

BANKING AND POLITICS IN JACKSON'S TENNESSEE,
1817-1827

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The concept of a political revolution in the decades following the War of 1812 has become a commonplace of American history. Among the well-recognized features of the period were extension of the suffrage, widespread participation in politics, a shift from factions based on personal and sectional loyalties to parties based on divergent programs and appealing to divergent electorates, and the national triumph of Jacksonian Democracy. Only recently, however, have historians begun to trace the connection between this political revolution and the equally significant economic revolution of the same period.¹ It is increasingly clear that the political ferment of these years arose from the disquietude of an agrarian people, nurtured on Jeffersonian precepts and habituated to a simple colonial economy of subsistence farming and staple exporting, who now found themselves in a period of dynamic growth and of transition toward a complex industrial society.² It was no accident that the first symptoms of the political revolution appeared about the time of the Panic of 1819, the earliest of the major depressions to which a greater interdependence exposed the whole country. Its victims blamed not only those resourceful men who had most successfully capitalized on the opportunities afforded by an expanding economy but also the government, which was accused of giving undue aid to a potential economic elite. Hence the demand for a government that would be responsive to the popular will and that would preserve the Jeffersonian ideal of equal opportunity.

¹ See, for example, Arthur M. Schlesinger, Jr., *The Age of Jackson* (Boston, 1946), 30-36; Richard Hofstadter, *The American Political Tradition and the Men Who Made It* (New York, 1948), 44-66; George Dangerfield, *The Era of Good Feelings* (New York, 1952), 175-96.

² An excellent account of the economic revolution is George R. Taylor, *The Transportation Revolution, 1815-1860* (New York, 1951), *passim*.

Land policy, the tariff, and internal improvements were the subjects of bitter disputes in Congress during the years following the panic. But it was through the depreciation of bank notes that the depression bore most directly on the majority of Americans. Here the problem of government policy was posed in acute form, since banks could be created only under special government charters. Because Congress was powerless to act on the question, the debates over this, the focal issue of the political revolution, took place in state elections and state legislatures. Only with the election of Andrew Jackson and the impending expiration of the charter of the Second Bank of the United States did the banking issue move to the center of the federal stage. Careful study of the conflict over banking in the various states in the 1820's is, therefore, prerequisite to a fuller understanding of Jacksonian Democracy.

The Tennessee story is of particular interest. In the first place, Tennessee was essentially a western state at this time,³ and scholars disagree on whether the West favored an inflationary policy or leaned toward the "hard money" policy of hostility to all paper money.⁴ Second, and more important, it was in the context of the Tennessee discussions that Andrew Jackson reached the convictions about banking that he later championed so vigorously in the national government.

Before the Panic of 1819, Tennessee politics showed the same pattern of factions based on personal loyalties which, except for the brief heyday of party warfare around 1800, had been characteristic of the whole country. The state constitution contained liberal suffrage provisions, but the voters had generally been willing to leave government in the hands of a small group of aggressive and well-to-do leaders. Under these circumstances, the state had long been dominated by a political machine created in territorial days by William Blount, a fabulously successful land speculator. William's half-brother, Willie, had been elected governor in 1809, and when in 1815 he completed the three two-year terms allowed him by the constitution he was succeeded by another member of

³ For evidence that Tennesseans thought of themselves as Westerners, see *Circular Letter of James K. Polk to His Constituents: February 28th, 1829* (Washington, 1829), a pamphlet bound in a volume of speeches, James K. Polk Papers (Division of Manuscripts, Library of Congress).

⁴ Schlesinger, *Age of Jackson*, 205-209; Bray Hammond, "Banking in the Early West: Monopoly, Prohibition, and Laissez Faire," *Journal of Economic History* (New York), VIII (May, 1948), 1-25.

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the same clique, Joseph McMinn. The Blount following included most of the state's prominent men, bound together principally by a determination to make good on their extensive land claims. By 1819 the real leader of this faction was John Overton, a lawyer, planter, and land speculator, from the neighborhood of Nashville, who was reputed to be the wealthiest man in Tennessee. In the eastern end of the state the Blount-Overton coterie was led by two Knoxville politicians, Hugh Lawson White, brother-in-law of Overton, and Pleasant M. Miller, son-in-law of William Blount, while its interests were represented in the United States Senate by John H. Eaton. Andrew Jackson had entered politics under William Blount's sponsorship, and though he had not sought office since 1804 he had remained intimate with Overton and the other leaders of the Blount connection.⁵

The Blount-Overton following had, to be sure, made enemies, including such prominent men as Congressman John Cocke of East Tennessee, Congressman Newton Cannon of Middle Tennessee, and another of Hugh Lawson White's brothers-in-law, Senator John Williams of Knoxville. But not since the days of the popular John Sevier had the dominant faction been defeated in statewide politics. Overton's counterpart as leader of the opposition faction was Andrew Erwin, a wealthy planter and land speculator of Bedford County in Middle Tennessee. There was little difference on issues between these two loose factional groupings. Like the Blount-Overton men, Erwin and his associates were held together by personal friendships and common enmities; nearly every one of them had quarreled violently with Andrew Jackson, whose military exploits had made him the most conspicuous member of the Blount-Overton faction.⁶ By 1819 a third element had been introduced into the political situation in the person of Felix Grundy, an able politician without any consistent aims but his own advancement, who with marvelous adeptness pursued an independent course.

During President Monroe's administration these local rivalries became involved in the national factionalism arising from the struggle over the presidential succession. Monroe's earlier support, as secretary of war, of Jackson's New Orleans campaign and the

⁵ Thomas P. Abernethy, *From Frontier to Plantation in Tennessee: A Study in Frontier Democracy* (Chapel Hill, 1932), 115-226.

⁶ *Ibid.*, 232, 292-93; Marquis James, *The Life of Andrew Jackson* (2 vols. in 1, Indianapolis, 1938), 342.

supposed backing which Monroe, John Quincy Adams, and John C. Calhoun had given Jackson in the Seminole episode made the General and his friends among the Overton faction partisans of the national administration. They tended to favor the presidential pretensions of Adams, with Calhoun as a second choice. Their Tennessee opponents took the opposite tack, the bulk of the Erwin faction promoting the cause of Jackson's old enemy, William H. Crawford.

The factional warfare in Tennessee was intensified in 1819 when Williams, Cannon, Cocke, and the other Crawford supporters in Congress attacked Jackson's Seminole campaign. The Erwin newspaper at Nashville, Thomas G. Bradford's *Clarion*, sniped persistently at Monroe, McMinn, Jackson, and Eaton, while the Nashville *Whig*, which, as the Overton press, enjoyed the federal patronage, defended its friends and warned against the secret plotting of the opposition.⁷ Changes in ownership of the *Whig*, however, soon brought changes in policy. For a few years it followed a middle course between the two factions, but eventually it came under the editorship of John P. Erwin, son of Andrew.⁸ Consequently the veteran Knoxville editor, George Wilson, was brought to Nashville late in 1819 to establish the *Gazette* as a dependable source of newspaper support for the Overton faction.

