vote. According to Jefferson, the free-

holders were a minority of the adult white males in the state. An even greater grievance was the fact that each county had the same number of representatives in the legislature. The small counties of the wealthy, slaveholding eastern section had only grudgingly allowed the creation of new counties for the farmers of the west, with the result that a white population of 362,000 east of the Blue Ridge

had 130 representatives, while 319,000 white persons west of the mountains had only 68. And the western population was growing more rapidly than the eastern.

The widespread exasperation with the suffrage requirement was well expressed in a memorial of October 13, 1829, to the convention from the non-freeholders of Richmond.²

Your memorialists, as their designation imports, belong to that class of citizens, who, not having the good fortune to possess a certain portion of land, are, for that cause only, debarred from the enjoyment of the right of suffrage. Experience has but too clearly evinced, what, indeed, reason had always foretold, by how frail a tenure they hold every other right, who are denied this, the highest prerogative of freemen. The want of it has afforded both the pretext and the means of excluding the entire class, to which your memorialists belong, from all participation in the recent election of the body, they now respectfully address. Comprising a very large part, probably a majority of the male citizens of mature age, they have been passed by, like aliens or slaves, as if destitute of interest, or unworthy of a voice, in measures involving their future political destiny: whilst the freeholders, sole possessors, under the existing Constitution, of the elective franchise, have, upon the strength of that possession alone, asserted and maintained in themselves, the exclusive power of new-modelling the fundamental laws of the State: in other words, have seized upon the sovereign authority. . . .

Among the doctrines inculcated in the great charter handed down to us, as a declaration of the rights pertaining to the good people of Virginia and their posterity, "as the basis and foundation of Government," we are taught,

"That all men are by nature equally

free and independent, and have certain inherent rights, of which, when they enter into a state of society, they cannot, by any compact, deprive or divest their posterity: namely, the enjoyment of life and liberty, with the means of acquiring and possessing property, and pursuing and obtaining happiness and safety.

"That all power is vested in, and consequently derived from, the people.

"That a majority of the community hath an indubitable, unalienable, and indefeasible right to reform, alter or abolish the Government.

"That no man, nor set of men, are entitled to exclusive or separate emoluments or privileges, but in consideration of public services.

"That all men, having sufficient evidence of permanent common interest with, and attachment to, the community, have a right of suffrage, and cannot be taxed, or deprived of their property, without their consent, or that of their representative; nor bound by any law, to which they have not, in like manner, assented, for the public good."

How do the principles thus proclaimed, accord with the existing regulation of suffrage? A regulation, which, instead of the equality nature ordains, creates an odious distinction between members of the same community; robs

² *Proceedings and Debates of the Virginia Convention of 1829-30. To Which are Subjoined, the New Constitution of Virginia, and the Votes of the People.* (Richmond, 1830), 25-31.

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of all share, in the enactment of the laws, a large portion of the citizens bound by them, and whose blood and treasure are pledged to maintain them, and vests in a favoured class, not in consideration of their public services, but of their private possessions, the highest of all privileges: one which, as is now in flagrant proof, if it does not constitute, at least is held practically to confer, absolute sovereignty. . . .

If the Bill of Rights may not challenge respect, the opinions of any individual, however eminent, will be still more lightly regarded. Yet your memorialists cannot but exult in the countenance their cause has received from him, who was ever foremost to assert the rights of his fellow men; the venerated author of the Declaration of Independence, and of the Act of Religious Freedom. . . .

But not to the authority of great names merely, does the existing restriction upon suffrage stand opposed: reason and justice equally condemn it. The object, it is presumed, meant to be attained, was, so far as practicable, to admit the meritorious, and reject the unworthy. And had this object really been attained, whatever opinions might prevail as to the mere right, not a murmur probably would have been heard. Surely it were much to be desired that every citizen should be qualified for the proper exercise of all his rights, and the due performance of all his duties. But the same qualifications that entitle him to assume the management of his private affairs, and to claim all other privileges of citizenship, equally entitle him, in the judgment of your memorialists, to be entrusted with this, the dearest of all his privileges, the most important of all his concerns. But if otherwise, still they cannot discern in the possession of land any evidence of peculiar merit, or superior title. To ascribe to a landed possession, moral or intellectual endowments, would truly be regarded as ludicrous, were it

not for the gravity with which the proposition is maintained, and still more for the grave consequences flowing from it. Such possession no more proves him who has it, wiser or better, than it proves him taller or stronger, than him who has it not. That cannot be a fit criterion for the exercise of any right, the possession of which does not indicate the existence, or the want of it the absence, of any essential qualification. . . .

Your memorialists feel the difficulty of undertaking calmly to repel charges and insinuations involving in infamy themselves, and so large a portion of their fellow-citizens. To be deprived of their rightful equality, and to hear as an apology that they are too ignorant and vicious to enjoy it, is no ordinary trial of patience. Yet they will suppress the indignant emotions these sweeping denunciations are well calculated to excite. The freeholders themselves know them to be unfounded. . . .

But, it is said, yield them this right, and they will abuse it: property, that is, landed property, will be rendered insecure, or at least overburdened, by those who possess it not. The freeholders, on the contrary, can pass no law to the injury of any other class, which will not more injuriously affect themselves. The alarm is sounded too, of danger from large manufacturing institutions, where one corrupt individual may sway the corrupt votes of thousands. It were a vain task to attempt to meet all the flimsy pretexts urged, to allay all the apprehensions felt or feigned by the enemies of a just and liberal policy. . . . No community can exist, no representative body be formed, in which some one division of persons or section of country, or some two or more combined, may not preponderate and oppress the rest. The east may be more powerful than the west, the lowlanders than the highlanders, the agricultural than the commercial or manufacturing classes. To give all

²Proceedings and Debates of the Virginia Convention of 1829-30. To Which are Subjoined, the New Constitution of Virginia, and Votes of the People. (Richmond, 1830), 1.

power, or an undue share, to one, is obviously not to remedy but to ensure the evil. Its safest check, the best corrective, is found in a general admission of all upon a footing of equality. So intimately are the interests of each class in society blended and interwoven, so indispensable is justice to all, that oppression in that case becomes less probable from any one, however powerful. . . .

Never can your memorialists agree that pecuniary burthens or personal violence are the sole injuries of which men may dare to complain. It may be that the freeholders have shewn no disposition greatly to abuse the power they have assumed. They may have borne themselves with exemplary moderation.

But their unrepresented brethren cannot submit to a degrading regulation which takes from them, on the supposition of mental inferiority or moral depravity, all share in the Government under which they live. They cannot yield to pretensions of political superiority founded on the possession of a bit of land, of whatever dimensions. They cannot acquiesce in political bondage, because those who affect to sway over them the rod of empire, treat them leniently. The privilege which they claim, they respectfully insist, is theirs as of right; and they are under no obligation to assign any reason whatever for claiming it, but that it is their own.

Property Over Numbers

The Virginia reformers registered a small gain when the suffrage was broadened to include heads of families who paid taxes. But on the more hotly contested question of representation they were able to secure only a nominal reform. The eastern delegates feared that a dominant West would tax its slave property. They openly defended the priority of property over numbers and

stoutly resisted any provision which would give the men across the mountains control of the state government. The new constitution prescribed a permanent apportionment of fifty-six representatives to the western counties and seventy-eight to the East. The ablest and most forthright speech on the conservative side was that of Benjamin Watkins Leigh, delivered November 3-4, 1829.³

MR. LEIGH of Chesterfield, said he rose to address the Committee, on this vitally interesting question, under circumstances peculiarly disagreeable to him—having to follow the venerable member from Loudoun (Mr. Monroe) who favored the Committee with his views, yesterday—and who, from his advanced age and long experience, from the high place he had filled in the service and in the confidence of his country, and from the large space he occupied in the eyes of mankind, possessed great weight

of character, to deepen the impression on the minds of others, of any opinion he might utter—weight of character, of which he himself (as he had often felt before and never more painfully than now) had none, literally none. Nevertheless, this was an occasion, on which he could take counsel only from his sense of duty. And, he believed, if George Washington were to rise from the dead, and to propose such a compromise as

³ *Proceedings and Debates of the Virginia State Convention of 1829-30, 151-173.*

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that offered by the venerable gentleman, so partial as in his conception it was, so ruinous, so destructive, so damnatory, to the dearest interests of the people who had sent him here, he should . . . be apt to utter a shriek of alarm and terror, that would strike the dullest ear and the dullest understanding, though not perhaps the hearts of such reformers as were willing to make the experiment on the body politic, how large a dose of French rights of man it can bear, without fever, frenzy, madness and death. . . .

Sir, the resolution reported by the Legislative Committee, in effect, proposes to divorce power from property—to base representation on numbers alone, though numbers do not quadrate with property—though mountains rise between them—to transfer in the course of a very few years, the weight of power over taxation and property to the west, though it be admitted, on all hands, that the far greater mass of property is now, and must still be held in the east. Power and property may be separated for a time, by force or fraud—but divorced, never. For, so soon as the pang of separation is felt—if there be truth in history, if there be any certainty in the experience of ages, if all pretensions to knowledge of the human heart be not vanity and folly—property will purchase power, or power will take property. And either way, there must be an end of free Government. If property buy power, the very process is corruption. If power ravish property, the sword must be drawn—so essential is property to the very being of civilized society, and so certain that civilized man will never consent to return to a savage state. Corruption and violence alike terminate in despotism. All the Republics in the world have died this death. In the pursuit of a wild impracticable liberty, the people have first become disgusted with all regular Government, then violated the security of property which regular Government

alone can defend, and been glad at last to find a master. License, is not liberty, but the bane of liberty. . . .

The resolution of the Legislative Committee, proposes to give to those who have comparatively little property, power over those who have a great deal—to give to those who contribute the least, the power of taxation over those who contribute the most, to the public treasury—and (what seems most strange and incongruous) to give the power over property to numbers alone, in that branch of the Legislature which should be the especial guardian of property—in the revenue-giving branch. To my mind, Sir, the scheme is irreconcilable with the fundamental principle of representative Government, and militates against its peculiar mode of operation, in producing liberty at first, and then nurturing, fostering, defending and preserving it, for a thousand years. My friend from Hanover, (Mr. Morriss) has already explained to the Committee, how the institution of the House of Commons in England, grew out of the necessities of the Crown to ask aids from the people. The free spirit of the Saxon laws, mingling with the sterner spirit of the feudal system, had decreed that property was sacred. . . . And from this power in the Commons to give or withhold money, have sprung all the liberties of England—all that has distinguished that nation from the other nations of Europe. . . . Give me liberty in the English sense—liberty founded on law, and protected by law—no liberty held at the will of demagogue or tyrant (for I have no choice between them)—no liberty for me to prey on others—no liberty for others to prey on me. I want no French liberty—none; a liberty which first attacked property, then the lives of its foes, then those of its friends, which prostrated all religion and morals; set up nature and reason, as Goddesses to be worshipped; afterwards condescended to decree, that

there is a God; and, at last, embraced iron despotism as its heaven-destined spouse. Sir, the true, the peculiar advantage of the principle of representative Government, is, that it holds Government absolutely dependent on individual property—that it gives the owner of property an interest to watch the Government—that it puts the purse-strings in the hands of its owners. Leave those who are to contribute money, to determine the measure, and the object of contribution, and none will ever knowingly give their money to destroy their own liberty. Give to those who are not to contribute the power to determine the measure and object of the contribution of others, and they may give it to destroy those from whom it is thus unjustly taken. . . .

The resolution of the Legislative Committee, proposes to give full representation to the labour of the west, with an exemption from taxation, while the labour of the east will be subjected to taxation deprived of representation.

The complaint seems to shock gentlemen—I shall repeat my words (He repeated them)—In every civilized country under the sun, some there must be who labour for their daily bread, either by contract with, or subjection to others, or for themselves. Slaves, in the eastern part of this State, fill the place of the peasantry of Europe—of the peasantry or day-labourers in the non-slaveholding States of this Union. The denser the population, the more numerous will this class be. Even in the present state of the population beyond the Alleghany, there must be some peasantry, and as the country fills up, they will scarcely [surely?] have more—that is, men who tend the herds and dig the soil, who have neither real nor personal capital of their own, and who earn their daily bread by the sweat of their brow. These, by this scheme, are all to be represented—but none of our slaves. And yet, in political

economy, the latter fill exactly the same place. Slaves, indeed, are not and never will be comparable with the hardy peasantry of the mountains, in intellectual power, in moral worth, in all that determines man's degree in the moral scale, and raises him above the brute—I beg pardon, his Maker placed him above the brute—above the savage—above that wretched state, of which the only comfort is the natural rights of man. I have as sincere feelings of regard for that people, as any man who lives among them. But I ask gentlemen to say, whether they believe, that those who are obliged to depend on their daily labour for daily subsistence, can, or do ever enter into political affairs? They never do—never will—never can. Educated myself to a profession, which in this country has been supposed to fit the mind for the duties of the Statesman, I have yet never had occasion to turn my mind to any general question of politics, without feeling the effect of professional habits to narrow and contract the mind. If others are more fortunate, I congratulate them. Now, what real share, so far as mind is concerned, does any man suppose the peasantry of the west—that peasantry, which it possesses when the country is as completely filled up with day-labourers as ours is of slaves—can or will take in affairs of State? Gentlemen may say, their labourers are the most intelligent on earth—which I hope is true—that they will rise in political intelligence. But, when any rise, others must supply the place they rise from. What then, is the practical effect of the scheme of representation in question? Simply, that the men of property of the west, shall be allowed a representation for all their day-labourers, without contributing an additional cent of revenue, and that the men of property of the east, shall contribute in proportion to all the slave-labour they employ, without any additional representation. Sir, I am

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for daily subsistence, can, or do ever enter into political affairs? They never will—never can. Educated men turn themselves to a profession, which in this country has been supposed to fit them for the duties of the Statesman, I have yet never had occasion to turn my mind to any general question of politics, without feeling the effect of professional habits to narrow and contract the mind. Others are more fortunate, I congratulate them. Now, what real share, so far as mind is concerned, does any man suppose the peasantry of the west—that peasantry, which it possesses when the country is as completely filled up with day-labourers as ours is of slaves—can have in the will take in affairs of State? Gentlemen may say, their labourers are the most intelligent on earth—which I hope is true—that they will rise in political intelligence. But, when any rise, others must supply the place they rise from. What then, is the practical effect of the scheme of representation in question? Simply, that the men of property of the west, shall be allowed a representation for all their day-labourers, without contributing an additional cent of revenue, and that the men of property of the east, shall contribute in proportion to all the day-labour they employ, without any additional representation. Sir, I am

against all this—I am for a representation of every interest in society—for poising and balancing all interests—for saving each and all, from the sin of oppressing, and from the curse of being oppressed. . . .

