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The Moneylender as Magistrate: Nicholas Biddle and the Ideological Origins of Central Banking in the United States

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Nicholas Biddle, the president of the Second Bank of the United States during its fateful battle with the Jackson Administration, was the nation's first true central banker. He was also a prolific writer whose widely followed speeches, reports, and expository letters to editors and legislators made him the nation's leading spokesperson for the rising power of finance capital. Relating Biddle's little-studied legal, legislative, and literary experience to his better-known banking career, this paper considers in turn two fundamental problems of early American finance that Biddle confronted. One was a problem of regulation: while they were entrusted with quasi-sovereign authority over the money standard in the early United States, commercial banks could not actually control the circulation and value of the competing currencies they produced. Central banking, as Biddle conceived it, came partly in answer to bankers' need to regulate the money supply as sovereigns once had. The second problem was one of representation: just when men of little or no property were gaining political power in the United States, and just when ordinary people were coming to rely on monetary transactions in qualitatively new ways, control over the supply of cash and credit was ceded to unelected bankers and faceless corporations. The logic of popular sovereignty appeared increasingly in tension with the sovereign privileges bestowed on state-chartered

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banks. Biddle's vision of central banking arose, in large measure, in response to the ideological challenge of justifying the growing authority of banks and bankers in Jacksonian America.

INTRODUCTION

Nicholas Biddle (1786-1844), the president of the Second Bank of the United States during its fateful battle with the Jackson Administration, was the nation's first true central banker. Like the First Bank of the United States ("BUS"), which operated from 1791 to 1811, the Second Bank was chartered by Congress in 1816 as the national government's bank, charged with collecting the revenues from federal taxes, duties, and fees, managing the national debt, and disbursing federal expenditures such as salaries, pensions, and payments to bondholders. It too was a mixed public-private corporation, in which the federal government owned a one-fifth share; in the case of the Second Bank, the U.S. President appointed one-fifth of its directors as well. But unlike the First BUS, founded by Alexander Hamilton at a time when the nation had only four other banks, Biddle's bank towered over hundreds of state-chartered banks selling the credit of financiers and buying the debt of planters, family farmers, wholesale traders, shopkeepers, and entrepreneurs from the Atlantic seaboard to the western frontier and the cotton kingdom. These early commercial banks' liabilities took the form not only of the demand deposits or checking accounts familiar to us today, but of non-interest-bearing notes that circulated freely from person to person without endorsement, payable simply "to bearer," and redeemable in coin by their far-flung banks of issue. Amid a chronic scarcity of coin, a Constitutional prohibition on paper currency issued by the states, and the general absence of paper currency issued by the federal government before the Civil War, the thousands of varieties of large- and small-denomination bank notes served as the common currency in which taxes and debts were paid and monetary transactions conducted in the early nineteenth century. The Second Bank was authorized to manage the jumble of cash and credit on which most Americans were coming to depend for their basic livelihood as never before.¹

¹ On Biddle as a pioneer of central banking, see 1 FRITZ REDLICH, *THE MOLDING OF AMERICAN BANKING: MEN AND IDEAS* 110-61 (1947); RICHARD H. TIMBERLAKE JR., *THE ORIGINS OF CENTRAL BANKING IN THE UNITED STATES* 26-41 (1978); BRAY HAMMOND, *BANKS AND POLITICS IN AMERICA: FROM THE REVOLUTION TO THE CIVIL WAR* 286-450 (1991); WALTER BUCKINGHAM SMITH, *ECONOMIC*

Biddle mobilized the Bank's unprecedented power with a sureness and zeal unknown to his predecessors or even to his counterparts abroad. In an age of Barings and Rothschilds, the Pennsylvania legislator Charles J. Ingersoll recalled, "Biddle was praised and respected in Europe as the most sagacious and successful banker in the world."² At the peak of his power, he wielded unrivaled personal control over the largest corporation in the United States, indeed the first truly national business enterprise, governing through the Second Bank's twenty-five branches the supply of currency and credit from New York to New Orleans, and regulating through its exchange operations a major share of national and international commerce.

Biddle's influence extended far beyond his short-lived policies as BUS president. He was also a prolific writer whose widely followed speeches, reports, and lengthy expository letters to editors and legislators made him the nation's leading spokesperson for the rising power of finance capital. He exercised, wrote the Philadelphia diarist Sidney George Fisher, "a degree of influence and popularity among the monied and educated classes equalled only by that of Genl. Jackson with the populace. . . . How he was followed, praised, worshipped can scarcely be conceived by those who did not witness the scenes in which he was an actor."³ Most notably, Biddle's avid sponsorship of the Greek revival in American architecture symbolized the new public stature of banking, setting its sovereignty in stone.

This article explores the roots of his ideological innovation in his earlier career as a lawyer, legislator, and editor. Born with the new nation in 1786, Biddle was the son of a Philadelphia merchant and prominent Federalist, grown rich from the West Indies trade. He graduated from the College of

ASPECTS OF THE SECOND BANK OF THE UNITED STATES (1953); SUSAN HOFFMAN, *POLITICS AND BANKING: IDEAS, PUBLIC POLICY, AND THE CREATION OF FINANCIAL INSTITUTIONS* 44-69 (2001). On the politics of the "Bank War," see HAMMOND, *supra*, at 369-450; JOHN M. MCFAUL, *THE POLITICS OF JACKSONIAN FINANCE* (1972); ROBERT V. REMINI, *ANDREW JACKSON AND THE BANK WAR: A STUDY IN THE GROWTH OF PRESIDENTIAL POWER* (1967); HARRY L. WATSON, *LIBERTY AND POWER: THE POLITICS OF JACKSONIAN AMERICA* 132-71 (1990); SEAN WILENTZ, *THE RISE OF JEFFERSONIAN DEMOCRACY: JEFFERSON TO LINCOLN* 205-52, 360-402, 437-64 (2005); DANIEL WALKER HOWE, *WHAT HATH GOD WROUGHT: THE TRANSFORMATION OF AMERICA, 1815-1848*, at 373-86 (2007).

2 THOMAS PAYNE GOVAN, *NICHOLAS BIDDLE: NATIONALIST AND PUBLIC BANKER, 1786-1844*, at 355 (1959).

3 SIDNEY GEORGE FISHER, *A PHILADELPHIA PERSPECTIVE: THE DIARY OF SIDNEY GEORGE FISHER COVERING THE YEARS 1834-1871*, at 154 (Nicholas B. Wainwright ed., 1967).

New Jersey (now Princeton University) at 15, and then studied law with his older brother in Philadelphia.⁴

In 1804, he accepted an appointment as secretary to the American minister in Paris, John Armstrong, followed by a brief stint in the same post with the minister in London, James Monroe. He completed his apprenticeship abroad with a grand tour of southern Europe in the manner of young English gentlemen, honing his impressions and self-reflections in a carefully crafted journal. The highlight of his travels came amid the ruins of golden-age Greece, where he established himself as an amateur authority by bringing back copious notes on the Athenian architecture that he was among the first Americans to see.

Returning home, Biddle entered a thriving law practice specializing in commercial litigation and international debt-collection. He married the daughter of a wealthy widow from whom he acquired a large country estate, "Andalusia." At the same time, he became a regular contributor to the nation's premier literary journal, the *Port Folio*, and he took over as editor in 1812. He also essentially rewrote for publication the journals of Lewis and Clark; his massive two-volume history served as the definitive account of the expedition for nearly a century, until the journals themselves were published in 1904-05.⁵

While working on the journals, Biddle won election to the lower house of the Pennsylvania legislature, and four years later he entered the state senate, where he served a single term before retiring from elective office. His main distinction as a legislator came in a widely admired address on his twenty-fifth birthday, arguing forcefully but unsuccessfully for the recharter of the First Bank of the United States. In 1818, Biddle accepted a commission from President Monroe to edit a comprehensive digest of the commercial laws of the nation's main trading partners, which he undertook while managing the farm at Andalusia. The following year, Monroe appointed him to the board of the Second Bank, and in 1823 the board elected him president, a title he held for a pivotal sixteen years.

Relating Biddle's little-studied legal, legislative, and literary experience to his better-known banking career, this paper considers in turn two fundamental

4 On Biddle's father, see CHARLES BIDDLE, AUTOBIOGRAPHY OF CHARLES BIDDLE, VICE-PRESIDENT OF THE SUPREME EXECUTIVE COUNCIL OF PENNSYLVANIA, 1745-1821 (J.S. Biddle ed., Philadelphia, E. Claxton and Co. 1883). For Biddle's biography (and hagiography), see GOVAN, *supra* note 2; HAMMOND, *supra* note 1, at 286-325.

5 MERIWETHER LEWIS & WILLIAM CLARK, HISTORY OF THE EXPEDITION OF CAPTAINS LEWIS AND CLARK, 1804-5-6, at xlv. (Nicholas Biddle ed., A.C. McClurg & Co. 1902) (1814).

problems of early American finance that Biddle confronted. One was a problem of regulation. The advent of central banking formed the second major phase of a financial revolution that began in the United States in the 1780s, when Biddle was born. The first phase saw the rise of modern commercial banking, when government delegated control over the creation and circulation of money to banks and their private investors; money became a commodity produced for private profit, signaling a decisive shift to a capitalist market economy. But while they were entrusted with quasi-sovereign authority over the money standard, commercial banks could not actually control the circulation and value of the competing currencies they produced. They could not effectively restrain their own tendency to overbank and overlend, or refrain from falling into the pattern of ruinous competition and overproduction familiar in other industries, with the resulting crises and breakdowns of the banking system. Central banking, as Biddle conceived it, came partly in answer to bankers' need to regulate the money supply as sovereigns once had.