The continued exertions of the Erwin men would doubtless have come to naught had not the panic and an aroused populace intervened. Prior to the War of 1812 the economy of Tennessee, a state with little to sell beyond its borders, was primarily of a subsistence-barter variety. The state came out of the war with two banks, one at Nashville and one at Knoxville, and when the nationwide post-war boom hit Tennessee, banking became important for the first time. High cotton prices, liberal credit terms for buyers of public lands, federal money poured into the state for war purposes, and the introduction of steamboat transportation stimulated expansion and speculation in all lines of economic activity. There was a fren-

⁷ Nashville *Clarion and Tennessee State Gazette*, January 5, 19, 29, February 2, 16, March 2, 1819; Nashville *Whig and Tennessee Advertiser*, January 23, April 24, 1819. For Andrew Erwin's connection with the *Clarion* editorial policy see a memorandum dated September 26, 1819, in the Andrew Jackson Papers (Division of Manuscripts, Library of Congress).

⁸ Nashville *Whig*, August 21, 1819, March 21, 1821, February 24, 1824. In 1825 the *Whig* was purchased by James Erwin, another son of Andrew, to prevent its falling under the control of Felix Grundy. John P. Erwin to Henry Clay, December 12, 1825, Henry Clay Papers (Division of Manuscripts, Library of Congress).

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zied demand for credit for buying land and slaves and for com- mercial purposes.⁹

The Overton men had already demonstrated their enterprising qualities in land dealings, and they were now quick to recognize the possibilities of banking. The Nashville Bank had an Overton ally, Stephen Cantrell, as president, and its directorate included such Overton stalwarts as John H. Eaton, Ephraim H. Foster, and Jackson's crony, William B. Lewis. Overton himself headed the Nashville branch of the Knoxville Bank, while Hugh Lawson White was president of the parent institution. The Knoxville area was less affected by the boom than Nashville's hinterland, and the Knoxville Bank was accordingly more conservatively managed than its western counterpart. There was some rivalry between the two, but when important questions arose they could be counted on to work together.¹⁰

This co-operation was most clearly demonstrated in the legis- lature of 1817. One of the phenomena of the boom period was the increasing importance of the mercantile class—a development centering in Nashville but extending into trading towns all over the state. The merchants were none too happy about the specula- tive tendencies of the state banks. Most of the banks' loans were made on personal security to the directors and those who could gain their favor. What the merchants wanted was an institution to extend commercial credit on sound business principles; and in 1817, under the leadership of Felix Grundy and of William Carroll, a popular Nashville trader, they launched a movement to secure for Nashville a branch of the Second Bank of the United States.

To meet this threat, and also to obtain an increase in the author- ized capital of the state banks, Hugh Lawson White got himself sent to the legislature and induced his fellow lawmakers to levy an annual tax of \$50,000 on any bank not chartered by the state. To achieve his ends White had to make a bargain with investors in the outlying towns by which ten new village banks were char-

⁹ Thomas P. Abernethy, "The Early Development of Commerce and Banking in Tennessee," *Mississippi Valley Historical Review* (Cedar Rapids), XIV (December, 1927), 312-14. The Nashville Bank had been chartered in 1807 and the Bank of the State of Tennessee at Knoxville in 1811. The latter will be designated herein as the Knoxville Bank, to prevent confusion with the later institution operated by the state government.

¹⁰ Nashville *Whig*, June 26, 1819, January 19, 1820; John Sommerville to John Overton, October 5, 1820, John Overton Papers, Claybrooke Collection (Tennessee Historical Society, Nashville).

tered. But since it was provided that these petty institutions could become branches of the two older banks, and since they all quickly took this step, the net effect of the legislation was to increase both the capital and the political influence of the old banks, thus laying the groundwork for a powerful, unified state banking interest.¹¹

The Erwin group sided with Grundy, the merchants, and the national bank in this dispute. The *Clarion* denounced the \$50,000 tax, and John P. Erwin, a Nashville merchant himself, served on the committee appointed to petition for the establishment of a branch despite the law. When this petition failed, the merchants organized their own Farmers' and Mechanics' Bank at Nashville, with Carroll as a director. But the new institution was not long to survive the hostility of the powerful Overton banking interest.¹²

Most Tennesseans took little interest in these affairs until they were suddenly awakened from their indifference by the Panic of 1819. Markets and prices for the farmer's crops shrank to the vanishing point. Bank paper, on which people had relied to pay debts and buy necessities, was worth less each day. And while merchants insisted on hard cash and while creditors sued, the banks stopped redeeming their notes in specie, though at the same time extending their issues and increasing their profits.

The results were threefold: (1) a vigorous demand for state relief; (2) a political awakening, which swept the state government out of the hands of the small clique of well-to-do men who had previously controlled Tennessee politics; and (3) a deep-seated hostility to the private banking system and the special opportunities it conferred on a favored few to become wealthy at the expense

¹¹ L. Paul Gresham, "Hugh Lawson White as a Tennessee Politician and Banker, 1807-1827," East Tennessee Historical Society, *Publications* (Knoxville), No. 18 (1946), 38-44; Nashville *Clarion*, March 9, 1819. For the assertion that the opposition to White's prohibitory measure was "led by Felix Grundy and supported by William Carroll and Andrew Jackson," see Thomas P. Abernethy, "Andrew Jackson and the Rise of Southwestern Democracy," *American Historical Review* (New York), XXXIII (October, 1927), 68. His authority, so far as Jackson is concerned, is Ralph C. H. Catterall, *The Second Bank of the United States* (Chicago, 1903), 183. What Catterall says is that Jackson, expecting that a branch of the national bank would be established, signed a recommendation for officers. Actually, comparison of this document, which was signed by a number of prominent Overton men, with other recommendations sent in by the Grundy-Carroll-Erwin group suggests that the recommendation Jackson signed was an attempt by the Overton faction to keep the branch out of the hands of their rivals if they could not prevent its establishment. The various papers referring to the proposed branch are printed in *Senate Documents*, No. 17, 23 Cong., 2 Sess., 225-43.

¹² Nashville *Clarion*, January 20, February 3, March 24, 1818.