Sir, the venerable gentleman from Loudoun has told us of the awful and horrid scenes he was an eye-witness of, in France, during the reign of democracy, or rather of anarchy, there. I wish he had told us, (as he told the House of Delegates in 1810, when he opposed the call of a Convention, and re-counted those same horrors) that “he had seen liberty expiring from excess”—those were his words. France was then arranged into equal departments with equal representation, and general suffrage—in short, enjoying the unalloyed blessing of the natural rights of man! Have I lost my senses! Is the phantom that fills my heart with horror—the liberty of Virginia expiring with excess—a

creature of the imagination, that can never be realized! The venerable gentleman has described those horrors in France—has painted them to us in all the freshness of reality—and then told us, in the same breath, that he is prepared to vote for the same system here. The same causes uniformly produce the same effects.—I mean to speak with freedom, yet not without the respect due to the venerable gentleman, and which I should render as a willing tribute: I cannot forbear to express my astonishment, that he should be willing to adopt, for his own country, the principles that led to those horrors he has so feelingly described. . . .

Liberty is only a mean: the end is happiness. It is, indeed, the wine of life; but like other wines, it must be used with temperance, in order to be used with advantage: taken to excess, it first intoxicates, then maddens, and at last destroys.

Democracy Unlimited

Until 1850, when further reforms were made, Virginia continued to be a conservative stronghold, and South Carolina remained essentially aristocratic until the Civil War. By sweeping reforms in almost all the other states, however, the country was converted in the 1830's and 1840's into a thoroughgoing democracy. The successful politician was one who gained a real popular following. Issues were thrashed out on the hustings. Local meetings of the “sovereigns” instructed representatives in legislatures and Congress how to vote. Rival candidates conducted joint canvasses, each speaking four or five hours every day to great crowds. Political newspapers sprang up in every considerable village. The devel-

opment of national parties, with issues sharply drawn between them, meant that governmental questions were decided more and more at the polls and less and less by the politicians.

Demagoguery there certainly was—dishonesty, misrepresentation, and exploitation of prejudice—both Whig and Democratic. At the same time it must be recognized that much of what may seem demagogic reflected real issues and represented legitimate, if crude, appeals to genuine class and group interests. If one accepts political democracy in theory, he must concede that in its earthy practice in the 1830's and 1840's it reached one of the high water marks of its entire history.

The widespread interest in politics and the extraordinary efforts made to win votes is shown in Joseph Cobb's essentially true, though humorous and exag-

gerated, description of "A Campaign Barbecue in the Southwest" during the election of 1848.⁴

It was my lot, during the last Presidential campaign, to attend a barbecue furnished jointly by the two political parties, and at which it was understood that both whig and democrat were to speak alternately. Being a specially invited guest, as soon as I arrived on the ground the joint committee came promptly and politely forward, and asked me to the rostrum or scaffold which had been erected for the accommodation of the speakers, and of the favored few who, like myself, were sufficiently well off in the way of active friends to be furnished with a comfortable seat. . . .

The meeting was respectably attended by both sexes. Of the number present, it was soon ascertained that there were 109 democrats, 87 whigs, 3 neutral, and one raw Irishman, a well-digger by trade, who swore lustily, when questioned, "that he had niver heard of any Prisdint but Andhrew McJackson, and he meant to vote for him, dead or alive, as sure as swate Jasus was crucified."

"Well, but Jerry," said a warm old democrat present, "the general has served his time long ago, and has been dead and buried these three years."

"Divil may care," replied the honest and simple-minded old Hibernian, who often boasted that he had been *baten* under Pakenham, and taken prisoner at New Orleans by Jackson; "and suppose, misther, he takes it into his hot-head to come back agin, who'll hinder him, think you? Why, man, I saw a cannon-ball splot to flenders aginst his forehead at New Orleans, and him niver so much as staggered."

This satisfied the democratic portion of his audience, and was justly considered a knock-down argument by the

whigs; and, therefore, both sides determined to make all the effort at the three neutrals on the ground. . . . To make a dash at these three, then, was the object of all the gathering, all the victuals, and all the speaking; for, in general, at such places, people who have not made up their minds rarely attend, both from disapproving of such evidences of party ferocity, and from the desire to avoid the officious zeal and attentions of the noisy brawlers who there congregate to scatter documents and diffuse their own gleanings. And, indeed, whole flocks of dense, busy, and patriotic partisans were now seen strutting and perambulating through the crowd, their pockets stuffed to bursting, and their hats barely surmounting the crown of their heads, from an overflow of newspapers and pamphlets within. No rebuff could silence them, no hint could be made intelligible to them; whilst, like a parcel of bull-terriers when rat-hunting, they kept a constant eye on the motions of each other, fearing that some adverse document might be slipped slyly into some plain old voter's hands without its corresponding antidote. . . .

At this moment, the marshal ascended a high stump in the centre of the grove, shouting out, with stentorian voice, "Oh yes! oh yes! this way, gentlemen, if you please! Gentlemen," he continued, swelling with importance as the gaping crowd of rustics gathered around him, "gentlemen, you will take notice that dinner will be served just at one o'clock, at which time due notice will be given by me. The first thing in order is the speeches. One

⁴ Joseph R. Cobb, *Mississippi Scenes; or, Sketches of Southern and Western Life and Adventure*. (2nd ed., Philadelphia, 1851); 141-155.

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side will speak first, and the other side next." . . .

In obedience to this programme, the crowd of eager listeners assembled noisily around the rostrum, alike inflamed with expectations of a treat in the conflict now about to come off, and of a more acceptable treat in the smoking dinner to succeed. . . .

"Gentlemen," again said the marshal, rising, "I have the honor of introducing to you my honorable friend Capt. Cockroach, who will tell you something about Cass and Butler."

According to preconceived arrangement among the democrats present, Capt. Cockroach was cheered and huzzed as he rose, bowing and bobbing to the crowd. He then began his harangue with a spirited return of thanks and a few congratulatory remarks at the brightening prospects of the Baltimore nominees. All this time, however, he had been arranging his plan of battle, and preparing his batteries, which were drawn in the shape of immense piles of documents from a pair of wallets that were conveniently hung over the bar of the stand. I soon found that it was no part of Capt. Cockroach's tactics to stand a siege, or proceed on the defensive, and that the worthy Uncle Ben had egregiously missed the mark when he said that the speaker would talk about Cass and Butler. He scarcely called their names once, but opened a distant dropping fire right away at the gallant old whig candidate. This bombardment lasted for something over half an hour, and then the captain unmasked a light grape-shot battery, and rattled away with such an incessant shower, that I almost thought Bragg had turned Mexican, and was pouring in a counter fire of "grape" at his old commander. It was evident, however, from the looks of the crowd, that Old Zack had not been wounded yet, although some of the democrats were clapping and stamping

merrily enough. . . . The affair was yet in its crisis, and the captain concluded to let loose his line of heavy pieces. It opened with a deafening roar, and the whigs all began to look a little blue. "Old Zack was a man without principles; didn't know what a tariff was from the full moon; only knew the bank by the money his whig friends had drawn from it; was afraid to endorse either; he was, in fact, a crawfish, that took two steps back to one forward——"

"Helloh, there," shouted a young, verdant whig, "did the old fellow *crawfish* at Bony Vistar?"

This side volley took the captain *à la ambuscade*. He was momentarily forced to slacken fire, and fall back; and the whigs made the welkin ring, and the democrats began to cry "Put him out—no interruption!"

"Yes, gentlemen," said Uncle Ben, "interruptions is agin the rules—you may clap, and stomp, and holler a little, but you mustn't talk to the speakers."

The captain, however, had been awfully floundered, and did not recover so easily as his friends hoped. He now found that it was necessary to leave the centre of attack, and divert his enemies by a flank manoeuvre. With this view he pushed forward his reserve battery, and opened a furious and merciless cannonade against the person and character of the whig candidate for Vice President. . . .

[Then] the allotted hour and a half of Capt. Cockroach expired, and he sat down amidst prolonged and vociferous cheers.

"Gentlemen," said Uncle Ben, the marshal, again rising before the audience, "gentlemen, Capt. Cockroach having got through, let me introduce my honorable friend Maj. Gunsmasher, who will talk to you about the other side of the question."

The democrats, who all along had occupied the front seats about the stand,

now fell back to make way for the whigs, who came rushing up *en masse*, shouting for Maj. Gunsmasher, and cheering Taylor and Fillmore [*sic*]. At the same time, a double-jointed, brawny negro, piloted by an assistant whig marshal, tottered up to the back of the stand, and with a hearty effort set down a huge leathern trunk which contained the major's ammunition. From this the whig champion began to draw forth document after document, and book after book, piling them all regularly up before him, until at last he succeeded in constructing a barricade which looked for all the world like a picture of one of the forts at Monterey, and behind which the valiant major could just be fairly seen as he armed and prepared for the conflict.

"Then's the licks"—said a whig to those around him. "I tell you, boys, I knows Gunsmasher, and he ain't a going to leave an inch of hide on Cockroach."

"By jing, I hope he'll peel him as raw as a skinned ingon, for he's gin Old Zack no quarter," said another.

"Yes, he deserves to have his tallow melted out'n him," put in a third.

"Don't get sore yet awhile, fellers," said a democrat who was standing near. "We've got something hotter behind yet."

"Yes, and if you stays here until Gunsmasher's done, you'll go home scabbier than ever you did before," replied the first spokesman.

"Yes, you'll want mullen and slippery elm for a month to come," said the second.

"Hurrah for Cass and Billy Butler," shouted the confident and defying democrat, walking away.

The major had now commenced his escalading and sharp-shooting. Capt. Cockroach had relied solely on broadsides; the major seemed rather to prefer small arms, which, if less destructive, were far more annoying. But in one respect their tactics were similar; they

both believed, like Scipio, that the best way to drive Hannibal out of Italy was to carry the war into Africa.

Accordingly, the major had not more than discharged his first round, before he pitched full tilt against Gen. Cass, and poured out a continuous, rolling fire of peppercorns and mustard-seed, recollecting that Napoleon by the same ingenious plan had swept the Mamaluke cavalry from the face of the desert. Before the first half hour had well passed, the honest-hearted and illustrious senator was perforated through every pore, and literally blown to atoms by piece-meal. Figures, which, the major sagely remarked, never were known to lie, were arrayed, and sentences quoted, the facts brought to bear which stripped him of all claim to honesty, and I doubt not that many left the ground fully believing that the veteran Cass was a highway robber; just as, in the other case, many democrats had drunk in the round assertion of Capt. Cockroach, that Mr. Polk had planned all of Gen. Taylor's battles, and was entitled to the credit of all his victories. Every luckless expression, every inadvertent act, every hap-hazard and natural boast, every feature of his public character, and every transaction of his private life were brought up in judgment against the honest old senator. . . .

After some few side thrusts at the want of proper charitable feeling (as the major called it) displayed by his adversary in regard to Mr. Fillmore, and an eloquent defence of that distinguished personage, Maj. Gunsmasher was also called down to time; and then the long-expected, eagerly-desired, inspiring signal was pompously *muezzined* by the chief marshal, and a general dash was instantly made for the tables. These were arranged in parallel rows, at intervals only of a few feet, and close beside the savory, smoking pit. The ladies were quickly provided for, and then each

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voter, rejoicing in his free privileges, fell greedily to work. Roasted beef, and mutton saddles, and greasy barbecued shoats, and venison haunches, and whole armies of minor victims were indiscriminately assaulted and unceremoniously dispatched. Plates rattled, and dishes cracked, and tumblers rang forth their harmonicon notes, and the onslaught of knives and forks resounded and reverberated like the clash of arms in an old-fashioned conflict. A distant listener might even have heard the sharp smack

of lips, and the more appalling crash of teeth as grinders tore apart the quivering flesh from its parent bone. Political animosities were greased over at this welcome and all-healing shrine, and Cass men and Taylor men joined forces in the common foray. It was like Marion feasting the British officer on his roasted potatoes, and then telling him that there was a Bryseis in dispute, about whom they must fight to-morrow. Well! better over a smoking dinner, I think, than not at all!

2. JACKSONIAN LIBERALISM

Behind the Jacksonian demand for popular control of government lay convictions as to what a democratic government should be and should do. Jacksonian Democracy was essentially an effort to assert and maintain old American ideals of individualism and equal opportunity in the face of physical and economic expansion of revolutionary proportions. It was basically rooted in the apprehensions of farmers, workers, and (to use a modern term) small businessmen, who found it increasingly difficult to maintain their old independence and security.

Although the Jackson party began as an accidental collection of political factions, it gradually took shape as an alliance of southern and western planters and farmers with "plain republicans of the north" in opposition to Whig Nationalism and the American System. The Jackson policies were a reflection, sometimes imperfect, of a consistent body of thought, which may be called Jacksonian liberalism. The Jacksonians harked back to the Jeffersonian ideal of the free individual, unfettered by political or economic concentrations of power, and free to make the most of himself, as he saw fit or as he had the ability. They were not utopians; equality of opportunity rather than absolute equality was their aim.

But Jacksonian liberalism reflected a good deal more than the rational libertarianism of the Old Republicans. The Jeffersonians had been taught by Newton that man was bound up with an orderly universe regulated by natural laws. Following Locke, they held that man, through the almost mechanical operations of his perception and reason, could arrive at truth, or an understanding of natural law. Democracy grew out of individual rights implicit in the natural order of things and was founded on man's rational nature. In the nineteenth century, however, the importance of the individual was even more emphatically asserted by a body of romantic ideas. All existence, according to this way of thinking, was a projection of a Supreme Reason, and this "Over-Soul" was to be comprehended only through the divinely-inspired insights of the human soul, with which it was somehow linked. In the popular mind, this attitude was fused with orthodox Christianity, but the result was the same: A special significance was attached to the individual. The individual soul was the only way to truth, its cultivation was the highest end of man, and freedom for its growth was the highest end of society.

Thus the age of Jackson was one of reform, one that undertook to better the condition of the individual and to remove all barriers to his full self-development. The spirit of improvement took various shapes—agitation against slavery, movements on behalf of penal reform, universal peace, and temperance, and the like, some of which were closely associated with Jacksonian politics. Abolition of imprisonment for debt, for example, was one of the principal achievements of the Jackson party in Massachusetts. In New York, Frances Wright and Robert Dale Owen, who operated on the fringes of the radical faction of the Democratic party, campaigned for “a National System of Equal, Republican, Protective Practical Education.”

Since truth was perceived only by the individual soul, the purest truth was that arrived at by the mass of the people. Romantic thought thus reinforced the concept of popular sovereignty. Democracy was given an almost divine sanction, and George Bancroft, romantic intellectual and Jacksonian politician, in his *History of the United States*, portrayed America as the divinely ordained champion of democracy. Inevitably, also, in their sense of mission, the Jacksonians were thoroughgoing nationalists. The Union must be preserved—and, if possible, extended. But it must be a Union of limited functions; else it will give rise to special privilege or otherwise limit individual freedom.