The second problem was one of representation. Just when men of little or no property were gaining political power in the United States, and just when ordinary people were coming to rely on monetary transactions in qualitatively new ways, control over the supply of cash and credit was ceded to unelected bankers and faceless corporations. The logic of popular sovereignty appeared increasingly in tension with the sovereign privileges bestowed on state-chartered banks. To the rising ranks of its Jacksonian critics, the banking system epitomized the corruption of rightful representation: self-serving middlemen usurping power from those they were supposed to serve; money become the master rather than the servant of honest industry. Biddle's vision of central banking arose, in large measure, in response to the ideological challenge of justifying the growing authority of banks and bankers in Jacksonian America. Put another way, Biddle's answer to the problem of representation served to legitimate politically the expansive authority that he claimed for the national bank in answer to the problem of regulation. This paper begins with a relatively brief reconsideration of the problem of regulation, followed by a more extended treatment of the problem of representation.

I. THE PROBLEM OF REGULATION

In January 1819, the American banking system was collapsing under the weight of its mounting paper promises for the second time in ten years, bringing its vast network of depositors, debtors, and note-holders down with

it. The three-year-old Second Bank of the United States, having thrown its own credit headlong into the speculative boom that preceded the panic, was now leading the way into a full-blown depression instead of cushioning the crash. Asked by New York Congressman John C. Spencer for his views on the crisis, Biddle had two things to say in reply. First, he wrote,

the [national] Government which is so jealous of the exclusive privilege of stamping its eagles on a few dollars, should be much more tenacious of its rights over the more universal currency, and never again abandon its finances to the mercy of four or five hundred banks[,] independent[,] irresponsible[,] and precarious.

Second, while continuing to serve as the fiscal agent of the federal government, the national bank must assume a new regulatory authority over the nation's money supply. In order to do so, the BUS must never allow itself to be swept up in the rising tide of reckless lending that had jeopardized not only its own shareholders' investment, but that of the ascendant class of private investors who effectively owned the means of producing money in the new nation. "I believe it to be as true of a bank as of a country," Biddle wrote, "that the best security for its welfare is to let those who own it govern it."⁶

Biddle's response reflected a new kind of partnership between government and banking in providing currency and circulating credit for the burgeoning market economy. But his comments also bespoke a profound problem that the new system presented: the problem of controlling the virtually limitless supply of paper money thus created.

As the legal historian Christine Desan has shown, the rise of commercial banking and banknotes in the early United States, following a similar "financial revolution" in England roughly a century earlier, represented a momentous break with the basic way in which currency or transferable tokens of credit had been authorized and controlled for several centuries. Previously, governments had monopolized the production of coin and of credit instruments that circulated like coin because they were accepted in payment of taxes and public fees — like the "bills of credit" introduced by all of the British American colonies between the 1690s and the 1750s. After the Revolution, and especially after the Constitution of 1789, this sovereign prerogative was delegated to commercial banks, which were authorized to

⁶ Letter from Nicholas Biddle to U.S. Representative John C. Spencer (Jan. 27, 1819) (on file in the Nicholas Biddle Papers at the Library of Congress).

issue transferable private IOUs backed by fractional private reserves of gold and silver specie.⁷

The main vehicle for contracting out control over the money supply in the United States was the granting of corporate charters by state legislatures. Indeed, the decades after Independence witnessed an explosion of publicly chartered corporations deputized to manage the institutions and instruments of market exchange, particularly the means of transportation and the means of payment.⁸ Stipulations in the banks' founding charters determined the widely varying balance between public and private control. These provisions included various degrees of public ownership and direction and a range of regulations on how ownership and liability were distributed among private investors, how much discretion bank directors were granted, how much and what kind of capital banks held, and what kinds of loans they made.⁹ But whatever the terms of the public-private partnership, the financial revolution meant that management of the money supply fell to commercial banks; and the monetization of private debts meant that banks could now lend at interest their negotiable *notes* as well as their real assets.¹⁰ "The profits of [an incorporated bank] do not commence until, having loaned all its capital, it begins to loan its credit as money," as the New York journalist William Leggett, an ardent Jacksonian critic of the banking system, correctly explained.

No set of men would desire a bank charter merely to authorize them to lend their money capital at the common rate of interest; for they would have no difficulty in doing that, without a charter, and without

7 Christine Desan, *The Market as a Matter of Money: Denaturalizing Economic Currency in American Constitutional History*, 30 *LAW & SOC. INQUIRY* 1 (2005). For accounts of the English and American "financial revolutions" more generally, see, respectively, NIALL FERGUSON, *THE CASH NEXUS: MONEY AND POWER IN THE MODERN WORLD, 1700-2000* (2001); and Richard Sylla, *Shaping the US Financial System, 1690-1913: The Dominant Role of Public Finance*, in *THE STATE, THE FINANCIAL SYSTEM AND ECONOMIC MODERNIZATION* 249 (Richard Sylla et al. eds., 1999).

8 On the proliferation of chartered corporations for municipal, eleemosynary, and business purposes in the early United States, see Pauline Maier, *The Revolutionary Origins of the American Corporation*, 50 *WM. & MARY Q.* (3d Ser.) 51 (1993); JOHN LAURITZ LARSON, *INTERNAL IMPROVEMENT: NATIONAL PUBLIC WORKS AND THE PROMISE OF POPULAR GOVERNMENT IN THE EARLY UNITED STATES* (2000).

9 HOFFMAN, *supra* note 1, at 74-79.

10 "The period 1780-1860 left no more lasting legacy of policy and problems concerning money than the tradition it established of delegating to private management large discretion in determining the supply of money." JAMES WILLARD HURST, *A LEGAL HISTORY OF MONEY IN THE UNITED STATES, 1774-1970*, at 152 (1973).

incurring the heavy expense incident to banking business. *The object of a bank charter is to enable those holding it to lend their credit at interest, and to lend their credit too, to twice, and sometimes three times, the amount of their actual capital.*¹¹

The linchpin of the new paper currency was the bimetallic monetary standard, which pegged the legal value of the new national unit of account in which prices and debts were reckoned — the dollar — to the international market value of gold and silver. By contrast, the "bills of credit" issued by colonial governments and by some of the states under the Articles of Confederation had been irredeemable in specie. These earlier bills had been essentially circulating tax-credit tickets, backed by the provincial governments' acceptance of them and promise to levy taxes for which they could be used. As such, their value had depended on the terms of their issuance, the legal properties conferred upon them, and public faith in their issuing authorities. But the Constitution expressly prohibited the states from emitting bills of credit, from regulating the value of the coinage, and from "mak[ing] any thing but gold and silver coin a tender in payment of debts."¹² In 1792, Congress designated the dollar as the basic money unit and defined its value as that of a specified amount of fine gold or silver.¹³ The relatively high and stable value of the metallic standard thus, in principle, secured the value of all dollar-denominated debts, a critical function for the entire monetary system founded on the circulation of private promises to pay or banking credits.¹⁴

In practice, however, the specie standard alone proved inadequate to the task with which it was entrusted. In the United States as in England, the early nineteenth century witnessed a profound crisis of commercial banking and the specie standard that undergirded it. The Bank of England was forced to suspend specie payments for its notes from 1797 to 1821, spurred by the mounting costs of the Napoleonic Wars. American banks outside New England did likewise during the War of 1812, and they did not resume

11 William Leggett, *The Monopoly Banking System*, N.Y. EVENING POST, Dec. 1834, reprinted in 1 A COLLECTION OF THE POLITICAL WRITINGS OF WILLIAM LEGGETT 96, 99 (Theodore Sedgwick Jr. ed., New York, Taylor & Dodd 1840).

12 U.S. CONST. art. I, § 10.

13 On the monetary provisions of the Constitution, see HAMMOND, *supra* note 1, at 91-107; HURST, *supra* note 10, at 8-9.

14 On the importance in these terms of the metallic standard for the organization of the banking system in a later period, see JAMES LIVINGSTON, ORIGINS OF THE FEDERAL RESERVE SYSTEM: MONEY, CLASS, AND CORPORATE CAPITALISM, 1890-1913, at 71-125 (1986).

redemption of their notes in coin for several years after the war ended. The evident limits of the metallic standard as an automatic regulator of the supply of bank credit and currency sparked a protracted transatlantic debate, focusing on the role of the national bank in safeguarding the system — a subject on which the classical political economy of Adam Smith and co. offered little guidance. As Albert Gallatin, Secretary of the Treasury under Jefferson and Madison, later wrote, "[I]t was not apprehended [at the time of the Constitution] that bank-notes, convertible at will into specie, and which no person could be legally compelled to take in payment, would generate into pure paper money, no longer paid in specie."¹⁵ Simply put, commercial banks proved unable to control the overall supply of credit and currency they created — or rather, while they controlled the *production* of banknotes, they could not control their *circulation* or maintain their value. From the resulting concurrent conflicts surrounding the Bank of England and the Bank of the United States arose the foundations of modern monetary theory, monetary policy, and central banking.¹⁶

In the early United States, the thousands of different kinds of banknotes issued by hundreds of independent banks formed the main tributary of a torrent of paper payment instruments, from bills of exchange and warehouse receipts to postage stamps, store vouchers, and company scrip. The monetary free-for-all allowed virtually anyone with a state charter and a printing press to begin lending out notes that passed into general circulation, blurring the line between banking and fraud and spawning a booming black market in counterfeit currency.¹⁷ By the Panic of 1819, as the British banker Alexander

15 ALBERT GALLATIN, *CONSIDERATIONS ON THE CURRENCY AND BANKING SYSTEM OF THE UNITED STATES* (Philadelphia, Carey & Lea 1831), *reprinted in* 3 *THE WRITINGS OF ALBERT GALLATIN* 231, 236 (Henry Adams ed., Antiquarian Press 1960) (1879).