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of the community at large. The cry for "relief" that arose in the summer of 1819 came mainly from Middle Tennessee, where wealthy and influential speculators had plunged recklessly and dragged the whole community to ruin with them. The Nashville merchants, following their defeat of two years before, had had to resign themselves to securing credit from the two old banks, and their interests were now so intertwined with those of the banks that the town was almost unanimously in favor of a suspension of specie payments. The *Whig*, still speaking for the banking group, led the campaign for public approval of suspension, even suggesting an extension rather than contraction of bank notes.¹³

Suspension was a relief measure of sorts, since it might prevent a contraction of the currency and pressure by the banks on their debtors, but it also conferred special benefits on the banks by enabling them to emit more notes and make greater profits without regard for the obligation to pay specie. Moreover, suspension did nothing to solve the problem created for debtors by the disappearance of specie, the only legal tender. They demanded a second type of relief, either a "stay law" to delay collection of debts, or a "property law" requiring creditors to accept property in lieu of specie. The Erwin faction saw the political possibilities in the situation, and the *Clarion* championed this kind of relief, while the *Whig*, the *Gazette*, and the creditor and banking interests, were bitter in their denunciation.¹⁴

The political possibilities of the relief question were also recognized by Felix Grundy, whose sensitivity to public opinion made him the Tennessee prototype of the new-style politician of the emerging democratic era. He promptly announced for the legislature from the Nashville district on a relief platform and was elected. But it was soon apparent that Grundy's election was not to be regarded as a clear-cut victory over the banking and speculating interests of the Overton faction. The "endorsement law" which he pushed through was drawn so as to provide relief for debtors while maintaining the currency of the Tennessee bank notes. It required a two-year stay of execution on debts only when creditors

¹³ Nashville *Whig*, May 17, 29, June 26, 1819. Even the *Clarion*, in defense of the Farmers' and Mechanics' Bank, the first to suspend, advocated a general suspension. Nashville *Clarion*, June 22, 1819.

¹⁴ Nashville *Clarion*, June 29, 1819; Nashville *Whig*, September 18, 1819; Nashville *Gazette*, quoted in Nashville *Whig*, December 8, 1819.

would not endorse executions with a promise to receive the notes of these institutions in payment. Even more significantly, Grundy led the land-speculating interest in securing the legislation it demanded for disposing of the lands just opened to grant in the Western District of the state.¹⁵

Some thought that Grundy's course was influenced by the hope that the Overton men would elect him to the United States Senate, but even his great services in moderating the relief campaign were insufficient to overcome their suspicion of him. In Eaton's opinion, Grundy was "too solicitous of popularity without discretion to adopt and pursue a course calculated to secure the [favorable] opinions of the virtuous & the good."¹⁶ His standing with the Overton faction was further impaired by a boundary settlement he shortly negotiated with Kentucky, under which the claims of some of the speculators were adversely affected. He soon realized that he must look elsewhere for political support.

Despite the endorsement law, the depression grew more severe in the spring of 1820. The *Clarion* was supporting demands that the legislature be called into special session to grant further relief, and Governor McMinn was at length compelled to give in to the clamor. To these demands the Overton faction was hostile, but Grundy threw in his lot with the agitators, announcing for re-election to the legislature and advocating an issue of treasury notes by the state for loan to hard-pressed debtors. The banks could not well complain of the endorsement law, but this proposition was anathema to them, for not only would the state be invading a field that had been exclusively theirs, but a large emission of government paper would further devalue the bank notes.¹⁷ Accordingly, the Overton faction and the *Gazette* took up the cudgels against Grundy, while the Erwin faction and the *Clarion* supported him and his treasury note scheme vigorously.¹⁸

¹⁵ Joseph H. Parks, *Felix Grundy: Champion of Democracy* (University, La., 1940), 103-21.

¹⁶ John H. Eaton to Overton, April 3, 1820, John Overton Papers, microfilm (Joint University Library, Nashville). The citation "Overton Papers" as used elsewhere herein refers to the collection in the Tennessee Historical Society cited previously.

¹⁷ John Sommerville, cashier of the Nashville branch of the Knoxville Bank, urged Overton to attend the legislative session to counteract the efforts of "political quacks" to "impose upon the people their deleterious nostrums." Sommerville to Overton, June 25, 1820, Overton Papers.

¹⁸ Parks, *Felix Grundy*, 138; Nashville *Clarion*, March 28, May 23, 1820.

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Grundy's ingenuity at the previous session of the legislature had gotten the banks off without much injury, but in this campaign they became the object of popular rage. Their conduct during the panic had not lessened the animosity of the Erwin men. The two older banks had united to drive the Farmers' and Mechanics' Bank to the wall, and it is not unlikely that they played a part in the business failures of William Carroll and John P. Erwin.¹⁹ Nor had the continuation of ample dividends by the banks and their increasing severity toward their debtors enhanced their popularity with the general public.²⁰ "Well may the banks fear a call of the legislature," declared a correspondent of the *Clarion*:

they have come so heavy upon their debtors, by calls, protests and suits, that they tremble for the result — well may they apprehend that the legislature who took pity on them, when they had no pity for others, will vacate their charters — they are the horse-leeches of the country who have cried out Give! Give! until they have drained every drop of blood they could suck from a suffering community. Indeed the monied aristocracy which has been produced by the shavers and banks of Nashville and their dependents, has destroyed with some, every moral feeling and every sentiment of consideration for the distresses of the people, they will overrun the country — It is an alarming evil not only as it regards individuals but as it respects society — would it not be well to know how it is that while the balance of the community feel so much distress, that bank directors, with few exceptions feel none of it.²¹

Even some who opposed Grundy's treasury note scheme charged that the speculative operations of the banks and their friends had caused all the distress. The poor and needy were not the sponsors of relief, asserted the Sumner County grand jury. Any of this class who had gotten beyond their means had already had their small debts collected from them by justices of the peace. The relief cry came instead from those "who, by the aid of their friends and the assistance of Bank accomodations, have been enabled to extend their credit . . . until they have gotten into their possession, much property that belonged to other people; and now . . . [they] call upon the legislature of their country to . . . devise some means by which they can retain possession a little longer."²² The East Tennesseans declared flatly that the whole uproar had been created by "the

¹⁹ Nashville *Clarion*, July 13, September 28, 1819, November 14, 1820.

²⁰ Nashville *Whig*, July 5, 19, 1820, January 16, July 17, 1822, August 4, 1823.

²¹ Nashville *Clarion*, April 18, 1820.