The Jacksonians also drew heavily upon the economic thought of the Old Republican physiocrat, John Taylor of Caroline, and of the prophets of laissez faire, Adam Smith and David Ricardo. Labor they regarded as the source of all wealth. But government, by partial legislation—by bank charters, tariffs, and internal improvement programs—had raised up a privileged class and enabled its members to transfer the wealth of the laboring part of the community to themselves. Thus had the democratic dream been frustrated. The solution was to divorce government from economic activity, to leave every man free to conduct his own affairs without governmental favors or governmental interference.

The Democratic Faith

A summation of the Jacksonian social philosophy, entitled “The Course of Civilization,” appeared in the party’s official magazine in September 1839.⁵

The history of humanity is the record of a grand march, more or less rapid, as it was now impeded by obstacles, and again facilitated by force, at all times tending to one point—the ultimate perfection of man. The course of civilization is the progress of man from a state of

savage individualism to that of an individualism more elevated, moral and refined. Personal separation and independence were the beginning, as they will be the end, of the great progressive movement, with this difference—that in the last and more perfectly developed condition, the sense of justice shall have supreme control over the individual will. . . .

The last order of civilization, which is the democratic, received its first permanent existence in this country. Many events, it is true, in the remote history

⁵ *United States Magazine and Democratic Review*, VI, 208-217.

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The last order of civilization, which
is the democratic, received its first per-
manent existence in this country. Many
events, it is true, in the remote history

of the world, prepared it for the recep-
tion of this principle, yet the peculiar
duty of this country has been to exem-
plify and embody a civilization in which
the rights, freedom and mental and
moral growth of individual man should
be made the highest end of all social
restrictions and laws. To this result the
discipline of Providence has tended from
the earliest history of the Anglo-Amer-
ican race. . . .

What, then, is the nature of this
Democracy? What are its claims and ob-
jects as a social element? What its views
of government; and what its means as
well as hopes of success? Simply, it is
the political ascendancy of the people;
but let us attempt to state in what sense:
It is not the government of a people,
permitted, in the plenitude of their
power, to do as they please, regardless
alike of the restraints of written law or
individual right. A more terrible condi-
tion of society than this, the wickedest
despot could not readily conceive. Wild
uproar would make room for fanatic ex-
cesses of passion, or the alternate bloody
triumph of miserable factions. Nor is it
the government of the majority carried
into the determination of all questions
that concern the rights and duties of
men. As a safe and wise arbiter of con-
troversy, the will of the majority is to
be respected. Where thought and expres-
sion are free, it can seldom become
oppressive. Adverse parties watch the
movements of each other with sleepless
vigilance, and, in cases of manifest vio-
lation of right, never fruitlessly invoke
the correcting spirit of reform. Nothing
is more certain to prostrate even the
most triumphant party than the usurpa-
tion or unjust exercise of power. Still, to
prevent the beginnings of evil, majorities
must submit to restraint. There are some
things over which they can rightly ex-
ert no control. There are personal feel-
ings, domestic ties, social dependencies,
commercial rights, too exalted or subtle

to be meddled with by human legisla-
tion, and which legislation touches only
to wither and destroy. They are to be
set apart as sacred things, which the
ruthless arm of power, though upheld by
every letter of law, and directed by the
delegated will of overwhelming numbers,
should never invade. Democracy, there-
fore, is the supremacy of the people; re-
strained by a just regard to individual
rights—that condition of society which
secures the full and inviolable use of
every faculty. Its foundation is the fact
of perfect equality of rights among men.
It recognizes the distinct existence of
individual man in himself as an inde-
pendent end, and not barely as a means
to be merged in a mass, and controlled
as a thing by public caprice or policy.
His instinctive convictions, his irre-
pressible desires, his boundless capacity
for improvement, conspire with all the
indications of Providence, with all the
teachings of history, and all the designs
of his internal condition and adjustment,
to make the doctrine of individual rights
the greatest of political truths. Clearly
to define and religiously to respect those
rights, is the highest, almost the only
duty of government. All its action be-
yond this tends to gross abuse and
wrong. When it institutes partial laws,
when it creates a superior class, when it
erects artificial distinctions, when it
grants monopoly, when it lays restraints
upon free intercourse and trade; in
short, when it establishes any law or
custom of unequal operation, it departs
from its true functions, it begins a
course of injustice and fraud, it opens
the way for any degree of oppression. So
severe is even-handed justice, that not
even in the name of liberty can liberty
be violated. Hence Governments perfect
themselves in proportion as they allow
a larger measure of freedom to remain
with the people. Their first care should
be to expand the sphere of individual
action, to loosen the bonds of inequitable

usages, to break the fetters of proscription, and to harmonize the interaction of mutually dependent wills, by removing the distance and separation which is the source of jealousy and contest. It is true, a long time must elapse before the point of ultimate perfection is attained; though, meanwhile, the duty of Democracy is to correct abuses, one after another, until the nature of individual man be thoroughly emancipated.

As an element of social progress, the recognition of these principles is of the utmost importance and weight. Until they are widely received and permanently adopted, there can be no complete civilization. If we apprehend it, civilization consists in the establishment of elevated social relations, upheld by lofty and refined personal character; or, in other words, the development among men of the best powers of the mind and heart. It suggests at once the idea of a high degree of advancement in social organization and in individual culture. It supposes a condition of prosperous trade, intellectual elevation, and moral development; but literature, science, politics, and morals, must have reached a considerable progress, and physical comfort, commercial ease, and mental attainments, be generally possessed by the people.

Now, one proposition is, that the highest degree of civilization can only be reached by a rigid application of the democratic principle. Society can only find its true perfection by a broad recognition of the doctrine of individual and equal rights. As to its influence, in the first place, on outward prosperity merely, can any thing be clearer than that industry will be productive in proportion to the freedom with which its energies are applied and its gains appropriated? To leave men free in the direction of their pursuits, not only imparts immediate happiness, but gives tenacity to their purposes and strength to their

power of execution. They labor more effectively, because they labor willingly. What would be otherwise drudgery becomes pastime, attended by a pleasing conviction of their usefulness, and the calm assurance of ultimate competence. The stupid inertness of the man-machine is exchanged for the cheerful vigor of the husbandman, and the depressing prospect of endless toil is brightened into a future of seductive ease. For acquisition would be secure from the exorbitant taxes of unrighteous government, whilst no pampered aristocratic class would hang or make weight on society, or exclusive interest absorb and impede all the channels of commerce. Such a change introduced into all modes of enterprise would produce results of immeasurable magnitude, and uniformly good.

It would tend to equalize the distribution of wealth. Without wholly removing poverty, it would lessen dependence. The strange contrasts created by overgrown affluence and wretched poverty would give place to apportionments of property more equitably adjusted to the degrees of personal capacity and merit; whilst the poor would be raised, the rich would be made better; restless heart-burnings would cease to embitter the intercourse or provoke the deadly animosity of classes feeling themselves to be equals; arrogance on one side would engender no spleen on the other; and destitution, which is the fruitful parent of crime and misery, would occur only as the retributive consequence of ignorance and vice. All ranks of men would begin life on a fair field, "the world before them where to choose, and Providence their guide." Inclination and sagacity would select the sphere, and dictate the mode and measure of exertion. Frugality and vigilance would compel success, and defeat and ruin be felt only as the requital of ill-desert; or, if such things be, as vicissitudes inflicted

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power of execution. They labor more effectively, because they labor willingly. What would be otherwise drudgery becomes pastime, attended by a pleasing conviction of their usefulness, and the calm assurance of ultimate competence. The stupid inertness of the man-machine is exchanged for the cheerful vigor of the husbandman, and the depressing prospect of endless toil is brightened into a future of seductive ease. For acquisition would be secure from the exorbitant taxes of unrighteous government, whilst no pampered aristocratic class would hang or make weight on society, or exclusive interest absorb and impede all the channels of commerce. Such a change introduced into all modes of enterprise would produce results of immeasurable magnitude, and uniformly good.

It would tend to equalize the distribution of wealth. Without wholly removing poverty, it would lessen dependence. The strange contrasts created by overgrown affluence and wretched poverty would give place to apportionments of property more equitably adjusted to the degrees of personal capacity and merit; whilst the poor would be raised, the rich would be made better; restless heart-burnings would cease to embitter the intercourse or provoke the deadly animosity of classes feeling themselves to be equals; arrogance on one side would engender no spleen on the other; and destitution, which is the fruitful parent of crime and misery, would occur only as the retributive consequence of ignorance and vice. All ranks of men would begin life on a fair field, "the world before them where to choose, and Providence their guide." Inclination and sagacity would select the sphere, and dictate the mode and measure of exertion. Frugality and vigilance would compel success, and defeat and ruin be felt only as the requital of ill-desert; or, if such things be, as vicissitudes inflicted

by Heaven among its inscrutable designs.

Every kind of labor being thus effectively applied, an abundance of products would compensate its toils. At the same time, means and leisure for nobler pursuits would be provided. Prosperity admits of various employments among men, by augmenting the number and wants of a population, and at the same time commensurately multiplying its resources. As physical comforts increase, the taste for elevated and refined enjoyment springs up. The demand for artists, poets, and philosophers expands, science becomes a distinct pursuit, literature is made profitable, and all the more delicate and ennobling modes of exerting human faculties receive invigorating rewards. Discovery and invention enlarge the scope, master strokes of genius stimulate the activity, lofty moral instructions refine the nature of thought. A humanizing influence spreads itself through public sentiment. High notions of justice soften while they give dignity to manners. Mind, warm in purposes of generosity, strong in adherence to virtue, takes the control of social movements; in short, we behold a people rich, powerful, enlightened, and no less happy in self-respect than in the universal regard of the world.

Nor less auspicious would be the adoption of the democratic idea to the elevation of individual character. In times past, the greater number of men have been nothing at all, because nothing was made of them. There was little in their circumstances to let them know that they were moral agents. . . . Matters have since measurably advanced. The grinding foot of oppression has been raised, but not altogether removed. Better notions have grown up in the hearts of men, but, alas! how much is there to stifle and impede full growth. A hateful despotism still too often actuates human will—the spirit of exclusion, of

scorn, of tyranny, of selfishness, still lingers about the high places, and makes itself felt in the depths of society. Nothing short of the broadest reception of the principles of democracy can regenerate man. There must be something in his circumstances to remind him of his intrinsic worth; something that, amid withering and depressing care, will ever bring back the fresh consciousness of his manhood. How can he whose life is perpetual toil, whose existence is lost in that of the many, whose highest conception of excellence is fidelity to another's pleasure, whose only exercise of conscience and free-will is in the stern struggle for existence—how can he attain a true insight of his immortal value. . . . No, let it be understood that the same nature is common to all men, that they have equal and sacred claims, that they have high and holy faculties; that society respects, and the whole force of government is pledged to protect their rights; and then will they acquire some adequate notion of who and what they are, of their divine origin, and their imperishable being. A feeling of exaltation and nobleness would pass into their souls, and the humblest person would expand with a sense of innate dignity—a sense that would raise him above the dusty, beaten paths of life, give a respite to depressing care, strengthen self-respect, infuse warm and liberal emotions, quicken the best sympathies, and lend animation and support to the noblest powers. He would feel at once that he was man, known and honored as such, of higher importance, and more inestimable worth than the whole outward world. In this ennobling influence Christianity and Democracy are one. What, indeed, is Democracy but Christianity in its earthly aspect—Christianity made effective among the political relations of men. Christianity, in which it accords with every design of Providence, begins with individual man, addressing its lofty

persuasions to him, and makes his full development its chief solicitude and care. The obstacles reared by artificial life it throws aside, the rubbish heaped by centuries of abuse upon the human spirit it removes, the better to unfold man's inward beauty, and bring forth man's inward might. A single soul is

worth more in its sight than suns or stars. It has a value more enduring than States. The proudest thrones may crumble, the broadest empires contract and become nothing, but the spirit of the meanest man can never perish; for it is the germ of an immortal, ever-expanding, ever-quickenning existence.

3. THE WAR ON THE PAPER SYSTEM

Jacksonian Democracy without Andrew Jackson would have been more than a verbal impossibility. A thoroughgoing Jeffersonian and believer in political democracy, Jackson never questioned the supremacy of the popular will, though he usually read it as being in agreement with his policies. And more often than not he was right. Jackson invariably saw things in black and white; what he thought wrong, he seldom hesitated to attack; and he was constantly urging his followers to "carry the war into affrica."

The Jackson personality, therefore, was to a large extent responsible for the defeat of the American System. His Maysville Veto in 1830 put a sharp check on national internal improvements. On the tariff question, he was embarrassed by a protectionist faction in his own party, but the issue was settled for a time by the compromise of 1833, and the Democrats moved steadily toward a predominantly anti-tariff position. The Jacksonian social philosophy, however, is best exemplified in the most important struggle of the 1830's, that over money and banking.

In the early days of the republic, the only legal tender, or money which a creditor had to receive in payment of debts, was gold and silver coin. But state legislatures had issued limited-liability charters to banking corporations. These institutions were fundamentally different from modern banks in that they did business principally by issuing bank notes. These notes were simply certificates bearing a promise by the issuing bank to pay on demand a designated amount of gold or silver. Since they were issued in the process of making loans, or discounts, on which the bank received interest, it was to the benefit of the bank to keep as large an amount of its notes in circulation as possible. These bank notes generally supplanted coin as the circulating medium in the vicinity of the bank. So long as people had confidence in the ability of the bank to redeem its notes in coin ("specie" was the more common term), they were seldom returned for redemption. This encouraged the banks to extend their issues of notes many times beyond their specie reserves.

The Old Republicans had been hostile to these institutions from the beginning. John Taylor inveighed against the "paper system" as a fraud whereby wealth was transferred from labor to a privileged few; and Jefferson declared that "the *Bank mania* is . . . raising up a moneyed aristocracy in our country which has already set the government at defiance." The over-expansion of bank issues in the boom years 1815-1818 and the subsequent panic and suspension of specie payments by the banks caused widespread suffering, and the depression spawned a growing number of critics of the entire banking system. Typical of these "hard money men"

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was Governor William Carroll, leader of the democratic movement in Tennessee. In his message to the legislature in 1823 he attacked the banks as follows:

"There are many who really believe that the community sustains no injury by the circulation of an unsound currency. It is contended, that although the farmer and labourer give a higher price for any article of merchandize they purchase, than if they paid in specie, yet they are compensated by a corresponding increased price for their labour. It is true, that merchants generally take care to avoid the effects of a paper medium. They know what their goods cost; and in selling them, secure not only a reasonable profit, but an additional per cent to guard against the loss to which they are liable by the fluctuations of a paper currency. It is not so with the farmer or labourer: they have no data by which to make a nice calculation of the value of their produce or labour; and if they can receive the same prices they had been previously accustomed to obtain, when bank paper was good, they are content: thus verifying a sound political maxim, that the labouring part of the community are the last in society who can bring up their services to the standard of a depreciated currency. There is another evil which has ever resulted from the emission of bank paper, without a special basis for its redemption. In no instance, it is believed, either in the United States or elsewhere, has it failed to drive from circulation the precious metals; thus frequently diminishing, instead of increasing the circulating medium: and the changes to which it is so often subject, makes every individual in whose hands it remains any time, liable to great losses; an inconvenience that never results from a good currency." (Tennessee House Journal, 1823, p. 12.)