16 On the conflicts over the Bank of England during the so-called "Restriction era," circa 1797-1821, see GLYN DAVIES, *A HISTORY OF MONEY: FROM ANCIENT TIMES TO THE PRESENT DAY* 460-65 (1994); JOHN KENNETH GALBRAITH, *MONEY: WHENCE IT CAME, WHERE IT WENT* 53-55 (Houghton Mifflin rev. ed. 1995) (1975); David Laidler, *Bullionist Controversy*, in 1 *THE NEW PALGRAVE: A DICTIONARY OF ECONOMICS* 289, 289-93 (John Eatwell et al. eds., 1987); JOSEPH A. SCHUMPETER, *HISTORY OF ECONOMIC ANALYSIS* 688-93 (Elizabeth Moody Schumpeter ed., 1954). For a comparison of the battles over the Bank of the United States and the Bank of England in the 1830s, see HAMMOND, *supra* note 1, at 445-48.

17 For two sharp and lucid studies, see DAVID M. HENKIN, *CITY READING: WRITTEN WORDS AND PUBLIC SPACES IN ANTEBELLUM NEW YORK* 137-65 (1998); STEPHEN MIHM, *A NATION OF COUNTERFEITERS: CAPITALISTS, CON MEN, AND THE MAKING OF THE UNITED STATES* (2007).

Baring said at the time, "The system of a paper currency ha[d] been carried to a greater extent in America than in any other part of the world."¹⁸

Amid such a hodgepodge of competing currencies, the value of banknotes in practice varied widely — from place to place, from bank to bank, and from month to month, not to mention from the value of silver and gold to which the dollar was legally pegged. Banknotes circulated at a bewildering and fast-changing series of discounts from their face value, depending on the creditworthiness of their banks of issue and how far they were circulating from where they could be redeemed. Even local banknotes frequently were discounted up to 90 percent below par.¹⁹ Debts were notoriously unstable and insecure, and their paper instruments were linked to the private assets and bank credits on which they were based by the longest and thinnest of threads. With a couple of notable exceptions in New England and New York State, where state banks formed federations to regulate or insure their collective lending and note-issue, chaotic competition was the rule.

The result was a self-destructive cycle of pell-mell investment, hyper-speculation, and repeated panics when assets were liquidated and debts cleared in draconian fashion. Perhaps most importantly, the toll taken on small property-owners and workers, in the very years when they were gaining political power for the first time, generated growing political opposition to bankers' control over the money supply. In other words, the banking system played a central part in the first phase of what Karl Polanyi calls the "great transformation" of the early nineteenth century, in which the patent inability of the market economy to regulate itself — and the mounting social destructiveness of its failure — sparked rising demands for reregulation of basic social goods: labor and capital, credit and currency.²⁰

This was the central challenge that Biddle's trailblazing policies as BUS president were intended to address. "If twenty-four States require a National Government to keep them steady," Biddle wrote to William Lewis, a key ally within the Jackson Administration, "how much more do several hundred irresponsible independent Banks require the control of a National Bank?"²¹

18 HAMMOND, *supra* note 1, at 189 (quoting Alexander Baring, British Parliament, Hearings, Expediency of Resuming Cash Payments (1819)).

19 HOFFMAN, *supra* note 1, at 46.

20 KARL POLANYI, THE GREAT TRANSFORMATION 3 (1944).

21 Letter from Nicholas Biddle to William B. Lewis, Auditor, U.S. Treasury (Nov. 15, 1829) (on file in the Biddle Papers at the Library of Congress).

A. Commercial Regulation and International Law

When Nicholas Biddle became president of the Second Bank in 1823, at age 37, his sole experience in banking consisted of the four years he had spent as a government-appointed to the BUS board of directors. "Never having felt the wish to be connected with that or any other Bank," he wrote to John Spencer upon being appointed to the board, "my first intention was to decline."²² But he brought to the job unusual expertise in a related field, international law, through which he had become well acquainted with the challenge of financial regulation that faced the ascendant creditor class. More broadly, Biddle brought to bear his longtime commitment to the creation and elaboration of commercial and financial regulatory authorities.

At 18, Biddle became secretary to the new American minister to France, former Sen. John Armstrong of New York, an old friend of his father's who was taking over a top diplomatic post previously held by both Jefferson and Madison. Armstrong had gained renown as the Revolutionary War officer who wrote the "Newburgh Addresses," tying public creditors' demand for full payment from the new U.S. government to soldiers' threat to mutiny if they were not paid off as well, an infamous part of the Hamiltonian case for creating a funded national debt along with a national bank to manage it.²³ His and Biddle's main assignment was to expedite payment of claims by American merchants and their agents whose ships and cargo had been seized during the undeclared Quasi-War with France in the 1790s. Merchants like Biddle's father profited from the Napoleonic Wars between Britain and France by trading heavily with both sides, particularly with the British and French West Indies. But they lost millions of dollars to French (as well as British) "spoliations" of their property, and hundreds of competing claimants now clamored for reparation. The United States assumed responsibility for compensating its own citizens as part of the peace with France and the price of the Louisiana Purchase, setting up an American Board of Commissioners in Paris to adjudicate claims.²⁴ Armstrong's predecessor and brother-in-law, Robert Livingston, who was himself among the largest claimants, waged

22 Letter from Nicholas Biddle to John C. Spencer (Feb. 2, 1819) (on file in the Biddle Papers at the Library of Congress).

23 C. EDWARD SKEEN, JOHN ARMSTRONG, JR., 1758-1843, at 8-17 (1981).

24 See George A. King, *The French Spoliation Claims*, 6 AM. J. INT'L L. 359 (1912); CLIFFORD L. EGAN, NEITHER PEACE NOR WAR: FRANCO-AMERICAN RELATIONS, 1803-1812 (1983). For the sequel to this story, see RICHARD AUBREY MCLEMORE, THE FRENCH SPOILIATION CLAIMS, 1816-1836: A STUDY IN JACKSONIAN DIPLOMACY (1933).

a long war of letters with the board on behalf of "creditors both here and in America looking with certainty to a speedy payment," and Biddle and Armstrong energetically took up the cause.²⁵ Leading contestants in the French spoliation claims remained Biddle's clients for years after he returned to Philadelphia to practice law.

Biddle thus received a crash course in international finance, highlighting, among other things, the difficulties of collecting debts and remitting funds in the absence of any shared financial structure or international commercial law, especially in wartime; such troubles dominate much of his correspondence from this period. Debt instruments could not circulate across borders without paying a high price in exchange, and with little guarantee that promises to pay would be enforced or fulfilled. "To send specie is almost impracticable, and if it were possible the insurance is so enormous that it would sink a great proportion of the capital," as he wrote to one of his clients in Paris, the American consul David Bailie Warden, in 1812. "I have therefore looked out for bills[,] but those which are now in the market by no means satisfy me" — a common complaint.²⁶ Another consul, claimant, and client, Fulwar Skipwith, proposed establishing an American bank in Paris to handle all payments between the two countries, much as the Second Bank came to control American interregional and international exchange when Biddle was president.²⁷

The larger lesson Biddle seems to have drawn from his education abroad concerned the failure of the eighteenth-century ideal of the "law of nations," which formed the analog in international relations of the model of the self-regulating market in classical political economy. As the historians Peter Onuf and Nicholas Onuf have shown, the French Revolution and especially the rise of the French Imperium during Biddle's sojourn in Europe shattered liberal hopes that the natural laws of trade would promote a durable, harmonious "balance of power," in which each nation's pursuit of its separate interest forms the basis of peaceful commerce among all, with no need for any supervening international authority. The general suspension of the specie standard, which the architects of the financial revolution had relied on to regulate currency and credit both within and among nations — that is, what Albert Gallatin called "the catastrophe of the year 1814 which

25 WILLIAM MACLURE, *TO THE PEOPLE OF THE UNITED STATES* 15 (Philadelphia, n. pub. 1807).

26 Letter from Nicholas Biddle to David Bailie Warden (June 20, 1812) (on file in the Biddle Papers at the Library of Congress).

27 HENRY BARTHOLOMEW COX, *THE PARISIAN AMERICAN: FULWAR SKIPWITH OF VIRGINIA* 148-53 (1964).

first disclosed the insecurity of the American banking system" — signaled a broader loss of confidence in the benevolent power of the "invisible hand" guiding domestic and foreign affairs. By the end of the Napoleonic Wars in 1815, lawyers and ministers on both sides of the Atlantic agreed on the need to create a positive framework of what Jeremy Bentham dubbed "international law" to secure property and markets, contain or co-opt the revolutionary forces unleashed since 1789 and spread by Napoleon's army, and prevent the recurrence of ruinous conflicts among the commercial classes of rival nations.²⁸ So too, "National Republicans" like Madison, Monroe, and Biddle united behind a heightened commitment to large-scale, coordinated investment in the development of a national and transatlantic market, directed and regulated by financiers in league with a strong central government.

Elected to the Pennsylvania state legislature in 1810, Biddle pursued his nationalist and internationalist agenda in a state torn by sectional rivalries and increasingly dominated by "Old School" Republicans or "unreconstructed Jeffersonians" opposed to higher taxes or public debt and suspicious of moneyed interests. He promoted state sponsorship of a network of roads, canals, and river improvements designed to make Philadelphia the metropolitan capital of an agricultural empire stretching from the Great Lakes to the Gulf of Mexico, without much success. Most notably, he delivered an impassioned three-hour speech calling on Congress to recharter the First Bank of the United States in 1811, winning national attention but scant support from his colleagues in the statehouse. Boldly extending Hamilton's original arguments for creating a national bank, he hammered home the crucial need for a central authority to anchor the centrifugal sprawl of state banks and interstate commerce that had arisen in the past twenty years. As the nation appeared on the brink of war, Biddle warned Americans to stave off the turmoil that enveloped Europe by rallying around the financial guardian of their shared prosperity. "When the nerves of the whole nation should be braced and strung," he said, "are we to prepare for combat by cutting the main artery of all its resources?"²⁹

A similar spirit runs through the thousand-page history of the Lewis and Clark expedition that Biddle compiled while in the legislature. Published

28 PETER ONUF & NICHOLAS ONUF, *FEDERAL UNION, MODERN WORLD: THE LAW OF NATIONS IN AN AGE OF REVOLUTIONS, 1776-1814* (1993); GALLATIN, *supra* note 15, at 236; ERIC HOBBSBAWM, *THE AGE OF REVOLUTION, 1789-1848*, at 109 (Vintage Books 1996) (1962).