²² Nashville *Whig*, June 7, 1820.

broken traders of Nashville" and expressed the wish that the state boundary had been drawn far enough south to give that town to Kentucky.²³

As the debate over banks and relief continued, Old Republicans who reflected the hostility of Jefferson and John Taylor to any form of paper money began to be heard. One such was Henry H. Bryan, a candidate for Congress in Middle Tennessee, whose insistence on economy and a small army and navy stamped him as a Crawford supporter and an ally of the Erwin faction. In his campaign circular in 1819, he maintained that "banking in all its forms, under every disguise, is a rank fraud upon the laboring and industrious part of society; it is in truth a schem[e], whereby, in a silent and secret manner, to make idleness productive and filch from industry, the hard produce of its earnings."²⁴ Bryan was equally opposed to state-sponsored inflation. Running again two years later, he pointed out that "Paper is not money; it is but the promise of it; and whether it be a Treasury note, promissory note, or bank note, still they are but the mere promise of money."²⁵ Bryan, incidentally, won both his elections.

While the anti-bank men generally supported Grundy's inflationary scheme, and the banks generally opposed it, the evidence indicates a growing hostility among Tennesseans to any kind of paper money, whether issued by the banks or by the state. The Nashville election, however, resulted in a comfortable majority for Grundy,²⁶ and he was again successful in pushing his plans through the legislature. It was decided that treasury notes would be too patent a violation of the Federal Constitution, but the same ends were accomplished by establishing a "bank" owned and operated by the state. It was to make non-commercial loans in limited amounts, with its funds being apportioned among the counties according to population and tax payments. The endorsement law was extended to require creditors to accept the state notes, as well as those of the old banks, from their debtors. But Grundy was still trying to carry water on both shoulders, and the election of directors for the new institution put it in the hands of John H. Eaton and other Overton

²³ Nashville *Clarion*, July 18, 1820.

²⁴ Nashville *Whig*, July 3, 1819.

²⁵ *Ibid.*, April 4, 1821.

²⁶ The vote was 883 to 644. Nashville *Clarion*, May 23, 1820.

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men. These directors, of course, took pains to keep the loans of the state bank at as low a level as possible.²⁷

Unappeased by the composition of the directorate, the Nashville and Knoxville banks resolved to crush Grundy's institution. They refused to receive its notes, but further efforts to strengthen their opposition through a merger failed; and public opinion eventually forced the old banks to honor the state money.²⁸

The legislators returned home to find the voters "in a perfect ferment" and the gubernatorial campaign already under way a full year in advance of the election of 1821. "Party spirit," it was reported, "perhaps never run [*sic*] so high before."²⁹ In William Carroll the Erwin faction had at last found a champion more reliable than Grundy but his equal in popular appeal. Carroll had come out of the battle of New Orleans with a military reputation second only to Jackson's; a Nashville merchant during the boom years, he had been ruined by the panic and now ran as a poor man. To oppose Carroll the Overton faction picked Colonel Edward Ward, a wealthy, well-educated planter and a long-time neighbor and intimate friend of Jackson.

This was the first Tennessee election in which the candidates stumped the entire state. Carroll's friends capitalized on his military fame, displaying flags and surrounding him with honor guards wherever he went. On at least one occasion he felt called upon to demonstrate his martial prowess by punching an opponent in the nose.³⁰ Carroll was vigorously supported by the *Clarion*, while the *Gazette* championed Ward. Though Carroll's military reputation had a powerful appeal to the voters, the most important feature of this campaign was the mounting tide of anti-bank sentiment. The punitive course of the old banks toward the new state bank further inflamed the public mind against them. The banks had been established, complained a correspondent of the *Clarion*, in

²⁷ Parks, *Felix Grundy*, 138-46; Nashville *Whig*, August 2, 9, 1820; Clarksville *Tennessee Watchman*, June 8, 1821.

²⁸ Hugh L. White to Overton, September 11, November 3, 1820, Sommersville to Overton, October 5, 1820, and January 2, 1821, Dr. Roulhac to Overton, November 14, 1820, Overton Papers; Nashville *Whig*, October 31, 1820, January 31, 1821; Nashville *Clarion*, November 14, 1820.

²⁹ James Stewart to Overton, August 15, 1820, Overton Papers.

³⁰ John McAlister to Overton, February 25, 1820[1821], White to Overton, July 19, 1821, *ibid.*; R. I. Easter to Jackson, June 8, 25, 29, 1821, Jackson Papers; Clarksville *Tennessee Watchman*, June 29, 1821; Nashville *Whig*, August 1, 1821.

violation of the state constitutional guarantee of equality of rights. The legislature had no control over them, he continued:

they are almost omnipotent in money matters — and their influence has been felt at our elections. They have ruined the country to build up towns — and ruined the towns, to import goods they have produced a monied aristocracy which makes the rich more rich — & the poor more poor. And what is worse, they have injured our circulating medium by making most erroneous loans to individuals, which they cannot pay; and of course, they cannot redeem their notes.

The new bank, declared the writer, could not have these pernicious consequences because its directors were elected by the legislature and responsible to the people. Furthermore, the maximum that could be loaned to an individual was \$500, and therefore its capital would be diffused over the state and not confined almost exclusively to the towns.³¹

The grand jury of Wilson County argued similarly that in the old banks "men possess great and dangerous powers, without any responsibility to the people or their representatives," whereas legislative election of the directors of the new bank was "a strong safe guard against abuses." Why did the old banks oppose the state bank? "Is it because it belongs to the people, and every man in society is interested in it? Is it because it will produce a diminution of their power, and a decrease in the amount of their unrighteous profits? Is it because they are afraid that its accommodations will not be confined to a few favorites?" The jurors thought the bank directors were motivated by some such ideas.³²

Ward was regarded as the candidate of the old banks, and it was reported that he was being backed "by those who were most hostile to the New Bank; by the merchants, and those who appear so much concerned about the vast difference between Bank paper and Specie, old bank directors & the rich generally, in and about Nashville, and such as belong to the creditor class of society."³³ In his circular to the voters, Ward attacked the new state bank directly. Professing to be "no great advocate of Banking institutions of any sort," he nevertheless pointed out their usefulness for commercial purposes. The crux of his position was a proposal that all the banks, public and private, be merged into one consolidated institution. It is

³¹ Nashville *Clarion*, October 10, 1820.

³² Nashville *Whig*, October 31, 1820.

³³ *Ibid.*, July 18, 1821.

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apparent that such an institution would have been a private monopoly of the banking business, controlled by the old bank men. Ward further antagonized the anti-bank element by advocating speedier judicial processes, which would, of course, accelerate the collection of debts.³⁴

Carroll, on the other hand, blamed the depression on the banks and said he wished he "had never seen one in the state." He would favor abolishing them all if it were not that their "sudden downfall" would involve the community in a new economic disaster. The best that could be done was to watch them closely and force them to resume specie payments. About Grundy's state bank he said nothing specific, but he was generally supported by its friends.³⁵ These sentiments were seconded enthusiastically by the voters, who gave Carroll a majority in all but two counties and a total of 41,244 votes to 11,171 for his opponent.³⁶ Over the next fourteen years he was to be politically invincible in Tennessee, serving as governor for the entire period, with the exception of a single two-year interim required by the state constitution.