Six years later, just as Jackson was assuming office, a committee purporting to represent the "workingmen" of Philadelphia, but made up of editors and professional men as well as trade union leaders, similarly castigated the banking system: "That banks are useful as offices of deposit and transfer, we readily admit; but we cannot see that the benefits they confer in this way are so great as to compensate for the evils they produce, in . . . laying the foundation of *artificial* inequality of wealth, and, thereby, of *artificial* inequality of power. . . . If the present system of banking and paper money be extended and perpetuated, the great body of the working people must give over all hopes of ever acquiring any property." (Free Trade Advocate [Philadelphia], May 16, 1829.)

Paper Money Indicted

Andrew Jackson, as he himself declared, had "been always opposed to the U. States Bank, nay all Banks," and hard money became an article of the Democratic creed. The most effective critic of the paper system was William Gouge, a Philadelphia economist and editor, who in the middle and late 30's plotted Democratic financial strategy from a post in the Treasury Department.

In 1833 he brought out a searching critique of paper money banking, *A Short History of Paper Money and Banking, selections from which follow*.⁶

⁶ *A Short History of Paper Money and Banking in the United States . . . to Which Is Prefixed an Inquiry into the Principles of the System, with Considerations of Its Effects on Morals and Happiness.* (2nd ed. New York, 1835), 12-41.

Let us suppose that all the Banks in the country were destroyed, and that our circulating medium consisted exclusively of gold and silver coin. In such a state of affairs, every merchant would keep about his person, or in his house, his whole stock of money.

Let us next suppose an *Office of Deposit*, established in any one of our large towns. For the sake of security against fire and robbers, the wealthy would here deposit whatever money they did not require for immediate uses. All the money employed in the wholesale trade would thus become the deposit of the Bank. It might be drawn out a few times, but as every large dealer would keep an account at the Bank, the absurdity would soon become evident, of drawing out the money by one man, that it might be deposited in the same place by his neighbor. The amount would, therefore, be transferred from the credit of one merchant to that of another, and the Bank would become an *Office of Transfer* as well as of *Deposit*. The only money that would circulate, would be that employed in retail trade. All wholesale transactions would be adjusted by checks on the Bank, and transfers on its books.

The Bank having issued no paper, the only demand on it would be for specie to send abroad. This demand would be limited, for every merchant would make it a rule to retain enough money in Bank for his domestic trade. It would be only as the trade of the town fluctuated, that the amount of money in the vaults of the Bank would fluctuate. We may suppose that it rose as high, sometimes, as six millions, and sunk as low, sometimes, as four millions. In a little time, the Bank would discover the lowest amount to which its permanent deposits would be liable to be reduced: and it might lend nearly the whole of this amount without much risk of discovery. The money might, indeed, be sent abroad by him

to whom it was lent, but he by whom it had been deposited would still have a credit at the Bank, and as all the wholesale transactions of the town would be carried on by checks on the Bank, his credit on the books of that institution would serve the same purpose as money. Retaining the sum of five hundred thousand dollars to meet contingencies, the Bank might safely grant discounts to the amount of three million five hundred thousand, and thus realize a profit of more than two hundred thousand dollars per annum, without lending a cent of its own capital, and without issuing any paper. . . .

Our American Banks are not contented with the profit derived from lending the money of depositors to other people.

As soon as the first instalment of the capital is paid in, the Bank commences issuing notes. To those who come to borrow, it lends paper or coin. The paper being exchangeable for coin, serves, at least at the place where it is issued, the same purpose as coin.

Every man desires money, because he can therewith procure whatever else he desires. If paper can procure for him the object of his desires as readily as gold and silver, paper is as desirable to him as gold and silver. The Bank, therefore, finds borrowers for all the coin it has to lend, and of the paper it deems it safe to issue. This addition of notes to the amount of metallic money previously in circulation, raises first the price of some articles and then of others. The borrower from the Bank having more money, either paper or coin, at command, can offer an additional price for the object of his desire, or perhaps procure some desirable object that was before unattainable. He from whom the borrower has bought, having made a speedier sale, or perhaps received a higher price than would otherwise have been possible—he also has it in his

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power to obtain some object of desire that was not before within his reach. A third, a fourth, a fifth, a sixth, each in his turn, receives a like advantage from the increase of circulating medium. The rise of prices is confined for a time to store goods, but at length reaches real estate, and finally the wages of labor. Industry is stimulated, and enterprise encouraged. Speculation is excited, private credit is strained, and the representatives of private credit are multiplied. Every body is active, and all branches of business appear to be prosperous.

Nothing could be prettier than this, if prices could be kept continually rising. But it is unfortunately, only while the amount of Bank issues is actually increasing, or for a short time after they have attained their maximum, that society derives this apparent benefit from paper money. In due time the paper affects all articles in nearly equal proportions: and men then discover that for an object of desire for which they had formerly to give one dollar, they have now to give one dollar twenty-five cents, or one dollar fifty; and that it is not more easy to get the one dollar and fifty cents to make the purchase with, than it was formerly to get one dollar. The *value* of land, labor, and commodities, as compared with one another, is the same as it was before. It is only the *money price* that is enhanced. The effect this has on public prosperity, is much the same as that which would be produced by changing accounts from pounds, shillings, and pence, to federal money. The sum total of dollars would exceed that of pounds, but the articles of the value of which they would be the exponents, would be unaltered in number and in quality.

It would be well if the issues of the Banks had no other effect than that of *apparently* increasing the wealth of the community, by raising the money valuation of all kinds of property. But these

institutions do not continue their issues long before they raise the price of some commodities above the value they bear in foreign countries, added to the costs of transportation. In foreign countries the paper of the Banks will not pass current. The holders of it, therefore, present it for payment. The Banks finding their paper returned, fear they will be drained of coin, and call upon their debtors to repay what has been advanced to them. In two ways, then, is the quantity of circulating medium diminished: first, by the exportation of specie; secondly, by the withdrawal of paper from circulation. Prices fall as rapidly as they had before risen. The traders find that the goods in their stores cannot be disposed of, unless at a loss. The different members of society had entered into obligations proportionate to the amount of circulating medium in the days of Banking prosperity. The quantity of circulating medium is diminished, and they have not the means of discharging their obligations. The merchandise, the farms, the houses, for which they contracted debts, may be still in their possession: but the product of the farms will not bring perhaps, half as much as will pay the interest of the original purchase money; the houses will not rent for as much as will pay the interest on the mortgages; and the store goods must, if sold at all, be sold below prime cost. Bills of exchange are dishonored, and promissory notes protested. One man is unable to pay his debts. His creditor depended on him for the means of paying a third person to whom he is himself indebted. The circle extends through society. Multitudes become bankrupt, and a few successful speculators get possession of the earnings and savings of many of their frugal and industrious neighbors.

By the reduction of the amount of Bank medium, the prices of things are lowered, the importation of some kinds

of foreign goods is diminished, and specie is brought back. Then the confidence of the Banks is renewed, and they recommence their issue of paper. Prices are raised again, and speculation is excited anew. But prices undergo another fall, and the temporary and artificial prosperity is followed by real and severe adversity.

Such, as has truly been said by Mr. Nicholas Biddle, the President of the United States Bank—"such is the circle which a mixed currency is always describing."

The rise of prices that follows an expansion of Bank medium, and the fall that follows a contraction, do not affect all descriptions of labor and commodities, at the same time, in an equal degree. . . .

Wages appear to be among the last things that are raised by an increase of Bank medium. The working man finds all the articles he uses in his family rising in price, while the money rate of his own wages remains unchanged. In the year 1831, which was a year of great expansion, rents rose enormously in many parts of the town, store goods advanced in price, and such fresh provisions as are sold in the market were higher than they had been at any time since the resumption of specie payments. But the money rate of wages was hardly affected.

If wages are not the first to fall on a contraction of issues, it is because the effects of the contraction fall unequally on different kinds of labor. "Contractions" never proceed far, without breaking up some productive establishments. Some men are thus deprived of employment; they enter into competition with the workmen in other establishments, and finally reduce wages in the branches of business not immediately affected by the contraction of Bank issues.

Hence the complaint we sometimes hear of "all branches of trade being over-

done." A great number of enterprises undertaken with a cheering prospect of success when the Banks "make money plenty," come to an unfortunate conclusion when the Banks "make money scarce." As one man is thrown out of employment, his effective demand for the product of his neighbor's labor is diminished, and he, perhaps, becomes the competitor of his neighbor, instead of his customer. The merchant is compelled to offer his services as a clerk. The master mechanic becomes a journeyman. If a clerk is thrown out of employment, the shoemaker has one good customer less. If twenty clerks are deprived of employment, the shoemaker may find it necessary to dismiss one of his assistants. If twenty shoemakers are without employment, the baker may find the sales of bread materially diminished: and so of all the other trades.

If the real wants of the community, and not their ability to pay, be considered, it will not be found that any one useful trade or profession has too many members. The number of educated physicians, for example, is not too great for the population. But not a few physicians remain without employment, while many persons, from inability to pay for medical advice, suffer all the evils of sickness. It cannot be said that we have too many shoemakers, tailors, or cabinet-makers, while multitudes are but indifferently provided with clothing and furniture. . . .

As we have neither a large standing army nor an expensive navy, neither king nor titled nobility to support, neither sinecurists nor pensioners to pay, it would seem rational to believe that, on the destruction of the moneyed corporation system, honest industry in the United States would be secure of its reward. But it is, perhaps, too soon to assert that the ingenuity of those who wish to grow rich by the labor of others will then be exhausted. The Banking System destroyed, they may invent some

other, equally successful. . . .

All attempts to resist. If resisted, we delivered from and of considerable particulars.

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other, equally plausible and equally pernicious. . . .

All attempts of this kind should be resisted. If they shall be successfully resisted, we may rationally expect—being delivered from the curse of paper-money and of moneyed corporations—a considerable improvement, in the following particulars.

1. The demand for most articles of commerce and manufactures will become regular, and the supply will conform itself to the demand, the variations being seldom so sudden or so great as to prevent men of good common sense from managing their business successfully. At present, men find it difficult to make the operation of the natural causes that affect supply and demand the basis of an estimate in engaging in any enterprise, because these causes are confounded with those growing out of the present system of business.

2. Bankruptcies will be as rare as they were before the Revolution, and losses by bad debts will be inconsiderable. . . .

3. The value of that which forms the principal item of wealth in every country, the land and its improvements, is affected slowly by natural causes. It seldom rises or falls, except in particular situations, more than one or two per cent. in the course of a year. Such variations would not be great enough to prevent the majority of men from forming correct estimates of the value of real estate: and as there would be a continuous rise in the value of land, with the increase of wealth and population, sellers would be quite secure in receiving one-fourth of the purchase money and a mortgage for the remainder, and buyers would run little risk of losing from a fall in the price of property. The special causes which would affect the value of lands in particular localities, might be estimated with some degree of exactness.

4. The prices of land and commodi-

ties being left to the regulation of natural causes, it would, in most instances, be easy to form a judgment of the probable result of different undertakings. The risk, in the great majority of enterprises, would not be greater than that of the farmer, when he ploughs and sows his fields. It would be easy to tell which businesses are adapted to the state of the country. The development of the natural sources of wealth would proceed in natural order, and men would grow rich, not by impoverishing others, but by the same causes that enrich nations.

5. Credit would be diffused through the community, and each man would get that share to which he would be justly entitled. The thrifty young mechanic, and the industrious farmer, though not possessed of real estate, would be able to borrow on bond, for such periods as might be necessary to bring their little undertakings to a successful issue.

6. Every increase of capital, increasing the fund out of which wages would be paid, would increase the reward of the laborer. Through the new distribution of capital which would be produced by a just apportionment of credit, the number of the competitors of the workingman would be diminished, and the number of his employers increased. He would thus reap a double advantage, from the increase of competition on the one side, and its decrease on the other.

7. The present order of things, by rendering the condition of some members of society almost hopeless, takes away from them almost every inducement to industry and economy. They labor only from the stimulus of necessity; and if in particular seasons, they obtain more than is necessary for immediate subsistence, they expend it in procuring some sensual gratification. But open to these men a fair prospect of acquiring a little property and of being secure in its possession, and many who

are now indolent will become industrious, and many who are extravagant will become economical. Give them an object worth working and saving for, and but few, even of those who are least gifted with natural prudence, will become a burden to their friends, or to the public.

8. The moral character of a great part of the nation has been stamped so deeply by causes which have been in operation for half a century, or for nearly a century and a half, if we count the first issue of paper-money by Massachusetts, that many years perhaps, will elapse, before it can be essentially changed. But one of the first effects of abolishing the money corporation system, will be that of raising the standard of commercial honesty in a perceptible degree, and the standard of political honor will, in a few years, be sensibly elevated.

9. In a state of things in which industry was sure of its reward, few persons would be destitute of the pecuniary means for obtaining instruction. The intellectual powers of the great body of the people would then be fully developed, and this could not fail to promote the correct management of public and private affairs.

10. The causes of evil are as numerous as the varieties of evil. The Banking System is regarded as the *principal* cause of social evil in the United States; but it is by no means the *only* one. There are

other positive institutions in our land which are very pernicious. Remove the Banking System, and the extent to which most other evil institutions operate, will become evident. The application of the proper remedies will then be an easy task.

In the best social system that can be imagined, that is, in one in which there should be no laws or institutions of any kind except such as are absolutely necessary, and in which the few laws and institutions which are really necessary should be perfectly just in principle and equal in operation, there would necessarily be an inequality in the condition of men. It would proceed in part from differences in mental and bodily strength, in skill, in industry, in economy, in prudence, and in enterprise. In part, it would proceed from causes beyond human control. But this would be a *natural* inequality, and it would not be an evil. . . .

It would really appear that, if we could only get rid of a few laws and institutions which give advantages to some men over others, we might arrive at a state of improvement which would surpass that of any country of which mention is made in history. We have more means of happiness within our reach than any other people. If we turn them not to a good account, the fault will be our own, and we must patiently bear the consequences.