29 Pa. House of Representatives, *Debate on Mr. Holgate's Resolutions Relative to the Bank of the United States* 35 (Lancaster, William Hamilton, Second Series No. 23653, 1811) [hereinafter *Holgate's Resolutions*].

amid the last of the great Indian wars that formed the western front of the European imperial conflict, the work comprises in large part a catalog of the laws, natural resources, industries, trading posts, and imports and exports of native peoples, reflecting the expedition's primary purpose as part of the Act for Establishing Trading Houses with the Indian Tribes.³⁰ Five years later, Biddle assembled for the President and Senate an analogous digest of the commercial regulations of the nation's trading partners in Europe, primarily Britain, France, and Spain. Laying out a framework for international law at the close of the Napoleonic Wars, the book offers an encyclopedic guide to treaties and laws, coins and other currencies, weights and measures, tariffs and duties, ships and mariners, and an awesome array of multifarious commodities from all parts of the colonized globe — from Russian linens, Turkish carpets, Egyptian almonds, and Etruscan vases to scientific instruments, religious artifacts, artistic curios, and a Noah's Ark of animal bones, hides, teeth, furs, feathers, and fins — all painstakingly enumerated and reduced to standard shipping rates and exchange values. Like his chronicle of Lewis and Clark, Biddle's compendium constitutes a kind of panoptic regulatory authority in itself.³¹

B. Central Banking

The First Bank of the United States was chartered with the dual mission of creating credit and acting as the fiscal agent for the U.S. Treasury — helping the federal government to collect taxes, obtain loans and sell public lands, providing a source of government revenue from the profit on the Bank's lending, handling the national debt. The Second Bank, by contrast, was expressly empowered to regulate the money supply — that is, to act as a central bank. Whereas Hamilton's rationale for the First BUS rested on

30 In 1803, the act for establishing trading houses with the Indian tribes being about to expire, some modifications of it were recommended to Congress by a confidential message of January 18, and an extension of its views to the Indians on the Missouri. In order to prepare the way, the message proposed the sending an exploratory party to trace the Missouri to its source, to cross the Highlands, and follow the best water communication which offered itself from thence to the Pacific ocean.

Thomas Jefferson, *Life of Captain Lewis*, in LEWIS & CLARK, *supra* note 5.

31 COMMERCIAL REGULATIONS OF THE FOREIGN COUNTRIES WITH WHICH THE UNITED STATES HAVE COMMERCIAL INTERCOURSE, COLLECTED, DIGESTED AND PRINTED, UNDER THE DIRECTION OF THE PRESIDENT OF THE UNITED STATES, CONFORMABLY TO A RESOLUTION OF THE SENATE, OF THE THIRD OF MARCH, 1817 (Nicholas Biddle ed., 1819).

the federal government's Constitutional authority to levy and collect taxes and make public payments, the Congressional debate over a Second Bank in 1816 centered on Congress's power to regulate the value of the coinage — now broadly interpreted to mean the value of bank money as well. The Second Bank, as the political scientist Susan Hoffman has written, was thus "the first organization established by Congress as an economic regulator."³²

The Bank's first two presidents, however, failed to exercise the novel authority that Congress had conferred. William Jones ran the Second Bank essentially like any other profit-minded commercial bank, joining in the speculative bubble in cotton and western lands, surrendering whatever leverage the BUS might have had to rein in overheated lending and note-issue. Jones's successor, Langdon Cheves, swung the BUS violently in the opposite direction; he curtailed the Bank's lending by more than fifty percent and minimized its issuance of its own notes, while tripling its specie reserves and demanding rapid redemption of state banknotes, together triggering a deep deflationary spiral and helping to bring on the devastating panic of 1819. Jones and Cheves both arrived and departed in the space of just seven years, managing to incite swelling popular distrust of the BUS without appreciably expanding its purview or power.³³

Biddle was different. In several major ways, he transformed the BUS into the central institution governing the tumultuous growth of the market economy.³⁴ First and most basically, he gained effective control over the state banks and their creation of currency and credit. "The great object of the Bank is to control the state institutions," as he wrote to the Bank's oratorical champion, Daniel Webster.³⁵ In its capacity as the depository of federal revenues, the Second Bank continually accumulated the notes of the state banks, making it their creditor. Immediately following the Second Bank's charter in 1816, Congress legislated that all "duties, taxes, debts or sums of money" owed to the federal government must be paid "in the legal currency of the United States [i.e., gold and silver coin], or Treasury Notes, notes of the Bank of the United States, or in notes of Banks which are payable and paid on demand in the said legal currency of the United States" — a law designed to require banks to maintain the redeemability of their notes in coin in order for those notes

32 HOFFMAN, *supra* note 1, at 3, 47; cf. TIMBERLAKE, *supra* note 1, at 28.

33 HOFFMAN, *supra* note 1, at 50-52; WILENTZ, *supra* note 1, at 206-07; TIMBERLAKE, *supra* note 1, at 28.

34 On the economic influence of the bank, see especially PETER TEMIN, *THE JACKSONIAN ECONOMY* (1969).

35 Letter from Nicholas Biddle to Daniel Webster (June 28, 1831) (on file in the Biddle Papers at the Library of Congress).

to be usable for public payments.³⁶ By regularly redeeming state banknotes for specie, as few other note-holders did, the Second Bank could regulate the level of reserves in the state banks, allowing them to lend more freely or less at its discretion.

"The whole evil therefore lies in an overbanking which occasions an overtrading, and the whole remedy lies in preventing this overbanking," Biddle wrote to John White, cashier of the BUS Baltimore branch, in 1828.³⁷ He persistently directed the BUS branches to remain vigilant in this respect, maintaining their leverage over the state banks by requiring regular settlement of accounts. "It is my anxious desire to see your Office at the head of the business of N. York, and for that purpose not to suffer itself to be encumbered with State Bank balances," he instructed Campbell White, one of the directors of the New York branch, shortly after taking over as BUS president in 1823.

The practice here is this. Every morning the clerks from this Bank and the State Banks meet and interchange the notes received respectively on the preceding day. The Balances are struck accordingly — but no bank ever calculates on its Balance remaining for any length of time, and whenever it grows a little too large, no Bank ever hesitates to send for ten or fifteen or twenty thousand dollars from its debtor.³⁸

Biddle treaded carefully when commenting publicly, eager to emphasize the ways in which the Second Bank provided essential support to the state banks, yet always from a position of superiority over them. "There are very few banks which might not have been destroyed by an exertion of the [Second] bank," he told a Senate committee in 1832.³⁹

Second, Biddle greatly expanded the volume of lending and note-issue by the national bank itself.⁴⁰ Meanwhile, he focused the Bank's business on financing long-distance trade between the staple-growing regions of the South and West and the commercial cities of the mid-Atlantic seaboard. He tied the growth of both the national bank and the national economy as never before to the rising fortunes of southern cotton.⁴¹ His principal vehicle in

³⁶ 29 ANNALS OF CONGRESS 1415 (1815-16), cited in Edgar H. Adams, *Private Gold Coinage*, 45 AM. J. NUMISMATICS 129, 134 (1911) (emphasis added).

³⁷ Letter from Nicholas Biddle to John White (Mar. 3, 1828) (on file in the Biddle Papers at the Library of Congress).

³⁸ Letter from Nicholas Biddle to Campbell P. White (Feb. 3, 1823) (on file in the Biddle Papers at the Library of Congress).

³⁹ S. REP. NO. 21-104 (1st Sess. 1832), cited in TIMBERLAKE, *supra* note 1, at 39.

⁴⁰ See, e.g., Letter from Nicholas Biddle to John C. Spencer, *supra* note 6.

⁴¹ On the bank's dealings in domestic and foreign exchange, see NICHOLAS BIDDLE,

this regard was the Bank's control over the business of domestic and foreign exchange — that is, the payment of debts in one place with credits in another. By actively buying commercial paper in the developing regions of the South and West and selling it in the financial centers of the Northeast, the central bank could limit arbitrage by bill brokers, so that merchants' paper IOUs could circulate throughout the country without much loss of value. Merchants in New Orleans, for example, could trade their bills of exchange drawn on people they did business with in New York for BUS notes; the New Orleans branch of the BUS would then remit the bills of exchange drawn on New York to the New York branch, which would credit them to the New Orleans branch's account. The New Orleans branch would then have funds to its credit with the New York branch; when the BUS notes issued by the New Orleans branch found their way, after circulating through the country, to New York, they would be cashed at the New York branch and deducted from the account of the New Orleans branch there.