The political revolution that swept Carroll into office was achieved by a union of those who believed that banking abuses could be overcome by public banking with those who opposed any kind of paper system, public or private. Carroll himself was closer to the latter group in his views. His attitude was best expressed in his message to the legislature of 1823:

There may be some 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 previously been accustomed to obtain, when bank paper was good, they are content: thus verifying a sound political maxim,

³⁴ *Ibid.*, June 6, 1821.

³⁵ *Ibid.*, July 4, 1821.

³⁶ *Ibid.*, August 6, 22, 1821.

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.³⁷

Carroll's hard money ideas found strong support when the legislature convened after his election. His backers promptly introduced measures to force the banks to pay specie on their notes, and a bitter fight ensued. The outcome was a compromise bill requiring resumption of specie payments by April, 1824. The foes of the banks failed in their effort to prohibit payment of bank dividends until resumption had taken place,³⁸ but they felt that they had achieved enough to be able to look "forward to the day when the present *paper system* will give place to a sound and healthy *metallic currency*."³⁹

The bank men did not propose to submit without a further struggle. In the 1823 legislature Grundy, now solidly back in the Overton camp, made a determined effort to get the resumption act of 1821 repealed. James K. Polk led the Carroll forces in defense of resumption, but the bank men were so strong that again a compromise had to be conceded. The resumption process was made a gradual one to be completed in stages over a two-year period. Polk was able, however, to secure a resolution requiring the banks to publish semiannual statements showing their condition.⁴⁰

The Tennessee banks never recovered from the effects of the panic. On September 1, 1826, the date set by the act of 1823 for full resumption, they complied; but the Nashville Bank was able to maintain itself for only two weeks before suspending again, and under the terms of the law had to go out of business. The Knoxville Bank was in somewhat better condition, but in 1827 it, too, closed its doors. Grundy's state bank virtually ceased to function, and Carroll eventually induced the legislature to wind up its affairs.⁴¹ The prompt demise of the banks after five years in which to prepare for resumption suggests the possibility that the Carroll party realized all along that forced resumption would result in the destruction of the hated institutions.

³⁷ Tennessee General Assembly, *House Journal*, 1823, p. 12.

³⁸ "Circular of Theoderick F. Bradford, Andrew Erwin, and Joshua Holt," *Nashville Whig*, December 5, 1821.

³⁹ "Circular of Aaron V. Brown," August 25, 1822, broadside, Overton Papers.

⁴⁰ Parks, *Felix Grundy*, 150-55.

⁴¹ *Nashville Republican and State Gazette*, November 18, 1826; Abernethy, "Early Development of Commerce and Banking in Tennessee," *Mississippi Valley Historical Review*, XIV (December, 1927), 320-21; William Carroll to Nicholas Biddle, January 22, 1827, *Senate Docs.*, No. 17, 23 Cong., 2 Sess., 239-40.

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The return of specie payments and the closing of the banks ended an era in Tennessee political history. Neither the banking interests nor their enemies had won a decisive victory. But the people had been awakened to the importance of banking policy for the whole community, and to large numbers the banking system had come to symbolize all the forces that seemed to be undermining the Jeffersonian ideal. That the latter group included Andrew Jackson was a fact of great import for the future of the United States.

Students of the period have been misled by the interpretation of Jackson's role in Tennessee politics set forth in studies by Thomas P. Abernethy.⁴² According to Professor Abernethy: "No historian has ever accused Jackson, the great Democrat, of having had a political philosophy. It is hard to see that he even had any political principles. He was a man of action, and the man of action is likely to be an opportunist. . . . He belonged to the moneyed aristocracy of Nashville, yet he was a self-made man and devoid of snobbishness. He thought he was sincere when he spoke to the people, yet he never really championed their cause. He merely encouraged them to champion his."⁴³ Had he not been the most violent critic of Grundy's popular state bank? Did he not support the aristocratic Ward against Carroll in 1821? Were not the land speculators and bankers of the Overton coterie his most intimate friends? Was it not these very men who brought him out as a candidate for President? Jackson, concludes Professor Abernethy, "was not a progressive politician. . . . He always believed in making the public serve the ends of the politician. Democracy was good talk with which to win the favor of the people and thereby accomplish ulterior objectives."⁴⁴

⁴² Abernethy, *From Frontier to Plantation in Tennessee*, especially 238-49; Abernethy, "Andrew Jackson and the Rise of Southwestern Democracy," *American Historical Review*, XXXIII (October, 1927), 64-77; Allen Johnson, Dumas Malone, and Harris E. Starr (eds.), *Dictionary of American Biography* (21 vols., New York, 1928-1944), IX, 526-34. Even Arthur M. Schlesinger, Jr., who takes sharp issue with Professor Abernethy's general view of Jackson, argues only that "no amount of inference based on what Jackson was like before 1828 can be a substitute for the facts after 1828." *Age of Jackson*, 44.

Although this paper dissents from the view of Andrew Jackson drawn by Professor Abernethy, the writer wishes to acknowledge the indebtedness of himself and every other recent investigator of early Tennessee history to Professor Abernethy's pioneering work.

⁴³ Abernethy, "Andrew Jackson and the Rise of Southwestern Democracy," *American Historical Review*, XXXIII (October, 1927), 76.

⁴⁴ Abernethy, *From Frontier to Plantation in Tennessee*, 249.

It is true that Jackson had won early prominence in Tennessee through the favor of William Blount, and none of the frontier nabobs of the Blount group had been more assiduous than he in land and mercantile speculations based on paper credit. But Jackson's land holdings had been swept away in the panic of 1797, and his mercantile business had dragged him deeper and deeper into debt, until in 1804 he was forced to sell his fine plantation, abandon his political career, and retire to a new plantation where he struggled for years to regain solvency. The experience was a chastening one, and never again was Jackson to engage in any considerable speculative ventures.⁴⁵ True, he remained close to the leaders of the Overton faction, but this does not mean that he continued to share their proclivities for land and banking speculations. It must be remembered that personal relationships were just giving way to issues as the major factors in determining political alignments, and that the leaders of the Erwin-Carroll party were Jackson's implacable personal enemies.

Jackson's connection with the Burr conspiracy and the subsequent reluctance of the Madison administration to utilize his services in the War of 1812 had tended to align him with the *Tertium Quid* or Old Republican members of Jefferson's party. That he absorbed some of their distaste for the nationalizing and pro-business tendencies of latter-day Republicanism is indicated by his congratulations to President Monroe for vetoing the Cumberland Road bill of 1822.⁴⁶ The same thing is more conclusively demonstrated by Jackson's relation to the banking issue in Tennessee.