The Bank Veto

At the head of the financial system stood the Second Bank of the United States, which had to be dealt with before any general banking reform could be perfected. The original national bank had been established on Hamilton's

recommendation in 1791 to run for twenty years, but Congress had refused in 1811 to extend its existence. In 1816 Congress granted its successor a twenty-year charter giving it wide powers over the economic life of the country. Na-

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... really appear that, if we get rid of a few laws and institutions which give advantages to some over others, we might arrive at a state of improvement which would be the lot of any country of which we have made in history. We have as much of happiness within our grasp as any other people. If we turn to a good account, the fault is not in the law, but in the men, and we must patiently wait for the consequences.

...lation in 1791 to run for president, but Congress had refused to extend its existence. In 1816 Congress granted its successor a twenty-year term giving it wide powers over the domestic life of the country. Na-

tional sanction, its 35 million dollar capital, its branches in most of the states, and the fact that its notes were declared receivable in all payments to the government enabled its paper to circulate throughout the nation. All federal funds were deposited in the bank, where they were put to profitable use as the basis for loans. It had an almost life and death power over the state banks because it received large quantities of their notes in federal deposits and in the ordinary course of its business. By promptly returning these notes for redemption in specie, it could force the state banks to restrain their issues so as to have ample specie reserves on hand. By extending or restricting its own issues, it could force the state banks to follow suit, thus regulating the expansion or contraction of credit, and producing inflation or deflation. When properly managed, the national bank served as a balance wheel for the entire financial structure, restraining the state banks in times of inflationary pressure and succoring them in periods of strin-

The bill "to modify and continue" the act entitled "An act to incorporate the subscribers to the Bank of the United States" was presented to me on the 4th July instant. Having considered it with that solemn regard to the principles of the Constitution which the day was calculated to inspire, and come to the conclusion that it ought not to become a law, I herewith return it to the Senate, in which it originated, with my objections. . . .

The present corporate body, denominated the president, directors, and company of the Bank of the United States, will have existed at the time this act is intended to take effect twenty years. It enjoys an exclusive privilege of banking under the authority of the General Government, a monopoly of its favor and support, and, as a necessary conse-

quence, almost a monopoly of the foreign and domestic exchange. The powers, privileges, and favors bestowed upon it in the original charter, by increasing the value of the stock far above its par value, operated as a gratuity of many millions to the stockholders.

At first, the bank was irresponsibly administered and saved itself in the Panic of 1819 only by sacrificing its debtors and the state banks. But after the election of Nicholas Biddle as its president in 1823, it pursued a course profitable to the stockholders and beneficial to the country. At the time Jackson took office, Biddle was concerned about a renewal of the bank's charter before its expiration in 1836. Jackson's hard money views and constitutional scruples led him to prefer a national fiscal agency which would be run by the Treasury Department and which would not make loans or issue notes. When, on the eve of the election of 1832, Biddle's legislative lieutenants pushed through Congress a bill renewing the charter with only minor modifications, Jackson met the measure with a ringing veto on July 10, 1832.¹

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An apology may be found for the failure to guard against this result in the consideration that the effect of the original act of incorporation could not be certainly foreseen at the time of its passage. The act before me proposes another gratuity to the holders of the same stock, and in many cases to the same men, of at least seven millions more. This donation finds no apology in any uncertainty as to the effect of the act. On all hands it is conceded that its pas-

¹ *Register of Debates*, 22nd Cong. 1st Sess., Appendix; 73-79.

sage will increase at least 20 or 30 per cent more the market price of the stock, subject to the payment of the annuity of \$200,000 per year secured by the act, thus adding in a moment one-fourth to its par value. It is not our own citizens only who are to receive the bounty of our Government. More than eight millions of the stock of this bank are held by foreigners. By this act the American Republic proposes virtually to make them a present of some millions of dollars. For these gratuities to foreigners and to some of our own opulent citizens the act secures no equivalent whatever. They are the certain gains of the present stockholders under the operation of this act, after making full allowance for the payment of the bonus. . . .

But this act does not permit competition in the purchase of this monopoly. It seems to be predicated on the erroneous idea that the present stockholders have a prescriptive right not only to the favor but to the bounty of Government. It appears that more than a fourth part of the stock is held by foreigners and the residue is held by a few hundred of our own citizens, chiefly of the richest class. For their benefit does this act exclude the whole American people from competition in the purchase of this monopoly and dispose of it for many millions less than it is worth. This seems the less excusable because some of our citizens not now stockholders petitioned that the door of competition might be opened, and offered to take a charter on terms much more favorable to the Government and country. . . .

It has been urged as an argument in favor of rechartering the present bank that the calling in its loans will produce great embarrassment and distress. The time allowed to close its concerns is ample, and if it has been well managed its pressure will be light, and heavy only in case its management has been bad. If, therefore, it shall produce distress,

the fault will be its own, and it would furnish a reason against renewing a power which has been so obviously abused. But will there ever be a time when this reason will be less powerful? To acknowledge its force is to admit that the bank ought to be perpetual, and as a consequence the present stockholders and those inheriting their rights as successors be established a privileged order, clothed both with great political power and enjoying immense pecuniary advantages from their connection with the Government. . . .

By documents submitted to Congress at the present session it appears that on the 1st of January, 1832, of the twenty-eight millions of private stock in the corporation, \$8,405,500 were held by foreigners, mostly of Great Britain. The amount of stock held in the nine Western and Southwestern States is \$140,200, and in the four Southern States is \$5,623,100, and in the Middle and Eastern States is about \$13,522,000. The profits of the bank in 1831, as shown in a statement to Congress, were about \$3,455,598; of this there accrued in the nine Western States about \$1,640,048; in the four Southern States about \$352,507, and in the Middle and Eastern States about \$1,463,041. As little stock is held in the West, it is obvious that the debt of the people in that section to the bank is principally a debt to the Eastern and foreign stockholders; that the interest they pay upon it is carried into the Eastern States and into Europe, and that it is a burden upon their industry and a drain of their currency, which no country can bear without inconvenience and occasional distress. To meet this burden and equalize the exchange operations of the bank, the amount of specie drawn from those States through its branches within the last two years, as shown by its official reports, was about \$6,000,000. More than half a million of this amount does not stop in the Eastern

States, but for the dividends. . . .

Is there no independence left? The present us that most by its forbearance become conceals the operation of the hands of whose interest of the foreign not be cause of our election independence. Their power they might have monopoly were fifteen or two posed by them in peace put for election elections nation. But if a public functionary tail its powers its privileges, if he would be ence. . . .

It is to be a powerful too of ernment to the Distinctions in under every ju of talents, of ed not be produced In the full enj Heaven and the try, economy, a equally entitled but when the la these natural an cial distinctions, ties, and exclus the rich richer ar erful, the humbl the farmers, m—who have nei

will be its own, and it would reason against renewing a which has been so obviously that will there ever be a time reason will be less powerful? edge its force is to admit that right to be perpetual, and as since the present stockholders inheriting their rights as such established a privileged order, with great political power and immense pecuniary advantage their connection with the

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States, but passes on to Europe to pay the dividends of the foreign stockholders. . . .

Is there no danger to our liberty and independence in a bank that in its nature has so little to bind it to our country? The president of the bank has told us that most of the State banks exist by its forbearance. Should its influence become concentrated, as it may under the operation of such an act as this, in the hands of a self-elected directory whose interests are identical with those of the foreign stockholders, will there not be cause to tremble for the purity of our elections in peace and for the independence of our country in war? Their power would be great whenever they might choose to exert it; but if this monopoly were regularly renewed every fifteen or twenty years on terms proposed by themselves, they might seldom in peace put forth their strength to influence elections or control the affairs of the nation. But if any private citizen or public functionary should interpose to curtail its powers or prevent a renewal of its privileges, it can not be doubted that he would be made to feel its influence. . . .

It is to be regretted that the rich and powerful too often bend the acts of government to their own selfish purposes. Distinctions in society will always exist under every just government. Equality of talents, of education, or of wealth can not be produced by human institutions. In the full enjoyment of the gifts of Heaven and the fruits of superior industry, economy, and virtue, every man is equally entitled to protection by law; but when the laws undertake to add to these natural and just advantages artificial distinctions, to grant titles, gratuities, and exclusive privileges, to make the rich richer and the potent more powerful, the humble members of society—the farmers, mechanics, and laborers—who have neither the time nor the

means of securing like favors to themselves, have a right to complain of the injustice of their Government. There are no necessary evils in government. Its evils exist only in its abuses. If it would confine itself to equal protection, and, as heaven does its rains, shower its favors alike on the high and the low, the rich and the poor, it would be an unqualified blessing. In the act before me there seems to be a wide and unnecessary departure from these just principles. Nor is our Government to be maintained or our Union preserved by invasions of the rights and powers of the several States. In thus attempting to make our General Government strong we make it weak. Its true strength consists in leaving individuals and States as much as possible to themselves—in making itself felt, not in its power, but in its beneficence; not in its control, but in its protection; not in binding the States more closely to the center, but leaving each to move unobstructed in its proper orbit.

Experience should teach us wisdom. Most of the difficulties our Government now encounters and most of the dangers which impend over our Union have sprung from an abandonment of the legitimate objects of Government by our national legislation, and the adoption of such principles as are embodied in this act. Many of our rich men have not been content with equal protection and equal benefits, but have besought us to make them richer by act of Congress. By attempting to gratify their desires we have in the results of our legislation arrayed section against section, interest against interest, and man against man, in a fearful commotion which threatens to shake the foundations of our Union. If we can not at once, in justice to interests vested under improvident legislation, make our Government what it ought to be, we can at least take a stand against all new grants of monopolies and exclusive priv-

ileges, against any prostration of our Government to the advancement of the few at the expense of the many, and in favor of compromise and gradual reform in our code of laws and system of political economy.

I have now done my duty to my country. If sustained by my fellow-citizens, I shall be grateful and happy; if not, I shall find in the motives which impel me ample grounds for contentment and peace. In the difficulties which surround

us and the dangers which threaten our institutions there is cause for neither dismay nor alarm. For relief and deliverance let us firmly rely on that kind Providence which I am sure watches with peculiar care over the destinies of our Republic, and on the intelligence and wisdom of our countrymen. Through His abundant goodness and their patriotic devotion our liberty and Union will be preserved.

The Bank Defended

Appearing in the middle of an angry political contest, the Bank Veto became the main issue of the Presidential campaign of 1832. Conservative orators denounced its appeals to prejudice against foreigners and to class feeling as demagogic. Biddle thought its absurdities so evident that he used bank funds to print and distribute thousands of copies of the Veto Message itself. But the election re-

turns showed that the President's reasoning had carried conviction with the voters. Jackson was re-elected by an overwhelming majority.

On September 26, 1832 the Boston Daily Advertiser & Patriot carried a vigorous criticism of the Veto entitled "The Conduct of the Administration: The Bank."

We shall not undertake to say which of the various impolitic, illegal and unconstitutional proceedings of the present administration will prove, in the end, most injurious to the country; but the one which will be attended with the greatest amount of immediate and therefore certain and irremediable evil, is probably the *destruction of the bank*. . . .

The national bank, though not properly a *political* institution, is one of the most important and valuable instruments that are used in the practical administration of the government. It serves three great purposes:—It is the financial agent of the executive for all its receipts and payments: It aids in regulating the currency, so far as this is composed of paper, by acting as a check

upon the local banks, and distributing through the Union a safe and uniform emission of notes: and thirdly: It performs, but in a much more effectual and extensive way than any similar institution, the usual functions of a bank, in accommodating the public with loans of capital. For each and all of these purposes, the existence of the national bank is, in a manner, indispensable; and, were it even possible to get along without it (as it certainly would not be), the sudden destruction of the existing bank, under the present economical circumstances of the country, would be attended with an extent of individual suffering and loss of property unexampled perhaps in the history of civilized communities. . . .

As the fiscal agent of the executive, it

has exhibit efficiency, PDEPENDENCE. see—has b regulator c nished the ient and coj prevented otherwise r the local ba loaning mo the Providi tions of th with unspai its vast cap states, whe rate of inte most inacc benefit con west only, b never be ful that unfort Through i home and rially facili foreign and tant advan derived fro unattended As its tern acquired a been const favor. Ther abuse; not heard on a country. . .

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langers which threaten our there is cause for neither alarm. For relief and deliverance, we must firmly rely on that kind which I am sure watches over the destinies of our countrymen. Through their goodness and their patriotism our liberty and Union will

That the President's re-elected conviction with the Union was re-elected by an

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Act of the Administration: national banks, and distributing Union a safe and uniform notes: and thirdly: It performs a much more effectual and more than any similar institutional functions of a bank, in giving the public with loans of each and all of these purposes of the national bank, indispensable; and, were able to get along without it (it would not be), the suddenness of the existing bank, present economical circumstances country, would be at an extent of individual sufficiency of property unexampled in the history of civilized communities. The President, as the agent of the executive, it

has exhibited a remarkable intelligence, efficiency, energy, and above all, INDEPENDENCE. This—as we shall presently see—has been its real crime. As the regulator of the currency, it has furnished the country with a safe, convenient and copious circulating medium, and prevented the mischiefs that would otherwise result from the insecurity of the local banks. As a mere institution for loaning money, it has been, as it were, the Providence of the less wealthy sections of the Union. It has distributed with unsparing hand almost the whole of its vast capital throughout the western states, where capital, at any moderate rate of interest, would be otherwise almost inaccessible. The extent of the benefit conferred in this way, not on the west only, but on the whole country, will never be fully appreciated except, should that unfortunately happen, by its loss. Through its dealings in exchange at home and abroad, the bank has materially facilitated the operations of our foreign and domestic trade. The important advantages which have thus been derived from this institution have been unattended by any countervailing evil. As its term advanced, and its officers acquired additional experience, it has been constantly gaining on the public favor. There has been no suspicion of abuse; not a lisp of complaint has been heard on any account throughout the country. . . .

The bill for rechartering the bank passed triumphantly through both houses. The President returned it with his celebrated Veto message.

This document—when Jackson shall have been, as we trust he will be within a very few months, remanded to the Hermitage:—when the people shall have long since recovered from the temporary delusion that placed him in office—when most of the messages and other papers to which his name has been affixed, shall have been sunk by their leaden dullness

in the gulf of oblivion:—this document—the Veto message—will probably be kept in memory, and often appealed to as a curious example of the extent to which, at the commencement of the nineteenth century, the elected chief magistrate of a free civilized and enlightened people dared to insult the common sense and moral feeling of his constituents. The indignant outcry of the people has already passed judgment upon this unworthy paper and its author, so that it is nearly as superfluous as it would be, within the limits of the present essay, impossible to examine its contents in detail. We shall confine ourselves to a few remarks upon those parts in which the subject is treated under an economical point of view.