Because the BUS notes themselves traded at or close to par throughout the country, the BUS was effectively creating a "sound and uniform" national currency under the Bank's control, as Biddle never tired of explaining. "I consider the exchange operations of the Bank as the most useful to the community — the most safe for the Bank and the country and in truth the only resource by which the Institution can maintain a circulation universally receivable," he wrote to Pennsylvania Congressman Joseph Hemphill in January 1830.⁴² "These operations too are fortunately of the highest benefit to the community;" Biddle wrote in his 1831 report to the BUS stockholders,

they give the most direct encouragement to industry, by facilitating the purchase and interchange of all its products, they bring the producers and consumers into more immediate contact by diminishing the obstacles which separate them, and they specially adapt the Bank to the wants and interests of each section of the Union, by making it alternately a large purchaser among the sellers of bills, and a large seller among the purchasers.⁴³

REPORT OF THE PROCEEDINGS OF THE TRIENNIAL MEETING OF THE STOCKHOLDERS OF THE BANK OF THE UNITED STATES 13-18 (1831); REMINI, *supra* note 1, at 37. On the bank's ties to southern cotton, see HAMMOND, *supra* note 1, at 538; ROGER G. KENNEDY, ARCHITECTURE, MEN, WOMEN AND MONEY IN AMERICA, 1600-1860, at 266 (1985); SMITH, *supra* note 1, at 33, 39-40, 136, 272.

42 Letter from Nicholas Biddle to Joseph Hemphill (Jan. 26, 1830) (on file in the Biddle Papers at the Library of Congress).

43 BIDDLE, *supra* note 41.

Through its correspondents abroad — Baring Brothers and Co. in London, Hope and Co. in Amsterdam, Hottinguer and Co. in Paris — the Second Bank also became the leading dealer in foreign exchange.⁴⁴ This, in fact, became one of Biddle's main instruments for managing the money supply as a whole.

By maintaining its own notes roughly at par, the Bank could limit the excesses of the state banks, and keep the currency closely tethered to the specie standard — or what Biddle called "the only safe basis of a circulating medium, the precious metals and the private credits attached to them."⁴⁵ "In truth the existence of a National Bank is a question of an irredeemable paper currency or a sound circulation equivalent to specie," he wrote to his close ally William Lewis in 1829. Without the restraint of the Second Bank, he warned, "there will be no general specie payments throughout the Union and private fortunes as well as the public revenue would relapse into a state of fluctuation and instability."⁴⁶

In these ways, the Second Bank under Biddle's leadership offered a powerful corrective to the problems of self-destructive competition and overbanking. The Bank, as he saw it, could stave off dangerous crises in which the banking system and the specie standard broke down and popular distrust of the "money power" mounted. It could offset the economic consequences of a bad balance of trade, a late crop, a large disbursement of federal funds, a war, or a sudden drain of specie, smoothing out the trajectory of economic development and allowing for long-term planning. It could provide a uniform national currency for long-distance trade of American staples, and it could shore up the metallic standard.

In demonstrating that the system of bank credit money could be effectively regulated, however, Biddle also heightened the significance of the second main challenge he confronted: the challenge of defending bankers' control over the money supply in the face of escalating democratic opposition. More than any immediate issue of monetary policy, it was this fundamental problem of political economy that Biddle aimed to address as banker-in-chief.

44 SMITH, *supra* note 1, at 4.

45 Letter from Nicholas Biddle to U.S. Senator Samuel Smith (Jan. 25, 1830) (on file in the Biddle Papers at the Library of Congress).

46 Letter from Nicholas Biddle to William B. Lewis, *supra* note 21.

II. THE PROBLEM OF REPRESENTATION

"How are we served by serving men!" Biddle wrote in an 1829 poem called "Ode to Bogle." Robert Bogle, the subject of Biddle's playful tribute, was Philadelphia's first "public waiter," who transformed the position of freelance butler and chef into a kind of public office for the city's small black elite. As the ultimate arbiter of social conduct at every major life event from baptisms to weddings to funerals, Biddle wryly suggested, Bogle assumed a godlike authority over those he supposedly served. "Thou social Fabius!" Biddle wrote, recalling the Roman general and dictator famous for waiting out the enemy, "None else has found the happy chance, / By always waiting, to advance." By acting as the selfless agent of others, Bogle became for Biddle an ironic exemplar of disinterested public service:

When parties rage, on thee they call
Who seek'st no office in the State,
Content, while others push — to wait.⁴⁷

Partly a tongue-in-cheek comment on the rising power of "serving men" in the age of Jackson, "Ode to Bogle" was also a reflection on Biddle's own capacious authority as the nation's chief "public banker" — an office that he largely defined. Like the butler, the banker was supposed to be a faithful servant, advancing others' interests rather than his own. But Biddle had likewise converted this subordinate role into a position of preeminence over all who depended on his services as the ostensibly dispassionate mediator of monetary affairs. Therein lay a critical ideological problem concerning the peculiar power not only of bankers, but of the currency and credit they controlled — of money itself as the ultimate servant turned master of the market economy. In seeking to justify the ostensibly apolitical authority of banks in general and the central bank in particular, Biddle offered critical, implicit support for the depoliticization of bank money and of the financial as well as commercial relations it made possible.

Pervasive questions about reliable representation in early America reflected efforts to come to terms with the changing nature of political and economic power, particularly the power of finance and banking. But related concerns shaped popular discourse on religion, science, and philosophy, on

⁴⁷ NICHOLAS BIDDLE, VERSES BY NICHOLAS BIDDLE 3, 9 (Philadelphia, n. pub. 1889). On Robert Bogle and the profession of public waiter, see W.E.B. DU BOIS, THE PHILADELPHIA NEGRO: A SOCIAL STUDY 33-35 (Univ. of Pa. Press 1996) (1899).

fashion, manners, and self-presentation, on art, architecture, and literature.⁴⁸ What or whom bankers and bank money really represented became the most hotly contested question in American politics during Biddle's career. On one level, of course, they represented the rise of the market as a power unto itself, beyond a place, process, or principle, as the historian Jean-Christophe Agnew has written.⁴⁹ The market's visible hand appeared in the multiplying congregation of so-called "middle men" since the seventeenth century: in the agents, bankers, brokers, factors, lawyers, managers, and merchants who stood between buyers and sellers, creditors and debtors, and employers and employees, and in the bills, bonds, checks, deposits, drafts, and notes that increasingly mediated market relations.⁵⁰ Contemporary observers generally presumed that the rise of the "middleman economy" reflected the growth of the "real economy" of land, labor, and goods on which it was based.⁵¹ But the widening gap between the network of financial instruments and intermediaries, on the one hand, and the market in material goods and services, on the other, provoked growing debate over the role of the multifold means of payment in regulating as well as reflecting economic activity.⁵²

At the same time, the state banking system represented the emergence of a constitutional order founded on the union of private property and popular sovereignty.⁵³ Representative government arose in tandem with the

48 On the affinities between political representation and popular science in the eighteenth century, see JAMES DELBOURGO, *A MOST AMAZING SCENE OF WONDERS: ELECTRICITY AND ENLIGHTENMENT IN EARLY AMERICA* 129-64 (2006) (discussing "electrical politics and political electricity"). On the problem of representation in nineteenth-century middle-class fashion and etiquette, see KAREN HALTTUNEN, *CONFIDENCE MEN AND PAINTED WOMEN: A STUDY OF MIDDLE-CLASS CULTURE IN AMERICA, 1830-1870* (1982). On questions of literary representation, see *infra* note 73 and accompanying text.

49 JEAN-CHRISTOPHE AGNEW, *WORLDS APART: THE MARKET AND THE THEATER IN ANGLO-AMERICAN THOUGHT, 1550-1750*, at 17-56 (1986).

50 On the rise of the "middleman economy," see JAMES STEVEN ROGERS, *THE EARLY HISTORY OF THE LAW OF BILLS AND NOTES: A STUDY OF THE ORIGINS OF ANGLO-AMERICAN COMMERCIAL LAW* 101-03 (1995).

51 SCHUMPETER, *supra* note 16, at 277, 282; D. Foley, *Money in Economic Activity*, in *THE NEW PALGRAVE: A DICTIONARY OF ECONOMICS*, *supra* note 16, at 519-25.

52 I borrow the terms, "regulate" and "reflect" from Foley, *supra* note 51. On seventeenth-century discussions of the relationship between the money supply and economic activity, see ROGER E. BACKHOUSE, *THE ORDINARY BUSINESS OF LIFE: A HISTORY OF ECONOMICS FROM THE ANCIENT WORLD TO THE TWENTY-FIRST CENTURY* 77-87 (2002); Joyce Appleby, *Locke, Liberalism and the Natural Law of Money*, 71 *PAST & PRESENT* 43 (1976).

53 On money as a "complex of jural relations" that "distributes and legitimates the power that configures a constitutional order," see Desan, *supra* note 7, at 41. On

middleman economy, based on a parallel principle of delegated authority. As a nineteenth-century currency reformer put it, "Money is as much the representative of the property of the people, as the legislature are the representatives of their constituents."⁵⁴ The rising power of elected legislators paralleled the increasing autonomy of moneylenders and the liquidity of their written IOUs, sparking similar debate.⁵⁵ Government-authorized paper money derived from the partnership of political representation and fiduciary responsibility variously entailed in the founding of the Bank of England and the introduction of colonial bills of credit at the end of the seventeenth century. Thereafter, from the ascendance of the provincial assemblies to the framing of the Constitution to the advent of American party politics, conflicts over currency came to the fore within broader struggles over representation.⁵⁶

Representation in this sense originated as a distinctively modern means of legitimating sovereign prerogative, deriving from the legal authority of agents such as procurators, attorneys, and ambassadors vested with "full power" to make binding financial arrangements and agreements in other people's names.⁵⁷ In political and economic theory,

the bond between private property and popular sovereignty in the new nation, see JEFFREY SKLANSKY, *THE SOUL'S ECONOMY: MARKET SOCIETY AND SELFHOOD IN AMERICAN THOUGHT, 1820-1920*, at 13-31 (2002).

54 EDWARD KELLOGG, *LABOR AND OTHER CAPITAL: THE RIGHTS OF EACH SECURED AND THE WRONGS OF BOTH ERADICATED*, at xxxv (New York, Edward Kellogg 1849).