Did Jackson's opposition to Grundy's state bank in 1820 reflect the interests of his banker friends, or did it grow out of an Old Republican hostility to the social effects of a paper system of any kind? His own words answer the question. "You know my op[*n*]ion as to the Banks," he wrote Lewis while the measure was pending, "that is, that the constitution of our State, as well as the constitution of the united [*sic*] States prohibits the establishment of Banks in every State."⁴⁷ The emphatic memorial he sent to the legislature predicted that if the proposed bank were established, "the imprudent speculator may be enabled to extricate himself

⁴⁵ James, *Life of Andrew Jackson*, 76, 80-81, 98-101.

⁴⁶ Jackson to James Monroe, July 26, 1822, Jackson Papers.

⁴⁷ Jackson to William B. Lewis, July 16, 1820, Ford Collection (New York Public Library).

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from his pecuniary embarrassments but the burthen must ultimately fall upon the honest farmer and industrious tradesman."⁴⁸ Nor is it surprising that Jackson should have refused to line up with his own bitter enemies and the friends of Grundy's state bank in support of Carroll in the gubernatorial campaign of the next year. Under the circumstances it was natural for him to back Ward, his old friend and neighbor.

Jackson's hostility to the banking system was well known in Tennessee. A member of the legislature that elected him to the Senate in 1823 reported that "the commonality . . . thought him the only man . . . [to] revise what they thought a corrupt system of government, Meaning the caucus — the treasury and Bank influences."⁴⁹ Ten years later Jackson assured James K. Polk that "every one that knows me, does know that I have been always opposed to the U. States Bank, nay all Banks."⁵⁰ Again, in a letter to Thomas H. Benton, he reiterated his long-held views: "I have been opposed always to the Bank of the U. S. as well as all state banks of paper issues, upon constitutional grounds believing as I do, that Congress has no constitutional power to grant a charter. The states are prohibited from granting charters of paper issues. Their powers retained are to charter banks of deposit, discount, & exchange."⁵¹ The truth of Jackson's assertions was attested by John Bell, speaking in support of the national bank in 1832. "I have no doubt," Bell told the House of Representatives, "it will be found that he has, throughout his whole life, been opposed to the whole paper system and the extensive credits which grow out of it, and that all his prepossessions are, and have ever been, in favor of what has been significantly called a *hard money government*."⁵²

Jackson was much more thoroughgoing in his hard money views than William Carroll. Family connections and hostility toward the Overton banking interests had caused a considerable number of the Nashville merchants to support the Erwin-Carroll party, and Carroll was sympathetic to their demands for commercial credit. Some of this credit was for a time supplied by the firm of Thomas Yeatman, a son-in-law of Andrew Erwin and probably the wealth-

⁴⁸ Nashville *Whig*, July 26, 1820.

⁴⁹ Pleasant M. Miller to Charles Fisher, January 3, 1824, quoted in James, *Life of Andrew Jackson*, 395.

⁵⁰ Jackson to Polk, December 23, 1833, Polk Papers.

⁵¹ Jackson to Thomas H. Benton, n. d., draft, Jackson Papers.

⁵² Nashville *Republican*, April 14, 1832.

thiest merchant in the state. During the 1820's his company had begun to carry on a private banking business and issue notes without benefit of a state charter. In 1825, Jackson induced his friends in the legislature to propose a bill outlawing private banking, but Carroll came to Yeatman's defense, and the Erwin-Carroll forces defeated the measure.⁵³

When the old banks closed their doors the next year, the merchants complained that Yeatman alone could not supply enough credit, and an effort was made to have the legislature repeal the \$50,000 tax of 1817, so as to secure a branch of the national bank. There was no advance notice of this attempt in the newspapers — Jackson called it “a secrete & combined movement of the arristocracy”⁵⁴ — but the General rushed to Nashville as soon as he heard of it. The bill had by this time passed the lower house, and despite Jackson's expostulations with the members of the senate it was approved on its final reading by the margin of a single vote. Shortly thereafter, on petition of Carroll and his allies, a branch was opened at Nashville, and it was soon financing most of the crop and commercial transactions of Middle Tennessee.⁵⁵

Professor Abernethy's appraisal of the General is rounded out in a chapter entitled “Andrew Jackson as a Land Speculator,” but he fails to demonstrate that Jackson was involved in any extensive speculations after 1795.⁵⁶ Much of the indictment of Jackson as

⁵³ Jackson (Tennessee) *Gazette*, December 17, 1825; John P. Erwin to Clay, December 12, 1825, Clay Papers.

⁵⁴ Jackson to Benton, n. d., draft, Jackson Papers.

⁵⁵ *Ibid.*; Catterall, *Second Bank of the United States*, 183 n.; St. George L. Sioussat, “Some Phases of Tennessee Politics in the Jackson Period,” *American Historical Review*, XIV (October, 1908), 62-63.

⁵⁶ Abernethy, *From Frontier to Plantation in Tennessee*, 262-76. Despite his sweeping conclusions, he shows only that: (1) Jackson in 1795 owned and disposed of 25,000 acres. (2) He received a half interest in the 5,000-acre tract on which Memphis was later established, probably as compensation for his services in selling land for its original owners; but he shortly disposed of all but an eighth interest, and had sold even this by 1823. (3) At an Alabama land sale in 1818 other buyers, out of respect for Jackson, allowed him to bid in a tract at the minimum price. (4) On Jackson's suggestion, some of his friends made profitable purchases of lots in Pensacola. (5) Jackson held a few shares of stock in the Cypress Land Company, on whose lands Florence, Alabama, was established. (6) In negotiating the Chickasaw treaty of 1818, Jackson signed a bond that enabled William B. Lewis to purchase conditionally a valuable salt spring reservation from the Indians. Jackson's enemies made political capital out of all these episodes, and the facts in each case are still obscured in clouds of partisan vituperation. It is perhaps remarkable that a man who was intimate with William Blount, John Overton, William Polk, John C. McLemore, and others whose acquisitions ran into the hundreds of thousands of acres, should have made such meager use of his opportunities.