On this head, the doctrine of the President, has at least the merit of novelty. . . . Gen. Jackson is evidently of opinion that to put money in a man's pocket, is to subject him to great and grievous embarrassment. Now the bank has, it seems, been guilty of the high crime and misdemeanor of placing sundry millions of foreign capital in the pockets of the people of the United States, and also sundry millions of capital belonging to the Atlantic cities, in the pockets of the west. This is not all. . . . "The debt due to the bank by the West," says the Veto message, "is principally a debt to the eastern and foreign stockholders; the interest they pay upon it (mark the villainy!) is carried into the eastern states and to England, and is a burden upon their industry (poor souls!) and a drain of currency which no country can bear without inconvenience and occasional distress." It seems then from the President's shewing that these poor people of the west are not allowed, as honest men should be, to appropriate the earnings of others to their own use, without fee or reward, as the SPOILS OF VICTORY, but are actually subjected to the enormous imposi-

tion of paying upon all the money they borrow, the charge of six per cent. annual interest. This, to be sure, is "flat burglary." The bank permits itself to be made the instrument of this work of iniquity and oppression, and is of course fairly obnoxious to the execration of all the friends of justice and humanity. But how is the mischief to be remedied?—If the President is admirable in discovering the nature of the disease, he is no less admirable in applying the cure. These western states, who are thus *oppressed* with a loan of thirty millions of dollars, and who are subjected to the intolerable hardship and burden of paying six per cent. interest upon it are to be *relieved*—how, gentle reader?—by being suddenly called upon to pay to these eastern and foreign stockholders, instead of the intolerable six per cent. interest, the whole hundred per cent. capital within two or three years.

Is not this excellent?—Is not this creditable to the government and country?—Is not this a fine piece of work to go out to Europe as a specimen of the perfection to which the science of political economy has been carried by the freest and most enlightened nation on the globe?—It is an act of oppression to furnish a man with capital to carry on his business; the way to relieve him is to compel him to pay it back again at all sacrifices and at a moment's notice. These are discoveries of which Alexander Hamilton and Albert Gallatin never dreamed. Smith, Say and Ricardo might have pored over their books for centuries, without ever stumbling upon them. The document which contains them, will doubtless be valued, when the *Wealth of Nations* and the *Report on Manufactures* are forgotten. Did it never occur to the worthies of the *Kitchen Cabinet*, in the course of their learned speculations on capital and credit, to ask themselves the question: Who com-

pels the western people to borrow this money, if they do not want it? . . .

The spirit that breathes through all these denunciations of the bank is, if possible, still worse than the reasoning contained in them. For the first time, perhaps, in the history of civilized communities, the chief magistrate of a great nation—the natural and chosen guardian of order and the public peace—is found appealing to the worst passions of the uninformed part of the people, and endeavoring to stir up the poor against the rich. If the bank should be rechartered, "the humble members of society, the farmers, mechanics and laborers, who have neither the time nor the means of securing like favors to themselves, have a right," says the veto message, "to complain of the injustice of the government." The party journals are constantly harping on the same string. The bank is denounced as a *monied aristocracy*, subsisting in bloated arrogance upon the plunder of the poor. . . . They think, or hope, that by boldly misrepresenting facts, and perpetually stimulating the vicious propensities of the mass of the people, they shall be able to obtain the number of votes necessary to continue them in office, and secure for another term the possession of the SPOILS OF VICTORY. Such is the object; and, in the Jackson code of morality, the end sanctifies the means: ALL'S FAIR IN POLITICS. . . .

Such have been the proceedings in regard to the Bank, and such the manner in which they have been defended. What would be the effect of its destruction? It would unsettle the currency and carry desolation and bankruptcy through the whole Western country. The debt of thirty millions due from that section to the Bank CANNOT BE PAID. The attempt to enforce it would ruin thousands of our most industrious and valuable citizens, and arrest for years

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 TORY for another term! THEY WILL NOT.

The Way to Wealth

Biddle did not give up the struggle for his institution's survival. Jackson was well aware of the political and economic power the bank still possessed, and, determined to break its strength, ordered the government deposits removed from it, thus depriving it of a considerable portion of its resources. Biddle deliberately provoked a depression by severely curtailing the bank's loans in an effort to compel Congress to override the President. But the administration forces in the House of Representatives held firm, and the bank had to begin winding up its affairs.

The destruction of the national bank's power, however, was a dubious victory.

Friday.—Well, there is one of my children, at least, with whom I have abundant cause to be satisfied. My second son, Bob, who set out a few years ago with nothing but a letter of advice (not a letter of credit) from me, has returned home with a fortune of at least half a million.

To relate Bob's story would be as good as to write a treatise on banking, for it illustrates all the art and mystery of our craft. When Bob arrived at his place of destination, he had not one cent in his pocket, but he so ingratiated himself with his landlady and his washerwoman, that they made no demand for payment for a whole month, and by this time he had established so good a credit with the storekeepers and other substantial residents, that he found it easy enough to pay his board and incidental

The strongest check on the state banks was thus removed, and the transfer of federal funds to the vaults of selected state banks gave them additional means to expand their issues. Moreover, the change came just as the country was entering an inflationary cycle. New banks were chartered by the states until the total number exceeded seven hundred; old banks expanded their issues, prices rose, and speculation was rife.

The following "Extracts from the Private Diary of a Certain Bank Director" hardly exaggerate the way in which some of the banks of those halcyon days were conducted.⁸

expenses. When those from whom he borrowed wished to be repaid, he always got the means by borrowing from others. Being an industrious, enterprising lad, he immediately set to work to establish a bank. He found some who were as needy as himself, but not half as knowing, easily persuaded to sign a petition to the legislature for a charter. The substantial class of citizens he did not at this time suffer to participate in his operations. Bob borrowed the money to pay the expenses of his journey to the State Capital, borrowed the money to support himself while there, borrowed the money to buy the Champagne with which he drenched the members of the Legislature, borrowed the money to pay for the sumptuous dinners and suppers

⁸ *United States Magazine and Democratic Review*, III (December, 1838), 367-369.

with which he feasted them; and, finally, after he had got a bill passed exactly to his liking, borrowed the money to carry himself to his new home. It was amusing enough to hear him relate how he worked his way along—how by treating one member to a bottle of Champagne, he thereby ingratiated himself with that member so as to borrow enough from him to treat another member, and so on, till he had treated them all round, and then begin again. When he got back to his new home, he had to borrow money enough to buy blank books, and pens and ink, wherewithal the commissioners might receive subscriptions for the stock of the new bank. The number of shares being duly subscribed, the first instalment was paid in, in coin borrowed for one half hour from various friends in the neighborhood. Having the example of moral and religious New England before him, Bob had no scruple in swearing that the coin paid in was the property of the bank. At this crisis a difficulty occurred that was truly alarming. The engraver who had had the bank notes prepared, refused to deliver them up except for cash. But Bob, whose resources of mind are equal to any exigency, got over this difficulty in a way he did not tell me, and then by buying desks and a counter on credit, brought the bank into immediate operation. At first the more substantial inhabitants were shy about receiving the notes, and still more shy about touching the stock of the bank. By little and little, Bob dispelled their fears. By circulating his notes at a distance from the bank, he kept them out a long time. By various means, he contrived to accumulate a stock of specie, the whole of which he displayed most ostentatiously on his counter, and then that it might be generally known how abundant specie was with him, he had his agents out who, under one pretext or another, used to request their friends as a matter of favor

to go to the bank and get notes exchanged for them. As the silver thus paid out, came back the same day, Bob made a small sum effect a great many exchanges. By arts like these, the notes of Bob's Bank became current in the whole country round, and he found one dollar in silver quite sufficient to support a circulation of twenty in paper. The more substantial citizens still showed little disposition to touch the stock; but when at the end of six months, the bank declared a dividend of ten per cent., they became so eager to bite, that Bob's first impulse was to sell all out, and let them have the whole concern to themselves. A little reflection convinced him that this would be folly. He, however, as a *favor*, parted with a few shares to some three or four of the most wealthy, and whose habits were such that he was sure that they would never interfere with his management. By these means he increased the anxiety of the others to buy, and inspired such general confidence in the bank, that all the spare cash in the neighborhood was left with him for safe-keeping. Being a good Democrat—that is to say, a Democrat *by trade*, (heaven forefend that any son of mine should be a Democrat *in principle*)—being a good Democrat by trade, he got a snug slice of the public deposits. Then commenced scenes of unexampled prosperity. The prices of property of all kinds were doubled, trebled, quadrupled. Enterprises of all kinds were invigorated. The whole style of living was changed. The young women forsook spinning and knitting, to play upon pianos and dance cotillions. The young men laid down their mechanical tools and agricultural implements, that they might partake of the gentlemanly recreations suited to their age. The great increase of wealth, and the advance of refinement which accompanied it *pari passu*, were, as Bob describes it, equally gratifying and as-

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By arts like these, the notes of the Bank became current in the country round, and he found one silver quite sufficient to support one of twenty in paper. The substantial citizens still showed disposition to touch the stock; but the end of six months, the increased dividend of ten per cent became so eager to bite, that the impulse was to sell all out, and men have the whole concern lives. A little reflection convinced them that this would be folly. However, as a favor, parted with shares to some three or four of the most wealthy, and whose habitude was such that he was sure that they would never interfere with his interest. By these means he increased the anxiety of the others to buy, and such general confidence in the bank that all the spare cash in the country was left with him for safe-keeping a good Democrat—that is, a Democrat by trade, (heaven forbid that any son of mine should be a Democrat in principle)—being a good man by trade, he got a snug slice of the public deposits. Then commenced unexampled prosperity. The property of all kinds were trebled, quadrupled. Enterprising kinds were invigorated. The mode of living was changed. The men forsook spinning and knittling, lay upon pianos and dance. The young men laid down mechanical tools and agricultural implements, that they might partake of manly recreations suited to the times. The great increase of wealth, the advance of refinement which followed it *pari passu*, were, as Bob thought, equally gratifying and as-

tonishing. It really did my old heart good, to hear that a son of mine had, while advancing his own fortune, done so much towards promoting the prosperity of his country. But who can stand up against the atrocious experiments of our detestable Government? Even the "great financier," with his thirty-five millions of capital has sometimes quailed; what wonder, then, that my son Bob's bank, which began business without any capital at all, should be brought into straits. I do not allude here to its stopping payment in common with the other banks of the country: that was a blessing to both the banks and the community. But, through a series of disasters, the notes of Bob's bank became greatly depreciated, till at length the other banks refused to take them at all, and then they became worth nothing. Bob was game to the last. He saw the storm approaching when he was the principal debtor to the bank. One by one he drew out all the notes on which he was indebted, by

prevailing on the other directors to receive in their place, the notes of other men he had on hand, men, which his enemies say, were men of straw; but Bob, on his honor, assures me, they were all first rate men, and equal at least to the Rathbuns, the Hermans, &c. &c., up to the very day before that on which they stopped payment. Bob thus got payment of all the debts that were due to him, and paid all the debts that he owed, leaving him unencumbered productive property of the value of five hundred thousand dollars. He did, indeed, lose a little on his bank stock, but he does not regard this, having sold out the greater part of his shares at an enormous advance, and retained so many only as were necessary to qualify him for the office he held in the bank.

I will pit my son Bob against any man's son in the country, "the great financier" alone excepted. Such a son would rejoice any father's heart.

Reforming the State Banks

Hard money men were alarmed by the excesses of the state banks. "The present bloat in the paper system cannot continue," shouted "Old Bullion" Benton in the Senate. "The revulsion will come, as surely as it did in 1819-'20. . . . I did not join in putting down the Bank of the United States, to put up a wilderness of local banks. I did not join in putting down the paper currency of a national bank, to put up a national paper currency of a thousand local banks. I did not strike Caesar to make Anthony master of Rome." But, in fact, Caesar's demise had had much to do with the rise of Anthony.

The truth was that the Democratic

party contained not only hard money men, but also a goodly quota of Democrats by trade, supporters of the state banks. As Benton put it, "The President was not deemed strong enough to encounter all the banks of all the States at once. Temporizing was indispensable." The support of the state banking interests was used to destroy the national bank, but the state banks almost immediately got out of hand.

In this dilemma, Jackson's advisers devised a plan to use the government deposits to secure one of the reforms Gouge had suggested. Secretary of Treasury Taney recommended to Congress that state banks be required, as

a condition of receiving deposits, to cease issuing notes under five dollars or dealing in such notes issued by other banks. Small notes would thus be driven from circulation and replaced by gold and silver, and the steady demand for specie for small transactions would force the banks to keep a larger store of the precious metals on hand. In a few years the prohibition should be extended to notes under ten dollars, and later to those under twenty. In this way bank notes would gradually be eliminated as a circulating medium and replaced by specie. Banks would continue to exist, but would serve only their legitimate func-

It has, sir, suited the purposes of the advocates of a Bank of the United States, ever since the commencement of our Government, to represent the collection, safe keeping, distribution, and disbursement, of our national revenues, as a very mysterious and complicated affair. While trade annually collects, deposits, transfers, and disburses, its thousands of millions, it is gravely contended that the Government cannot manage its twenty or thirty millions without the agency of a national bank. Why, sir, if there was not an incorporated bank in the Union, there would be no difficulty whatever in the management of our finances, for other agents equally efficient would occupy their places; and I hope that the time will come when we shall be able to dispense with the agency of all banks, especially those of circulation. I am as little disposed as either of the gentlemen from Virginia to advocate the cause of State banks, but at the present moment there are two reasons for continuing the plan judiciously adopted by the Treasury. The State banks selected are the safest places of deposit for the public money; but the strongest motive which induces me at this time to advocate the system is, that by continuing to collect our

tions of providing credit and commercial facilities.

The Jacksonians were inhibited from any more direct attempt to regulate the currency by their scruples against federal intervention in the economy or in the concerns of the states. The plight of the hard money men in trying to control state banking, under these circumstances, was reflected in a speech February 11, 1835, by Churchill C. Cambreleng, a Congressman who spoke for the free trade commercial interests and the workingmen's "Loco Foco" Democracy of New York City.⁹

revenue through these agents, we can make them instrumental in the great work which has been so successfully commenced, of reform in our currency, by aiding in excluding our small note circulation. . . .

But, sir, the reform must not stop with an inquiry into the corruptions and abuses of federal legislation. Our State Governments, some at least, if not all, have outstripped even this Government in a rapid career of vicious and corrupt legislation. We have spread over the country thousands of corporations in every branch of trade, and erected Government companies to disturb and rival the ancient and natural establishments of frugality and enterprise. We have introduced a spirit of gambling into every branch of trade, by giving these companies credit not founded upon capital, but law, and have granted our chartered adventurers the privilege of bankruptcy without holding their property responsible to their honest, and, in some instances, ruined creditors. . . . We have travelled through the whole circle of industry, and have given a political power to corporations, which, if this spirit be not arrested, will control every State

⁹ *Register of Debates*, 23rd Cong., 2nd Sess., 1305-1318.