55 On the rise of representative government, see EDMUND S. MORGAN, *INVENTING THE PEOPLE: THE RISE OF POPULAR SOVEREIGNTY IN ENGLAND AND AMERICA* (1988); J.R. POLE, *POLITICAL REPRESENTATION IN ENGLAND AND THE ORIGINS OF THE AMERICAN REPUBLIC* (1966). On the meaning of representation more generally with reference to political theory, see HANNAH FENICHEL PITKIN, *THE CONCEPT OF REPRESENTATION* (1967).

56 See MARGARET ELLEN NEWELL, *FROM DEPENDENCY TO INDEPENDENCE: ECONOMIC REVOLUTION IN COLONIAL NEW ENGLAND* 127-42, 181-213 (1998); MICHAEL WARNER, *THE LETTERS OF THE REPUBLIC: PUBLICATION AND THE PUBLIC SPHERE IN EIGHTEENTH-CENTURY AMERICA* 43-49, 62-63 (1990).

57 PITKIN, *supra* note 55, at 35, 85; MORGAN, *supra* note 55, at 39; POLE, *supra* note 55, at 4-5; GAINES POST, *STUDIES IN MEDIEVAL LEGAL THOUGHT: PUBLIC LAW AND THE STATE, 1100-1322*, at 91-162 (1964). The classic formulation of representative government thus comes from Thomas Hobbes:

A Common-wealth is said to be *Instituted*, when a *Multitude* of men do Agree, and *Covenant, every one, with every one*, that to whatsoever *Man, or Assembly of Men*, shall be given by the major part, the *Right to Present* the Person of them all, (that is to say, to be their *Representative*;) every one . . . shall Authorise all the Actions and Judgements of that Man, or Assembly of men, in the same manner, as if they were his own . . .

THOMAS HOBBS, *LEVIATHAN: AUTHORITATIVE TEXT, BACKGROUNDS,*

proper representation transmuted competing interests into the common good — whether by marshalling an assembly of locally elected delegates into a truly national government or by synthesizing a multitude of individual transactions into a common market valuation.⁵⁸ Conversely, danger lay in the potential for representatives to pursue their personal interests in place of those they were supposed to serve, in a political economy ostensibly predicated upon reliable representation. Aristotle and the Greek historian Polybius described this fateful liability as the corruption of the body politic. Their republican followers in England and America applied the metaphor of corruption to the modern merger of finance and government. They drew on Aristotle's related warning against the tendency of money, the quintessential representative of the bond between economic value and political sovereignty, to become an end rather than a means, or a self-serving "money power" rather than a subservient medium of exchange.⁵⁹

Heightened concern about breaches of trust by officials of publicly chartered banks and joint-stock companies drove the development of the modern law of embezzlement in the eighteenth and early nineteenth centuries.⁶⁰ More broadly, debates over the expanding military- financial complex of the British Empire focused on the danger of corruption, the breakdown or betrayal of proper representation due to the conflation of public service and private profit. The archetypal tale of the benevolent sovereign betrayed by self-serving ministers emboldened American colonists in the years before the Revolution, and similar apprehension animated the constitutional conflicts in the new United States in the 1780s and 1790s, when

INTERPRETATIONS 96 (Richard E. Flathman & David Johnston eds., W.W. Norton 1997) (1651).

58 On earlier discussions of the affinity between common market valuation and legislative representation, see JOEL KAYE, *ECONOMY AND NATURE IN THE FOURTEENTH CENTURY: MONEY, MARKET EXCHANGE, AND THE EMERGENCE OF SCIENTIFIC THOUGHT* 73, 153 (1998).

59 See ARISTOTLE, *POLITICS*, chs. 9 & 10. *But cf.* 5 ARISTOTLE, *NICHOMACHEAN ETHICS* chs. 3-5. On Aristotle's ideas about money and their influence in European economic thought, see BACKHOUSE, *supra* note 52, at 20-24, 43-46; KAYE, *supra* note 58. On the Anglo-American discourse of corruption, see Isaac Kramnick, *Corruption in Eighteenth-Century English and American Political Discourse*, in *VIRTUE, CORRUPTION, AND SELF-INTEREST: POLITICAL VALUES IN THE EIGHTEENTH CENTURY* 55 (Richard K. Matthews ed., 1994).

60 JEROME HALL, *THEFT, LAW AND SOCIETY* 35-40, 65-69 (Bobbs-Merrill Co. 2d ed. 1935). Hall notes that in regard to embezzlement, "American states in the post-revolutionary period and in the early nineteenth century were following the English statutes and decisions almost to the letter." *Id.* at 62.

English models of "virtual representation" and public finance faced lasting resistance for analogous reasons.⁶¹ Perhaps the most vivid expression of what economists delicately call the "principal-agent problem" appeared in the tragic struggle between creature and creator in Mary Shelley's *Frankenstein* (1818), written amid mounting class strife in Regency England. On both sides of the Atlantic and across the yawning political divide, the novel inspired widespread appropriation of the "monster" metaphor in the climactic 1830s, conjuring opposing fears of mindless labor and heartless capital, or the mob and the "monster bank."⁶²

A. Middlemen and Popular Politics

Conceived as the betrayal of rightful representation, corruption became the main rhetorical rubric under which eighteenth- and nineteenth-century Americans articulated criticisms of political and economic power in general, of corporations in particular, and of banks most of all. Nowhere was the rhetoric of corruption more heated and the banking question more fiercely fought than in Biddle's Pennsylvania, the stronghold of both finance and democratic radicalism in the early republic.⁶³

61 On the American colonists' increasingly strained efforts to attribute their oppression to the king's ministers rather than the king or monarchy itself, see RICHARD BUSHMAN, *KING AND PEOPLE IN PROVINCIAL MASSACHUSETTS* 190-98, 218-26 (1985). On the repudiation of "virtual representation" in Revolutionary America, see MORGAN, *supra* note 55, at 240-44; GORDON S. WOOD, *THE CREATION OF THE AMERICAN REPUBLIC, 1776-1787*, at 173-81 (1969). On American opposition to the English/Hamiltonian system of public finance, see Michael Merrill, *The Anticapitalist Origins of the United States*, 13 *REV.: J. FERNAND BRAUDEL CENTER* 465 (1990).

62 Maurice Hindle, *Introduction to MARY SHELLEY, FRANKENSTEIN, OR THE MODERN PROMETHEUS*, at xlv-xlv (Maurice Hindle ed., Penguin Books 2003) (1818). For a recent application of the neoclassical economic framework of the "principal-agent problem" to the politics of finance in the early American republic, see ROBERT E. WRIGHT, *HAMILTON UNBOUND: FINANCE AND THE CREATION OF THE AMERICAN REPUBLIC* 59-88 (2002).

63 On the rhetoric of corruption in Pennsylvania and the new nation more generally, see John M. Murrin, *Escaping Perfidious Albion: Federalism, Fear of Aristocracy, and the Democratization of Corruption in Postrevolutionary America*, in *VIRTUE, CORRUPTION, AND SELF-INTEREST: POLITICAL VALUES IN THE EIGHTEENTH CENTURY*, *supra* note 59, at 103. On the common concern with corruption on both sides of the Bank War, see Major L. Wilson, *The "Country" Versus the "Court": A Republican Consensus and Party Debate in the Bank War*, 15 *J. HIST. EARLY REPUBLIC* 619 (1995). The concept has enjoyed a revival in recent decades among social scientists studying economic development in the former Third World, who

On the one hand, as the new nation's financial as well as political capital, Philadelphia had America's "first Wall Street," home to the Bank of Pennsylvania and the Bank of North America — the first two American banks — as well as the First and Second Banks of the United States.⁶⁴ Its unique combination of capital and political power made possible the state's explosive proliferation of business corporations — from just one prior to the American Revolution to more than two thousand businesses individually chartered by the Pennsylvania Legislature between 1790 and 1860.⁶⁵ There as elsewhere in the early republic, the general practice of requiring a special statute from the legislature for a corporate charter before the 1830s, establishing each company's constitution and bylaws, signified a closer identification between government and corporate enterprise in this period than in England, where joint-stock companies formed by private agreement predominated.

In Pennsylvania, such special charters commonly required corporations for banking and transportation to provide loans or bonuses to the state government, and many were "mixed corporations" owned jointly by the state and private investors, like the Second Bank of the United States after it lost its federal charter and was reorganized under a state charter in 1835.⁶⁶ At the same time, however, business corporations in Pennsylvania, as throughout the nation, gained increasing autonomy during Biddle's lifetime, as state and federal courts moved to grant them private property rights that the governments that chartered them could not abrogate and to recognize them as legal agents similar to private individuals. Thus by the 1830s, Biddle's bank — the nation's biggest corporation as well as largest bank, as previously noted — operated in legal respects much like a wholly privately owned corporation responsible to its investors.⁶⁷

On the other hand, Pennsylvania's uniquely democratic state constitution

generally conceive corruption as a problem of state interference in the free market. For an example of how such scholars are reclaiming the history of corruption in early America, see John Joseph Wallis, *The Concept of Systematic Corruption in American History*, in *CORRUPTION AND REFORM: LESSONS FROM AMERICA'S ECONOMIC HISTORY* 23 (Edward L. Glaeser & Claudia Goldin eds., 2006).

⁶⁴ WRIGHT, *supra* note 62, at 3.

⁶⁵ LOUIS HARTZ, *ECONOMIC POLICY AND DEMOCRATIC THOUGHT: PENNSYLVANIA, 1776-1860*, at 46 (1948). On the general spread of incorporation for municipal, eleemosynary, and business purposes in the early republic, see Maier, *supra* note 8.