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a land speculator is concerned with his suit against Andrew Erwin, himself a land operator of no mean proportions. As the result of a complicated legal tangle Jackson found himself in possession of a claim on twenty-five thousand acres of exceedingly valuable lands held by his old enemy, at the very time that Erwin and his associates were trying to ruin Jackson's reputation by charges concerning the Seminole campaign. Abernethy condemns Jackson for prosecuting this claim, though even Erwin's political allies considered it legally unimpeachable. Despite the strength of his case, Jackson eventually accepted a compromise so lenient that his associates in the suit complained, and he finally gave up his share of the award altogether when Mrs. Erwin pleaded in tears that payment would mean ruin for her family.⁵⁷

But Jackson's ruthlessness as a land speculator, in Professor Abernethy's view, was even more conclusively demonstrated by the support which he gave to Patrick H. Darby, his lawyer in the Erwin case. Once a carpenter, Darby had educated himself sufficiently to secure an attorney's license. His specialty, bringing suit against doubtful land titles, had not made him popular in a state long dominated by speculators with a casual attitude toward legal formalities.⁵⁸ The holders of doubtful titles, however, found a champion in Judge John Haywood, who began a campaign to reinterpret a statute of limitations of 1797 so that it would protect even those

⁵⁷ *Ibid.*, 262-69; Arda S. Walker, "Andrew Jackson: Frontier Democrat," East Tennessee Historical Society, *Publications*, No. 18 (1946), 83-85; Alfred Balch to Jackson, March 12, 20, 1823, and James Jackson to Jackson, October 21, 1823, Jackson Papers. Eighty-five thousand acres of land were involved in this case, of which Erwin had obtained twenty-five thousand from the original owners and Jackson five thousand. Jackson had long since disposed of his portion when he discovered that the title to all the land was invalid and that he was responsible for the current value of the land he had sold. It was to protect himself and give a good title to those who had purchased from him that he was obliged to obtain a relinquishment to himself of the entire eighty-five thousand acres. It was in this way that he secured a claim to Erwin's land. Marquis James holds that Jackson showed "attributes of courage and of honest impulse" by his course in this case, and that "he imperilled his fortune beyond hope of extrication to protect his personal honor." *Life of Andrew Jackson*, 133-34. For other speculative interests of Erwin, see Nashville *Whig*, October 30, 1822, and Erwin to George Swain, November 11, 1822, David L. Swain Epistolary Correspondence, MS. Vol. III (North Carolina Collection, Library of the University of North Carolina, Chapel Hill).

⁵⁸ Nashville *Constitutional Advocate*, September 3, 10, 1822. Grundy had once tried to have Darby disbarred; but Darby had been able to get enough incriminating evidence against Grundy to force him, along with most of the leading lawyers of Middle Tennessee, to attest that Darby's conduct had always been open and honorable. For indications that Darby was an opportunist, see Easter to Jackson, May 10, June 25, 1821, Jackson Papers.

claims that could not be traced back to an original grant. Haywood was voted down again and again by his colleagues on the state supreme court, but, in 1822, Grundy induced the legislature to increase the size of the court and pack it with judges who would agree with Haywood. Already, at the previous session, Grundy, Overton, and Pleasant M. Miller had pushed through a champerty law, with some of its provisions aimed directly at Darby. In self-defense, Darby purchased the Nashville *Clarion*, renamed it the *Constitutional Advocate*, and declared war on his assailants.⁵⁹

It is clear that the opposition to Darby was led by the land-speculating and banking group, supported by persons who had purchased doubtful titles from the speculators. Although Jackson's suit against Erwin was not affected by the more liberal interpretation of the statute of limitations, he backed Darby vigorously. Jackson's earlier bankruptcy had made him a fervent foe of all kinds of speculation — whether land, mercantile, or banking — especially where the law was being set aside. "The attempt by few to inveigle a legislature to pack a court" he thought contemptible.⁶⁰

Darby's slashing attacks on the bankers and speculators soon made his newspaper the most popular and influential in the state, and he was put up in the Nashville district as an anti-Overton candidate for the legislature in 1823. The bank issue was again before the voters, and in the course of the campaign Darby uncovered evidence that Stephen Cantrell, president of the Nashville Bank and War Department agent for disbursing pensions to Revolutionary veterans, had been selling the government's specie funds to his bank and paying the pensioners in depreciated bank notes. To Jackson this was just another indication that "our society has been much demoralized by our paper banking system." Its corrupting influence, he thought, "has been no where felt more seriously and banefully" than in Tennessee, and he applauded Secretary Calhoun for dismissing Cantrell promptly.⁶¹

⁵⁹ Nashville *Constitutional Advocate*, July 30, August 29, September 3, 1822; Overton to Miller, April 13, 1823, draft, Overton Papers.

⁶⁰ Jackson to John Coffee, April 15, 1823, John Spencer Bassett (ed.), *Correspondence of Andrew Jackson* (6 vols., Washington, 1926-1936), III, 194-95.

⁶¹ Jackson to John C. Calhoun, n. d., *ibid.*, III, 202. See also Jackson to Coffee, May 24, 1823, *ibid.*, III, 198; Nashville *Constitutional Advocate*, August 19, 1823; Nashville *Whig*, June 17, 23, July 14, 1823; Benton to Clay, July 23, 1823, Clay Papers.

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Darby opened his appeal for votes by promising to serve the people, not the banks. He was sure the people would not consent to alter the constitutional provision for gold and silver coin. But, he asked the voters, "Are you willing to allow that constitutional law to be changed by the practice of a few corporate companies, who speculate on money for private gain, & in which not one in fifty of the people have any interest?" He was positive that the banks could not resume specie payments and thought they should be forced out of business. He favored one more trial with the state bank alone, but if that institution proved unable to maintain a sound currency, he would abolish it also "and return to those days that are past, when we lived happy without banks, and knew what our money was worth without paying a broker to tell us."⁶² But the speculators and bankers were too powerful in the wealthy Nashville district, and Darby and his running mate lost the election to the Overton candidates, Grundy and Andrew Lytle. Darby's Jacksonism and the enmity of the Erwins prevented him from getting the full anti-Overton vote.⁶³

The significant thing about this election is Jackson's recognition that personal friendship was no longer an adequate basis for political alliance. His anger against activities of his banking and speculating friends had led him to support a man sharing his own hostility to the speculative system, though to do so he had to oppose the very leaders who were at this time managing his candidacy for the presidency.

Yet the pull of old allegiances was still strong. When Jackson went to the Senate the next year, Eaton's influence and considerations of political expediency were persuasive enough to draw him into a reluctant support of the tariff and internal improvement measures of that session. This stand reassured Jackson's partisans in Pennsylvania and the Northwest, but the General's Tennessee enemies warned Henry Clay not to be deceived. "Your favourite the American system," the Kentucky statesman was told, "the people of Tennessee is opposed to, also the Hero if he had no concelement."⁶⁴ The ambiguity of Jackson's position doubtless contributed to the eagerness with which he relinquished his seat in Congress after only a single session.

⁶² Nashville *Constitutional Advocate*, July 15, 1823.