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Government, introduce gambling into every branch of trade, and pauperism into every county in the Union.

The credit of the State, too, is resorted to on every occasion, and for all purposes. Following our vicious example, the States have become stock-jobbers, money-brokers, and dealers in exchange. In some, they have made themselves partners in banking institutions of their own creation. In other States the banks are founded on borrowed capital, for which the credit of the State is pledged. Louisiana has recently become an endorser for two banks to the amount of seventeen millions—and even one of our Territories has followed this vicious example. We may soon expect to hear of Florida bonds on the royal exchange. The credit of the State should be sacred. It should never be used but for great public purposes, or in the emergencies of war. Legitimate commercial credit—that credit which is sound, because legislation has no agency in its creation, never would appeal to Government for its aid at any crisis. But in England and in this country we have authorized a species of bank credit, which cannot sustain itself in periods of alarm without producing universal distress, and Governments have been compelled to interpose, to save the country from mischiefs of legislative origin. Abolish your Government bank credits, and trade would never appeal to you for aid. The credit of the State would then be used, as it ought to be, only for the purposes of the State.

But, Mr. Speaker, the greatest and most alarming abuse now existing in this country is the incorporation of near 600 banks of circulation, with an aggregate capital of more than two hundred millions of dollars. It is to this point reform should be mainly directed, for until this legislative abuse is corrected, there can be no effective and permanent reform of the currency of this country.

Banks of deposit, discount, transfer, and exchange, savings banks, and trust companies, are useful institutions for facilitating the operations of trade, giving velocity to the circulation of commercial credits, and securing the accumulations of labor and wealth. But these institutions are the natural creations of trade, and would have grown up in this age of commercial improvement in every civilized country, without the aid of Government, and through voluntary associations of capital, had not bankers been taught, by a vicious system, the habit of dependence upon Legislatures—had they not profited by the folly and injustice of Government, which granted to them the use and profits of a circulation, founded on law and on the authority of Government, at the expense of sound private credit, and the credit and currency of the State. . . .

When we see these institutions spread over the land, founded upon a basis so speculative and absurd, forcing by every possible means their notes into circulation, promising impossibilities, can we be surprised at panics, and commercial alarms, and embarrassments? . . . It is worthy of the inquiry of every State Legislature in the Union, whether the evils resulting from a bank note circulation do not greatly overbalance all its convenience as a currency. But if, sir, this currency is to be perpetuated in defiance of our constitution—if we mean to persist in a course of legislation as vicious as it is unjust—we owe it to the country, at least, to protect trade and labor from the effects of this abominable legislative abuse. If we will have Government banks, we ought certainly to require that they should never abandon the prudent rules of trade. We must either limit their dividends, or reduce their circulation to one fourth, or at least one third the amount of their capital. Without these restrictions, no matter what examinations, what guards, or what pro-

portion of specie may be required, trade is destined for ever to suffer from panics and alarms of legislative origin; and a suffering community will contribute an annuity of millions to those who are authorized to abuse the credit of the State—to the very authors of their embarrassments.

What reform, sir, of the currency can we accomplish while we have four-and-twenty Legislatures, besides our Territorial Councils, authorizing their banks to issue some three or four hundred millions of notes redeemable in specie, when every bank charter in the Union is essentially an act to prohibit the importation of specie into the United States? This contest between our constitution and State legislation, between a metallic and a paper currency, ought not to be, and will not be tolerated by the democracy of this Union, who are resolved to carry out the principles of this administration, and firmly to adhere to the constitution of their country. It is unworthy the dignity of legislation to recognize the quibbling distinction between bank notes and bills of credit. The former are essentially bills of credit, issued under authority of the State, and bills of the most mischievous character. If we do not abandon this legislative abuse, we may surrender all hope of reforming the currency. . . .

Sir, if these abuses be persisted in, if corporations are to be multiplied throughout the land; if the credit of the State is to be abused for banking purposes, and the dignity of Government degraded by partnerships in trade; if a perpetual annuity of millions is to be thus indirectly collected for the benefit of banks established under the authority of Government—then may we anticipate, before many generations shall have passed away, the thorough corruption and revolution of every Government in the Union. Perpetuate these legislative abuses, and the time is not distant when

your Representatives will volunteer their services to your thousands of powerful corporations, and when avarice will control every Legislature in the land. Whatever controls your laws governs your country. You will be ruled by avarice—that “domineering, paramount evil,” to which “there is a natural allegiance and fealty due from all the vassal vices, which acknowledge its superiority and readily militate under its banners.” Your Hamiltonian plan of legislation will thus exhibit its revolting results: your Government will be founded upon wealth, your people ruled by legislative corruption and despotism.

Thus far, sir, the cause of reform has been triumphant. We have in six years accomplished much; but we have now to encounter a more formidable antagonist, sustained, in a measure, by deep-rooted prejudice, and by the abuses of State legislation. While this great work of reforming our currency and our legislative abuses is not to be accomplished in a day, it is not to be postponed from any false alarms, or from any unfounded apprehension of its impracticability. I have witnessed, sir, in my limited term of public service, many revolutions equally important and less to be anticipated. Who would have believed in 1829 that, in less than six years, reform would have prostrated such powerful antagonists as the Bank of the United States, our manufacturing corporations, and our federal system of internal improvements? . . . Have we not reason to hope that, in two years more, some of the warmest advocates of our State bank circulation will be satisfied that it is a legislative abuse, and unite with us in demanding its reform? . . .

The spirit of our age cannot be mistaken—reform or revolution must ultimately be the fate of every enlightened country. There is a tide in the affairs of nations as well as of men, a slow but steady current setting against ancient,

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A Moderate View

*The Taney-Gouge scheme for reform-
ing the currency never had a real trial.
The Whigs and state bank Democrats
combined to defeat the proposal in Con-
gress, and the inflation of bank credits
continued unchecked. Finally, in 1836,
Jackson tried to stem the speculative
mania with his Specie Circular, directing
that only gold and silver be received in
payment for public lands. He was too
late. A sudden strain was placed on the
deposit banks when Congress directed
that the large government surplus be
withdrawn from their vaults and dis-
tributed to the states, many of which
had been clamoring for federal funds
to use for internal improvements and
education. The inflationary cycle had
reached its peak, and the collapse came
just a few months after Martin Van
Buren entered the White House. The
Panic of 1837 was worse than that of
1819, and its effects lingered well into
the next decade.*

*The banks, of course, promptly sus-
pended specie payments, bank notes fell
in value, and government funds became
unavailable, unless withdrawn at the de-
preciated rate. In this crisis Van Buren
and the hard-money branch of the party
broke completely with the state bank*

*Democrats and took up Gouge's pro-
posal that the government divorce itself
completely from banking, keep its funds
in its own "subtreasury offices," and re-
ceive nothing but gold and silver in pay-
ment of the public dues. This, reasoned
the hard money men, would withdraw
the implicit official sanction which en-
abled the banks to maintain exorbitant
issues in circulation. It would also create
a steady demand for specie, thereby forc-
ing the banks to curtail their note issues.
For three years Congress, almost equally
divided, wrangled bitterly over the ques-
tion, and finally in Van Buren's last
year in office the Independent Treasury
Bill was passed. It was repealed when
the Whigs came into power the next
year.*

*In 1841, as the victorious Whigs were
trying to devise an alternative to the
Jacksonian financial policy, the distin-
guished former Secretary of the Treasury,
Albert Gallatin, published an able and
temperate review of the whole currency
problem, defending the banks against
Jacksonian strictures, but at the same
time indicating the dangers to which
a paper money banking system was
liable.¹⁰*

of the country. The prodigious increase
of banking capital and accommodations

¹⁰ *Suggestions on the Banks and Currency of
the Several United States, in Reference Princi-
pally to the Suspension of Specie Payments.*
(New York, 1841), 10-12, 17-21, 86-94.

within the last ten years, so much exceeding that which might be actually wanted for promoting the productive industry of the country, has been attended with consequences affecting all classes, and so fatal, in reference to the currency, that it appears proper, in the first place, to ascertain what are the benefits actually bestowed on the community at large by the substitution of a paper for a specie currency: and these advantages must be reduced to their true value, by distinguishing those which belong exclusively to the issue of paper money, from those which might be equally enjoyed with banks and bankers issuing no paper currency and carrying on every other species of banking operations.

These advantages appear to be, commercial punctuality, and the facilities afforded in effecting payments, collecting debts, and making remittances; the conversion of unproductive into productive capital; the saving of a capital tantamount to the enjoyment of an additional capital, and bearing a certain proportion to the amount of paper issues. All but the last might be equally attained with banks or private bankers who issued no paper currency. . . .

It is therefore principally, if not exclusively, in the substitution of a paper currency, which costs little or nothing, for actual gold and silver, which has an intrinsic value, that the benefit derived from the paper issues does consist. The actual circulation of the banks in the United States does not, when in a healthy situation, much exceed eighty millions of dollars. Deducting twenty millions in specie, which the banks must keep, on an average, to meet demands on that part of their liabilities, there remain sixty millions, which, instead of being applied to the purchase of gold and silver currency, are applied to productive purposes, and add as much to the productive capital of the country. . . .

The increase of capital, be it more or less, appears to be, if not the only, at least the principal advantage derived from a paper currency. It has been denied by some, that even this did confer any benefit on the community at large. It has been asserted that the whole profit was engrossed by the issuers, or, at best, shared only by those whom the issues of paper enabled to obtain additional loans of money; that this profit, instead of being in any way advantageous to the community, was made at its expense; that it made the rich richer, and the poor poorer, and that the whole system was one of fraud and iniquity.

It is not perceived on what ground the charge can be sustained, unless it is insisted that the state of society, in its present civilization, is so unjust and nefarious that every addition to the capital of a nation, every increase of national wealth, produces the same baneful effect, and is a positive evil. That such increase, when effected by the introduction of a paper currency, is always dangerous, and may be attended with most calamitous consequences, is fully admitted. But if a complete guarantee could be obtained that the paper currency would always remain equal in value to gold and silver, the danger would be avoided. And so long as this is the fact, the national capital, thus supplied, operates in the same manner, and is attended with the same effects, as any other increase of national wealth.

The immediate benefits of any acquisition of wealth or capital must certainly accrue to those who have acquired it. This acquisition makes the rich richer, or, to speak more correctly, particularly in this case, it increases the number of those who become rich or independent. But this is not done at the expense of the community: the process does not make the poor poorer. On the contrary, every increase of capital puts in activity

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perceived on what ground the system be sustained, unless it is the state of society, in its civilization, is so unjust and that at every addition to the nation, every increase of wealth, produces the same baneful and is a positive evil. That is, when effected by the introduction of a paper currency, is always attended with serious consequences, is fully equivalent if a complete guarantee is maintained that the paper currency will always remain equal in value to gold and silver, the danger is avoided. And so long as this is the national capital, thus operates in the same manner, attended with the same effects, the increase of national wealth. Immediate benefits of any accumulation of wealth or capital must accrue to those who have acquired it; more correctly, particularly when it increases the number of people who become rich or independent. This is not done at the expense of the community: the process does not make the rich or poorer. On the contrary, the use of capital puts in activity

a greater quantity, and, all other things remaining equal, has a tendency to enhance the wages of labor. This is consistent with theory, and confirmed by experience. Production is always increased in proportion to the increased wealth of a country, labor is better paid, commodities are rendered cheaper, and more comforts brought within the reach of the poor. In America, the quantity of uncultivated land, a dormant capital which perpetually calls for labor in order to render it productive, is the primary cause of that greatest of all worldly blessings this nation enjoys. Manual labor is better remunerated in America than in any other country. But even here, circulating capital, that capital which consists of accumulated consumable commodities, is necessary before labor can be employed. The agricultural laborer, who, without any capital, migrates westwardly to a new settled country, is immediately employed, and receives competent wages. Yet the product of his labor does not become available till after the ensuing crop: he must in the meanwhile be fed and clothed; and this would be impossible, and he would have no means of existence, had not the farmer who employs him an accumulated capital sufficient for that purpose.

Since the principal advantage of a paper currency consists in the additional capital it supplies, and currency is most useful, above all most wanted, but unfortunately a more dangerous expedient, in those countries and places where there is the least amount of circulating capital as compared to the demand for it. This is eminently the case in newly settled countries with a rapidly increasing population. We find accordingly the local governments of America perpetually resorting to emissions of paper money under the colonial regimen; and that, at this moment, the excess of issue occurs principally in the Western States, and

generally wherever country banks have been established. . . .

The present situation of the banking system has proved, but too conclusively, the general inclination to increase immoderately the banking capital and the number of banks; and also the general tendency of all the banks to extend their loans and discounts beyond what prudence and their primary duty would dictate; and it is believed that this defect is inherent in all joint stock banking companies. . . .

It is known to everybody, that the liabilities payable on demand, of the best conducted banks, are always necessarily much greater than their immediately available resources. In order to be sustained, not only must they enjoy general confidence, but their existence depends on the will of the commercial community. If, in a time of extraordinary pressure, those who are deeply embarrassed should, under great excitement, either from selfish motives, or rather from error in judgment, think it desirable to shelter themselves under a general relaxation, they may, if sufficiently numerous and influential, force, and have in fact occasionally lent their aid in forcing, banks to suspend, or to persevere in suspending specie payments.

Such a general suspension is therefore the natural general disease of the banking system; it is that to be most guarded against, as it is also in its consequences the most fatal; much more so than the occasional failures of some individual banks, which, though an evil, are rare, local, and not contagious. . . .

The objects to which, in reference to currency, the powers vested in the General Government may, it is believed, be applied, and which will probably become, at this time, subjects of discussion, are the Sub-Treasury, a Bank of the United States, and a Bankrupt Law.

The Government of the United States has the undoubted right to entrust the

custody of the public monies to its own officers; and this is sometimes necessary. It may also, and every individual has the same right for debts due to him, require the payment of taxes, and other branches of the revenues, to be made exclusively in gold or silver. And it is bound to carry into effect the provision of the constitution, which directs that all duties, imposts and excises shall be uniform throughout the United States.

From the time when the Government was organized, till very lately, it had been thought safer, whenever it was practicable, to commit the custody of the public monies to banks, rather than to intrust them to the officers of Government; and there is no doubt in that respect, whenever the money can be deposited with specie-paying banks. In that opinion the whole community coincides. The character of the late, as well as that of the present receiver for the city of New York, is irreproachable. Yet it would be difficult to find any individual in his senses, who would not deposit his money in a sound city bank, rather than in the hands of the receiver. The capital of the bank is a better security than the bonds of any private person; and the banks are answerable for contingent losses, such as fire or robbery, for which a public officer cannot be made responsible. So long, also, as the bank currency remains equivalent to the precious metals, it is much more convenient both for Government, for those who have duties to pay, and for all the parties concerned, to conform to the general usage rather than to require payments in specie. . . .