⁶⁶ JAMES WILLARD HURST, *THE LEGITIMACY OF THE BUSINESS CORPORATION IN THE LAW OF THE UNITED STATES, 1780-1970*, at 15-16 (1970); HARTZ, *supra* note 65, at 46, 55, 82.

⁶⁷ SCOTT R. BOWMAN, *THE MODERN CORPORATION AND AMERICAN POLITICAL THOUGHT: LAW, POWER, AND IDEOLOGY* 43-46, 49 (1996).

of 1790 enfranchised all taxpayers, made all important public offices elective and abolished property qualifications for them, and provided the platform for a political alliance of Philadelphia artisans and western farmers that gained control of the state government during the presidency of Thomas Jefferson.⁶⁸ "Pennsylvania became to them the most spectacular proof in world history that ordinary people could govern themselves without depending upon an elite based on birth and wealth," as the historian John Murrin has written, inspiring militant opposition to any sign of a "new aristocracy or ruling class."⁶⁹

The legal profession, which supplied a large share of the new nation's political elite and was especially well-established in Philadelphia, formed a natural target for radical Democrats. Although there were popular campaigns against the bench and bar in many places after the Revolution, only in Georgia and Pennsylvania did such opposition mobilize a sweeping and sustained political movement for fundamental reform. Tainted by their association with the English Inns of Court and their unpopularity in collecting debts and enforcing contracts, lawyers were charged by Pennsylvania Democrats with the cardinal sin of corruption. "In the demagogic idiom," writes the historian Gary Nash, "they were parasitical and superfluous agents who had arrogated an important democratic function — the administration of justice." Just when Biddle was beginning his legal career, the ascendant farmer-labor bloc began agitating in earnest — and with considerable success — to render the judiciary responsible to the electorate, expand the jurisdiction of lay justices of the peace, replace lawyers with lay arbitrators in civil actions, codify the criminal law and simplify court procedures, and reduce as much as possible the requirements for admission to the bar or even eliminate the bar outright. The goal, shared by similar movements in revolutionary England and France, was to minimize the role of legal institutions and intermediaries, allowing litigants to settle disputes themselves.⁷⁰

A similar suspicion of delegated authority propelled the growing opposition to corporate charters, which became a major theme of radical Democrats in Pennsylvania. Part public utility, part private property, specially chartered business corporations appeared to the growing ranks of their opponents to occupy an illegitimate middle ground between individual

68 Helen L. Sumner, *Citizenship*, in 1 HISTORY OF LABOUR IN THE UNITED STATES 167, 176-77 (John L. Commons et al. eds., 1918); WILENTZ, *supra* note 1, at 211-12; MICHAEL BURRAGE, REVOLUTION AND THE MAKING OF THE CONTEMPORARY LEGAL PROFESSION 231 (2006).

69 Murrin, *supra* note 63, at 104.

70 Gary Nash, *The Philadelphia Bench and Bar, 1800-1861*, 7 COMP. STUD. SOC'Y & HIST. 208, 214 (1965); BURRAGE, *supra* note 68, at 226-28, 231, 247-49, 252, 257.

liberty and collective authority. They appropriated sovereign prerogatives such as eminent domain and taxation properly reserved to "the people" as a whole, even as they encroached on the equal rights of those without a charter, setting up exclusive franchises charging monopoly prices.⁷¹

Like other corporations, state banks as well as the national bank were thus widely accused of serving the private interest of their investors at the expense of the public interest they were meant to uphold. But banks posed a special problem of representation for radical Democrats because they stood not only between the state and its citizens, but between creditors and debtors, producers and consumers, inevitably tending to subvert the interests of both sides of the market exchanges they mediated. Unlike other financial intermediaries such as insurance companies and mutual aid societies, banks actually *created* money instead of simply pooling and channeling it, thereby apparently claiming a unique and irresponsible authority over all other market actors. In the words of the Jacksonian journalist William Leggett, the financier who purported to serve both government and capital was in fact "a usurper in the disguise of a benefactor; an agent exercising privileges which his principal never possessed."⁷²

Antibank writers like Leggett shared a literary logic that identified honest representation in politics and economics with faithful representation in literature and art. These two meanings of representation — "acting for" and "standing for," as the philosopher Hannah Pitkin has labeled them — were tightly entwined as the subject of intense interest in the early American republic. Representative government and "plaindealing" were commonly presumed to entail plain language and "plain speech"; conversely, political corruption and financial fraud arose arm-in-arm with artistic pretension and artifice.⁷³ Just as a play, poem, or novel should frankly express the transcendent

71 HARTZ, *supra* note 65, at 72-73.

72 A COLLECTION OF THE POLITICAL WRITINGS OF WILLIAM LEGGETT, *supra* note 11, at 110. Consider the Frankenstein-like overtones in Jackson's famous vow, "The Bank is trying to kill me, but I will kill it!"

73 PITKIN, *supra* note 55, at 59 & *passim*. On the dual discourse of literary and political representation in the early republic, see KENNETH CMIEL, *DEMOCRATIC ELOQUENCE: THE FIGHT OVER POPULAR SPEECH IN NINETEENTH-CENTURY AMERICA* (1990); JAY FLIEGELMAN, *DECLARING INDEPENDENCE: JEFFERSON, NATURAL LANGUAGE, AND THE CULTURE OF PERFORMANCE* (1993); THOMAS GUSTAFSON, *REPRESENTATIVE WORDS: POLITICS, LITERATURE, AND THE AMERICAN LANGUAGE, 1776-1865* (1992); CHRISTOPHER LOOBY, *VOICING AMERICA: LANGUAGE, LITERARY FORM, AND THE ORIGINS OF THE UNITED STATES* (1996); WARNER, *supra* note 56; LARZER ZIFF, *WRITING IN THE NEW NATION: PROSE, PRINT, AND POLITICS IN THE EARLY UNITED STATES* (1991).

moral principles on which it was based, Jacksonian writers suggested, so the movements of investment and income, prices and wages, currency and credit, must reliably reflect the work and wealth from which market exchange naturally flowed.

The close connection between the political economy and the art and literature of the early republic gave moral force and popular appeal to democratic criticisms of finance and banking. No one responded more creatively to that ideological challenge than Biddle, turning the rhetoric of corruption back on its Jacksonian exponents.

B. Melancholy and Neoclassicism

Along with his legal and legislative experience, Biddle brought to the Second Bank a reputation as a man of letters dating back to his renowned travels in the Mediterranean twenty years earlier. "Alas!" he mused in a whimsical poem upon becoming president,

had the ancients, who so much surpass us,
In their pure golden age, fixed a *bank* on Parnassus,
What a model of wisdom and pleasure to follow!
Only think now — to sign one's bank-notes like Apollo!

"Enclosed in my vast marble tomb," as he called the Second Bank's new headquarters, modeled on the Parthenon, he pictured himself "Mid vaults of damp stone and huge chests of cold iron, / That would quell all the fancy of Shakespeare or Byron."⁷⁴ But the obituary for his youthful passions proved premature.

Art and finance, after all, had competed for Biddle's attention long before he brought them together in his grand temple for moneychangers. So too, he knew from long personal experience the distance between the power and glory of the ancients and the disreputable role of the middleman in modern society, a breach he aimed to bridge on Chestnut Street.

Many years earlier, when Biddle returned from college to study law with his brother in Philadelphia, he joined a local society clustered around the first

⁷⁴ BIDDLE, *supra* note 47, at 11-14; *cf.* Horace Walpole's sardonic comment on the rising political importance of finance in eighteenth-century England: "How such systems would have perplexed the elegance of the Greek and Roman historians! What eloquent periods could they have formed, encumbered with three per cents, discounts, premiums, South Sea annuities and East Indian bonds!" Joseph M. Levine, *Why Neoclassicism? Politics and Culture in Eighteenth-Century England*, 25 BRIT. J. FOR 18TH CENTURY STUD. 75, 87 (2002) (quoting Horace Walpole).

national literary weekly in the United States, the *Port Folio*, which wedded love of belles-lettres to contempt for the democratic politics and commercial spirit of Jeffersonian America. He formed a lasting association with the journal's archconservative editor, Joseph Dennie, who lamented the fall of the likes of Marie Antoinette at the hands of "chimney sweepers and butchers."⁷⁵ Biddle also contributed a couple of revealing essays in "mock criticism," as the editor called it — one poking fun at the pseudo-military "manœuvres" and "reconnoitring" of "valourous knights" and "damsels" at a tea party; another satirically critiquing "Jack and Gill" as an epic tale of heroism worthy of Greek tragedy, illustrating the "fall of men" and "instability of all things." Like his later comic verses, these pieces ridicule the humdrum routines of post-Revolutionary society by contrast to classical ideals, parodying melodramatic efforts to find the workings of great moral forces within the everyday affairs of ordinary people — the favored mode of agrarian and laborite political discourse.⁷⁶

The ironic detachment and ennui that Biddle affected in these youthful writings bespoke a budding patrician sensibility, as did the copious classical allusions. At Princeton he had excelled in Latin and Greek, deeming the ancient languages essential, as he wrote at the time, for "those who intend to move in a higher sphere."⁷⁷ His studied balance of alienation and ambition found full expression in the travel journal he kept of his grand tour of southern Europe, patterned after the Roman poet Horace. "I look from my window so coolly on the noise of Trieste that I seem like one of Plato's wise men who sees the vanity of the shadows which deceive the people in the hole," he wrote, savoring his distance from friends, family, and fellow Americans. "It may perhaps be an unsocial principle," he observed, "but knowledge is doubly valuable when it is exclusive." As one of the first of many Americans to visit Greece in the early nineteenth century, he felt himself heir to the valor of the Roman Cicero, whom he read as he roamed the ruins. But he deplored the squalor and servitude of the modern Greeks under Turkish rule. He prayed for

75 ELLIS PAXSON OBERHOLTZER, *THE LITERARY HISTORY OF PHILADELPHIA 172* (1906). On Dennie and the *Port Folio*, see Harold Milton Ellis, *Joseph Dennie and His Circle: A Study in American Literature from 1792 to 1812*, 40 *BULL. U. TEX.* 135 (1915); Michael T. Gilmore, *The Literature of the Revolutionary and Early National Periods*, in 1 *THE CAMBRIDGE HISTORY OF AMERICAN LITERATURE* 539, 567-68 (Sacvan Bercovitch ed., 1994); OBERHOLTZER, *supra*, at 168-88.