⁶³ *Ibid.*, August 12, 1823.

⁶⁴ Boyd McNairy to Clay, March 24, 1828, Clay Papers.

Jackson's momentary indecision was symptomatic of a general confusion among public men in a period when an expanding economy was forcing a new pattern on American politics. The rise of a potential business elite, demanding bank charters, tariffs, and other governmental favors, together with the apprehensions this excited in the rest of the community, constituted an issue so overriding that the old factionalism was gradually giving way and being replaced by a genuine two-party system.

The slow process by which economic consanguinity overcame deep-seated factional and personal ties was already under way in Tennessee when the Nashville office of the Bank of the United States was established in 1827. Though the Overton state-bank men had so recently fought the national bank, they now joined with the mercantile wing of the Erwin-Carroll party in sponsoring and managing the Nashville branch. The Overton newspaper had favored repeal of the anti-national bank law, and Nicholas Biddle consulted Eaton and Lewis about branch directors. John Overton himself became a director, while the cashier of the Nashville branch of the old Knoxville Bank was given a corresponding position with the new institution.⁶⁵

This incipient coalition between the state-bank men of the Overton faction and their former foes, the Nashville merchants, grew more overt as the anti-business bias of Jackson's administration became evident in his attack on the national bank. A few facts will suffice to suggest the drift of events. The Nashville *Republican*, which had been the Overton organ since 1824, was soon defending the national bank, while Eaton and Lewis were trying to influence Jackson in favor of recharter.⁶⁶ John Bell, who had been elected to Congress as a Carroll protege, was taking a pro-bank line and securing increasingly favorable notice from the *Republican*.⁶⁷ The pro-bank forces in the Tennessee legislature were led by Theoderick F. Bradford, who had succeeded to command of

⁶⁵ Nashville *Republican*, November 25, 1826, July 19, 1830; Catterall, *Second Bank of the United States*, 246-47.

⁶⁶ Nashville *Republican*, July 24, 1829, January 13, 1831, June 13, 1832, March 22, 25, 1833; Eaton to Jackson, November 5, 1831, in box of torn documents, Jackson Papers; Catterall, *Second Bank of the United States*, 193.

⁶⁷ Joseph H. Parks, *John Bell of Tennessee* (Baton Rouge, 1950), 47-51; Charles F. Mercer to Nicholas Biddle, January 27, 1832, Nicholas Biddle Papers (Division of Manuscripts, Library of Congress); Nashville *Republican*, March 3, 1829, April 17, 1832.

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Biddle Papers (Division
an, March 3, 1829, April

the Erwin organization in Bedford County and who ran as a pro-
bank candidate for Congress against James K. Polk in 1833.⁶⁸ The
senatorial election of 1833 demonstrated the potential strength of
the coalition, but it also showed that the two groups had not yet
achieved a firm union. Grundy, the incumbent, was by this time
identified with the President's anti-bank policy, and John H. Eaton,
Ephraim H. Foster, and John Bell were put up against him.
Grundy's opponents, however, barely failed to unite their strength
on any one of the three, and as a result Grundy was re-elected.⁶⁹

Not until 1835 were the old personal factors sufficiently sub-
merged to enable the conservative coalition to come out into the
open, and its emergence then was possible only because of the great
popularity of Hugh Lawson White. When it did emerge, the
Tennessee Whig party was found to include not only the Erwins
and Cannon and Bell of the original Erwin-Carroll faction, but
also such prominent former Jackson-Overton stalwarts as Eaton,
Miller, White, and, covertly, Lewis.⁷⁰ Jacksonian Democracy was
left to be defended in Tennessee mainly by such veterans of Car-
roll's anti-bank campaign as James K. Polk, Aaron V. Brown, and
Cave Johnson, together with Felix Grundy, who decided that con-
tinued loyalty to the President would be most to his own advan-
tage.⁷¹ Carroll himself had previously supported the national bank
on moderate hard money grounds as the best instrument to remedy
the evils of state banking, and he now found it comparatively easy
to side with Jackson against national as well as state banks.⁷²

⁶⁸ "Circular Letter to the Voters of the Counties of Bedford and Maury, June 24th 1833," broadside bound in a volume of speeches, Polk Papers; Lewis to Jackson, April 26, 1833, Jackson Papers.

⁶⁹ Parks, *Felix Grundy*, 204-15.

⁷⁰ Overton did not live to become a Whig, but he had shown his leanings clearly enough in 1832 by joining with Eaton in a last-minute scheme to prevent Van Buren, who was being blamed for the anti-bank policy of the Jackson administration, from becoming the Democratic vice-presidential nominee. James Parton, *Life of Andrew Jackson* (3 vols., New York, 1861), III, 421; John C. Fitzpatrick (ed.), *The Autobiography of Martin Van Buren* (American Historical Association, *Annual Report*, 1918, Vol. II, Washington, 1920), 587-90.

⁷¹ Cave Johnson had originally supported William H. Crawford for president in 1824, but had switched to Jackson when Crawford's health failed. Clement L. Grant, "The Public Career of Cave Johnson" (Ph.D. dissertation, Vanderbilt University, 1951), 23. In the campaign of 1833, Johnson denied that Congress had the constitutional power to charter a bank and contended that "a metallic currency is the only one contemplated by the Constitution." *Nashville Republican*, March 1, 1833. Grundy even managed to come out for the hard money doctrine. *Murfreesboro Central Monitor*, September 6, 1834.

⁷² See Carroll's letter to William Jones, October 3, 1817, denouncing the unstable

The question of government policy toward banks was the key issue of the period which saw new parties taking the place of the old factional organization of politics. But the banking issue's real significance is as an index to the underlying assumptions that actually divided Whigs, who contended for a neo-Hamiltonian alliance between government and business, from Democrats, who would attempt to maintain equal access for all to the new opportunities generated by the economic revolution. Andrew Jackson had been quicker than most of his contemporaries to sense that the changes in American society revealed by the Panic of 1819 dictated a shift from politics based on personal friendship to politics based on convictions about public policy. His central conviction, that government should afford "equal protection and equal benefits,"⁷³ had determined his attitude on Tennessee issues a decade before his celebrated bank veto expounded it to the nation.

state-bank currency and requesting a Nashville branch. *Senate Docs.*, No. 17, 23 Cong., 2 Sess., 227.

⁷³ Jackson's phrase, from the bank veto message, in James D. Richardson (comp.), *A Compilation of the Messages and Papers of the Presidents, 1789-1902* (10 vols., Washington, 1905), III, 590. For an unusually perceptive discussion of Jackson's own political philosophy, see Marvin Meyers, "The Jacksonian Persuasion," *American Quarterly* (Philadelphia), V (Spring, 1953), 3-15.