Any great accumulation of the public monies is attended with such evils, that it must at all events be averted. If consisting of gold and silver accumulated in the Treasury chest, it is an active capital taken from the people and rendered unproductive. If deposited in

banks, or consisting of bank paper, it may again produce a fatal expansion of the discounts and issues of the banks, attended by over-trading, and followed by contractions and a general derangement.

Another objection to the law was that, with the exception of Congress and of the officers of the General Government, it seemed as if the whole community was opposed to the measure. If necessary and proper for that Government, it was equally so far that of every individual State. And yet it was not adopted, or even proposed, by the legislature of a single State. On the contrary, even in some of those most friendly, and to the last most faithful, to the late Administration, a direct and legal sanction was given to the collection of the State revenue in a depreciated and irredeemable currency, instead of requiring payment in specie, as was done by the act of Congress.

The country had a sound currency, and there was no general suspension of specie payments, so long as either of the two Banks of the United States was in existence. The refusal to renew the charters was, in both instances, followed by a large increase of State banks, and shortly after by a general suspension of payments. The resumption which took place in 1817, immediately followed, and has been generally ascribed to, the establishment of the second national bank. Notwithstanding the efforts of the banks of New York and of New England, subsequent to the suspension of 1837, a general resumption has not yet taken place. A considerable portion of the commercial community therefore hopes, that a new Bank of the United States will accelerate such resumption, and again secure a currency equivalent to gold and silver. This confidence, if sustained by a proper administration of the contemplated bank, might go far towards attaining the object in view.

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osed, by the legislature of a
e. On the contrary, even in
ose most friendly, and to the
faithful, to the late Adminis-
direct and legal sanction was
ie collection of the State rev-
depreciated and irredeemable
instead of requiring payment
as was done by the act of

untry had a sound currency,
was no general suspension of
ments, so long as either of
unks of the United States was
e. The refusal to renew the
as, in both instances, followed
increase of State banks, and
er by a general suspension of

The resumption which took
1817, immediately followed,
en generally ascribed to, the
ent of the second national
hwithstanding the efforts of
of New York and of New
ubsequent to the suspension
general resumption has not
place. A considerable portion
mercial community therefore
t a new Bank of the United
accelerate such resumption,
secure a currency equivalent
d silver. This confidence, if
y a proper administration of
dplated bank, might go far
taining the object in view.

Confidence is certainly a most power-
ful element in sustaining any system of
paper currency. . . .

The opinions of the writer respecting
the constitutional powers of Congress,
the great utility of a national bank
as the fiscal agent of Government, and
the aid which may be derived from it to
regulate the general currency of the
country, are the same as heretofore. The
constitutional question has been so long
and in so many shapes under considera-
tion, that the subject appears to be
exhausted; and nothing needs be added
in that respect. Independently of the
temporary accommodations which a
Bank of the United States affords to
Government, when required to supply
a temporary deficiency in the revenue,
and of the advances which it may, in
extraordinary times, make to the con-
tractors of public loans, there cannot
be any doubt that, as regards the se-
curity and transmission of public monies
and the general convenience of the
Treasury, a national bank is far pref-
erable to those of individual States. The
experience of the writer, under both
systems, permits him to make the asser-
tion with perfect confidence.

The only way in which a Bank of the
United States can regulate the local
currencies, is by keeping its own loans
and discounts within narrow bounds,
and rigorously requiring a regular pay-
ment of the balances due to it by the
State banks. The object might be at-
tained without its aid, in places where
the local banks will, by adopting the
same course, check each other and regu-
late themselves. Where this does not
take place, the interference of the Na-
tional Bank is of great importance and
highly useful. But the measure is prac-
tically difficult and generally unpopu-
lar; though it might be rendered more
palatable, if the bank was forbidden to
use the public deposits, beyond a cer-

tain amount, for its own benefit. . . .

Some other advantages, of a more
doubtful nature, seem to be expected
from a Bank of the United States; such
as an increase of commercial facilities;
a greater uniformity in domestic ex-
changes; and a hope that its notes may,
to a great extent, advantageously super-
sede those of the local banks.

An increase of the mass of commercial
loans is not at all desirable. The number
of banks and the amount of their dis-
counts is already too great; and in order
to be useful, the effect of the loans and
of the circulation of the National Bank,
should be to lessen, and not to increase,
the gross amount of both.

The great inequality and fluctuation
of the domestic exchanges, so far as they
are the result of depreciated currencies,
cannot be remedied by a Bank of the
United States, as long as they continue
to be the local circulating medium. After
that evil shall have been removed by a
resumption of specie payments, the bank
cannot and ought not to interfere, any
farther than as purchasers and sellers
of exchange and drafts, in the same man-
ner as other money dealers. It is only
as an additional dealer, with greater
funds and facilities than any other, that
the bank may bring exchange nearer
to par, or, in other words, transmit on
cheaper terms funds from one place to
another, as they may be wanted.

But it is a great error to suppose that
it can afford a generally uniform cur-
rency; or one which shall, at the same
time, be of the same value in all places.
This is to confound exchange and cur-
rency, and to suppose that paper money
may not only be a true representative
of gold and silver, but can perform that
which gold and silver cannot accom-
plish. . . .

Besides the restrictions imposed by
the charter of the late bank, the amount
of loans, discounts, and all other invest-

ments bearing an interest, should be limited, so as not to exceed once and a half the amount of the capital, or, at most, sixty per cent. beyond it. It has already been shown, that, with that limitation, after the maximum of such investments has been reached, the amount of specie must necessarily in-

crease with that of circulation and deposits. . . . In that case, the bank would be the great reservoir which might, if applied properly, supply sudden demands, and, at critical times, sustain the other banks, protect the local currency, and lessen the commercial distress.

ESTIMATES AND CONCLUSIONS

The Jackson fiscal policy was, in the end, only partially successful. The Whig attempt to replace the Independent Treasury with a new national bank was frustrated by the death of President Harrison and the accession to the Presidency of the state rights Virginian, John Tyler. When the Democrats returned to power under Polk, the Independent Treasury was revived, and it continued to be the federal fiscal agency until the establishment of the Federal Reserve System in the twentieth century.

Bank paper, however, remained the country's principal circulating medium. The Democrats in a few of the western states were able to prohibit paper money banking entirely, but a more significant trend was inaugurated when the New York Democrats enacted a free banking law in 1838. This measure did away with the necessity for special charters to engage in banking, and threw the business open to free competition. Growing logically out of this policy were general incorporation laws, extending corporate privileges freely to undertakings in other fields. Business was being democratized.

These diverse tendencies on the currency question reflected a fundamental ambivalence in the entire Jacksonian movement. In its old-fashioned Republican aspect, it looked back to a pastoral age of steady habits and sturdy independence. But the dynamism of mid-nineteenth-century America, with its aggressive multitudes pouring over a virgin continent, with its new and varied techniques for converting its successive frontiers into farmlands, towns, and workshops, exploiting its riches, and making money, made the realization of the Jeffersonian dream impossible, even if desirable.

It was in its more pragmatic aspect that Jacksonian Democracy left a legacy of great importance. By striking down government fostered privileges and monopolies—by the destruction of the national bank, by free banking and general incorporation laws, by halting federal bounties to chartered improvement companies, by tariff reduction—the Jacksonians prevented the emergence of the economic and social elite implicit in Whig Nationalism. The scramble for wealth was thrown open to all on equal terms. The essentially middle class ideal of entrepreneurial democracy which the Jacksonians furthered became, and has remained, a cardinal article of the faith of the American people.

Special attention has been given here to the currency question, both because it was the leading issue of the era and because it illustrates so well the practical working out of the Jacksonian creed. But the impact of Jacksonian Democracy was also felt in other important areas.

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A Jacksonized Supreme Court reversed the judicial nationalism and conservatism of John Marshall's long reign on the bench. Roger B. Taney, who replaced Marshall as Chief Justice in 1835, was associated with five other justices appointed by Jackson and Van Buren. The remodeled court, in the Charles River Bridge Case in 1837, took issue with decisions in which Marshall had construed corporate powers so broadly as to make corporations virtually independent of the state. "The object and end of all government," said Taney for the Court, "is to promote the happiness and prosperity of the community by which it is established. . . . The continued existence of a government would be of no great value, if, by implications and presumptions, it was disarmed of the powers necessary to accomplish the ends of its creation, and the functions it was designed to perform, transferred to the hands of privileged corporations." Where the Marshall court—dedicated to protecting property rights and strengthening the federal government—had sharply circumscribed the freedom of action of the states, the Taney court sanctioned an increasing exercise by the states of the police power, or power of regulation, as necessary to promote the public welfare. It should be noted that this tendency represented a retreat from the *laissez faire* position and an early recognition that government intervention was often necessary in an increasingly complex society to prevent injustice and preserve liberty.

In the field of religion, the Jacksonians helped to consolidate the doctrine of separation of church and state, in opposition to those who regarded religion as a bulwark of property rights and conservatism and who were pressing for state aid and support for churches. When, in 1829, Congress was deluged with petitions that the transportation of mail on Sunday be stopped, Richard M. Johnson presented an adverse report which is one of the great American arguments for religious freedom. The popularity of this report helped its author secure the Vice Presidential nomination on the Van Buren ticket in 1836. Jackson himself echoed Johnson's sentiments in refusing to proclaim a national day of fasting and prayer for the alleviation of a cholera epidemic in 1832. Many of the Democratic leaders were devout men, but they all agreed in decrying any interference in politics by clergymen.

In one important respect, the Jacksonians differed from Jefferson: They did not share his distrust of the urban working classes. In fact, labor support was an important factor in Democratic success in the East. Democratic speakers and newspapers preached class consciousness and championed workingmen's organizations and measures, while labor leaders like Ely Moore, Congressman from New York, participated in Democratic politics. Democratic lawyers defended unions in the courts against charges of criminal conspiracy; and it was a Democrat, Robert Rantoul, Jr., whose argument before the Massachusetts Supreme Court in 1842 won the important case *Commonwealth v. Hunt*, establishing the legality of labor unions. Richard M. Johnson's popularity with eastern workingmen was due not only to his report on Sunday mails, but also to his long fight against imprisonment for debt. Labor's primary objective in the 1830's was the ten hour day. Jackson gave impetus to the movement by establishing the ten hour day in the Philadelphia Navy Yard, Van Buren extended the rule to all federal employees, and Democrats in some of the states secured ten hour laws, which, however, were rendered ineffectual by loopholes. Some writers consider labor to have been the most dependable source of support for the Jacksonian program.

One of the more remarkable facts about Jackson's party was the extent to which it was supported by leading historians, essayists, novelists, and poets. The social

environment which resulted in Jacksonian Democracy gave rise also to a vigorous literary flowering, which proclaimed American cultural independence as opposed to the old dependence on Europe, and which celebrated American individualism and equalitarianism in contrast to the older tradition of gentility and conservatism. For most of the writers of the new school, a social and political commitment was essential to artistic integrity. Cooper was an outspoken advocate of Democratic measures. Bryant and Whitman edited Democratic newspapers. Hawthorne and Paulding were rewarded with offices for their services to the party. Bancroft was a Democratic boss in Massachusetts and became Secretary of the Navy in Polk's cabinet. In literary quality and general liveliness the outstanding serious magazines of the day were two Democratic periodicals, John L. O'Sullivan's *United States Magazine and Democratic Review* and Orestes A. Brownson's *Boston Quarterly Review*.

Jacksonian Democracy had also an important effect in strengthening American nationalism. One of the most popular episodes of Old Hickory's career was his adamant stand against South Carolina nullification and his determination to crush it by force if necessary. Such attachment to the Union was closely bound up with the sense of national mission which the Jacksonians felt and expressed. Democracy was, so to speak, "the wave of the future," and America was its exemplar and missionary to the world. John L. O'Sullivan declared that it was America's "Manifest Destiny" to extend its free institutions across the continent and beyond. This mood had much to do with the Mexican War in the 1840's and the Young America movement of the next decade, which desired not only to acquire Cuba for the United States, but also to help Hungary gain its independence. By 1861 millions of Americans were ready to fight a bloody war to preserve the Union.

Democratic presidents sat in the White House for sixteen of the twenty-four years between Jackson's retirement and the Civil War. The American System continued to retreat. But the Democracy changed. The return of John C. Calhoun to Democratic ranks in 1837, determined to make the party an instrument for the protection of "Southern Rights," boded no good for the idealism of the Old Hero's day. As the battle over slavery waxed hotter, much of the vitality of the Democracy in the North was diverted into the abolition crusade, even Van Buren abandoning the party in 1848 to run for President on the Free Soil ticket.

Meanwhile, southern Jacksonians were losing sight of the ideals of the 1830's as the pressure of the slavery fight solidified the section in defense of its "peculiar institution" and a fundamentally reactionary social organization. By 1860 there remained only a corporal's guard—Andrew Johnson in Tennessee, Sam Houston in Texas, and Benjamin F. Perry in South Carolina—to proclaim the old Jacksonian devotion to the Union, as against conservative planter leadership and secession. The Democratic faith had long since become a negative assertion of state rights, dedicated to defending slavery and holding in check the nascent industrial capitalism of the North.

The real failure of Jacksonian Democracy was manifested only in the years after the Civil War, when the leaders of the business world ran roughshod over government, farmers, workers, and business itself, establishing an economic oligarchy powerful beyond the wildest dreams of Alexander Hamilton or Nicholas Biddle. For the laissez faire roots of the Gilded Age reached back to Jacksonian liberalism. The Jacksonians had taught the people to believe that governmental power was the main threat to equal opportunity. The dominant middle class—the substantial farmers of the West, the shopkeepers and professional men of the North, and the

gave rise also to a vigorous independence as opposed to American individualism and utility and conservatism. For all commitment was essential to Democratic measures. Hawthorne and Paulding. Bancroft was a Democratic Navy in Polk's cabinet. In serious magazines of the day *United States Magazine and Quarterly Review*.

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emerging business class of the Bourbon South—was still too much bemused by the Jacksonian assertion of individual enterprise as against government interference, and by the conviction that any farm boy could become a Carnegie or a Rockefeller, to recognize that aggregations of economic power could destroy the American dream of equal opportunity as easily as the most encroaching bureaucracy. Dispossessed farmers and laborers learned the truth from bitter experience, but it was not until the twentieth century that the middle class itself realized that, in an industrial age, only strong government could right the balance. But in the end, whether the signposts along the road carried laissez faire captions or the positive state concepts of Square Deal, New Freedom, and New Deal, the route the nation took was guided by the old Jacksonian ideal of equal opportunity for the individual.