76 Nicholas Biddle, *Untitled*, 4 *PORT FOLIO* 1 (1804).

77 GOVAN, *supra* note 2, at 7.

their deliverance, perhaps with foreign assistance, at the hands of the "higher classes" who still remembered their long-lost glory.⁷⁸

Biddle's response to the stirrings of the Greek Revolution set the pattern for the Napoleonic nationalism that became his signature: embracing the republican spirit of the age of revolution while finding its exemplars not in the common people themselves, but in the enlightened emancipators who sought to lead in their name, much like Washington and Jefferson. In Athens, he dedicated himself to the career of a classical orator and statesman. "To govern men, and particularly by means of eloquence[,] seems to me the object most worthy of ambition in a free Government. It is the avenue which leads to glory," he wrote. "Yet much, very much is to be done in order to acquire glory. The routine of [an] attorney, pleading, is beneath imitation."⁷⁹

The routine of an attorney proved lucrative enough on his return to Philadelphia in 1807, but Biddle longed to find a higher calling in his career. In a letter to his friend and fellow lawyer Benjamin Rush, he rejoiced at the widening purview of the American legal profession, reaching far beyond litigation, mediation, and law enforcement. "There has in fact been reproduced here a state of things which has scarcely any example since the best days of Rome, when the citizen accomplished in every branch of science passed from the forum to the highest duties of war[,] of religion[,] or of civil magistracy," Biddle wrote, "and if our bar would only cultivate more deeply the severer studies they might realize what their great model asserts of the Roman orators: '*non solum ut de jure civili ad eos verum etiam de omni aut officio aut negotio referratur.*'" That is, lawyers who trained broadly in rhetoric, composition, literature, history, and politics might attain the singular stature of those whom Cicero, in the passage that Biddle loosely quoted, said citizens would "consult [not only] on points of law but also about marrying off a daughter, buying a farm, tilling their estates, and in short every sort of liability or business." In answering the pressing need of their countrymen for wise counsel in the broadest sense, Biddle wrote, lawyers could represent not merely the narrow interests of their clients, but the common standards and sympathies of the nation as a whole. They could "twine together the scattered cords which should bind us to the country" and "build up a system of national opinions."⁸⁰ Though he later transferred its

78 NICHOLAS BIDDLE, *NICHOLAS BIDDLE IN GREECE: THE JOURNALS AND LETTERS OF 1806*, at 50-51, 208, 225 (R.A. McNeal ed., 1993).

79 *Id.* at 179.

80 Letter from Nicholas Biddle to U.S. Attorney General Richard Rush (Oct. 13, 1815) (on file in the Biddle Papers at the Library of Congress); MARCUS TULLIUS CICERO, *DE ORATORE* 104-05 (E.W. Sutton trans., Harvard Univ. Press 1942).

locus from the practice of law to that of central banking, his Ciceronian ideal stayed the same.

Over the next ten years, however, he pursued the role of oracle of public opinion in a literary direction. He became a regular contributor of essays, sketches, poems, and reviews for the *Port Folio* magazine and took over as editor when Joseph Dennie died in 1812. He remade the journal as a platform for the kind of impassioned patriotism he associated with classical oratory, cleansed of Dennie's penchant for partisan attacks — "a *national* work," as he called it, devoted to "the literary splendour of the country at large." Not "cold and prudent calculation" but "kindred feelings" must bind Americans in common cause, he told his readers on the eve of the War of 1812, calling for poetry and song to "make us not merely know, but feel that we have a country."⁸¹

Biddle's dominant mode of expression, as it emerged in these years and remained for the rest of his life, recalled the blend of disdain and determination in his earlier essays, bewailing the loneliness of the modern "philosophical statesman" amid the ashes of his ancient forebears, while heralding the dawn of a new Athens or Rome.⁸² Since the time when he gazed at the Athenian ruins and reflected "with a melancholy satisfaction that we [Americans] may one day be as great and as miserable" as the Greeks, "melancholy" seems to have been Biddle's favorite word, ritually invoked on public occasions.⁸³ Like other self-styled aristocrats in revolutionary Europe and America, he embraced the Aristotelian notion of melancholy as a mark of genius, identifying the natural nobility in a time of social upheaval. He cultivated the character of the gentleman of feeling who takes upon himself the suffering of a strife-torn world, manifested in effusive despair and foreboding.⁸⁴ So in an 1811 Fourth of July oration he surveyed the desolated kingdoms of wartime Europe and prophesied a similar fate for the American republic, now in its "golden age."⁸⁵ And so in an 1835 commencement address he recalled seeing Napoleon crowned emperor in Paris, only to end up exiled

81 Nicholas Biddle, *To Readers and Correspondents*, 7 PORT FOLIO 194, 194 (1812); Nicholas Biddle, *To Readers and Correspondents*, 1 PORT FOLIO 634, 634 (1813).

82 "Philosophical statesman" is from NICHOLAS BIDDLE, EULOGIUM ON THOMAS JEFFERSON, DELIVERED BEFORE THE AMERICAN PHILOSOPHICAL SOCIETY, ON THE ELEVENTH DAY OF APRIL 1827, at 44 (Philadelphia, Robert H. Small 1827).

83 BIDDLE, *supra* note 78, at 195.

84 See WOLF LEPENIES, MELANCHOLY AND SOCIETY 31-39 (Jeremy Gaines & Doris Jones trans., Harvard Univ. Press 1992); *Introduction* to THE NATURE OF MELANCHOLY: FROM ARISTOTLE TO KRISTEVA 3, 12-13, 15 (Jennifer Radden ed., 2000).

85 NICHOLAS BIDDLE, ORATION DELIVERED BEFORE THE PENNSYLVANIA STATE SOCIETY

and alone — "the great moral lesson of our age," as he said, perhaps more prophetically than he realized.⁸⁶ Seen from this plaintive perspective, the very evanescence of paper wealth and fragility of fortune in the new financial order seemed sublimely in tune with the eternal cycle of creation and destruction depicted in Thomas Cole's celebrated series of landscape paintings, "The Course of Empire" (1834-36), in which the Second Bank building figures prominently.⁸⁷

Elegy and epic came powerfully together in Biddle's nationalist history of the Lewis and Clark expedition, tracing the destiny of the new nation from Athens to Oregon. Commissioned in 1810 to edit the journals that the commanders had kept of their journey, he completely reworked the chronicle, adding extensive material based on his own interviews, correspondence, and study of related reports. His *History of the Expedition of Captains Lewis and Clark* (1814) helped to establish the conventions for later western adventure stories and narratives of exploration.⁸⁸ Submerging the personal conflicts and courts-martial, the confusion, disarray, and disease of the original Corps of Discovery, he fashioned a seamless narrative whose genteel prose generally bore faint resemblance to the raw material. Though it was William Clark who hired him as editor, Biddle's style more closely approximated that of Meriwether Lewis, whose often world-weary, soul-searching journal resembled Biddle's own travel account from the same years.

The most striking way in which Biddle wedded commemoration of past causes to consecration of new ones appeared in his long campaign to create modern antiquities, lasting monuments of his own era comparable to those of classical Greece and Rome. "They will exist long after the republic is in ashes," he said of such relics in 1811, calling for the construction

OF CINCINNATI, ON THE FOURTH OF JULY, MDCCCXI, at 14 (Philadelphia, C. & A. Conrad & Co. 1811).

86 NICHOLAS BIDDLE, AN ADDRESS DELIVERED BEFORE THE ALUMNI ASSOCIATION OF NASSAU-HALL, ON THE DAY OF THE ANNUAL COMMENCEMENT OF THE COLLEGE OF NEW-JERSEY, SEPTEMBER 30, 1835, at 7 (Princeton, R.E. Hornor 1835).

87 Thanks to David Schorr for his comments on the connections between Biddle and Cole.

88 LEWIS & CLARK, *supra* note 5. On Biddle's contribution, see Gunther Barth, *Timeless Journals: Reading Lewis and Clark with Nicholas Biddle's Help*, 63 PAC. HIST. REV. 499 (1994). On the literary and cultural significance of Biddle's history, see BRUCE GREENFIELD, NARRATING DISCOVERY: THE ROMANTIC EXPLORER IN AMERICAN LITERATURE, 1790-1855, at 71-81, 84-101 (1992); LITERARY HISTORY OF THE UNITED STATES 763 (Robert E. Spiller et al. eds., 1948) (calling it "one of the great travel narratives of the world").

of a memorial to George Washington.⁸⁹ They would endure "unmoved by all the revolutions of the changing world," he said in 1833, dedicating the cornerstone of Girard College in Philadelphia as president of its board of trustees.⁹⁰ Presiding over the nation's financial order from his "marble tomb," Biddle looked forward to the ruins of his own realm. Freed from the political fray in which the bank was born, its bleached remains might finally attain the Olympian authority for which it stood.

Greco-Roman classicism formed a keynote of Biddle's career, joining poetry, politics, and his romantic vision of the banker as statesman and sage. The vogue of neoclassical art and rhetoric in the new United States reflected in part the Janus face of merchant-gentry families like his and their planter-class cousins, perched precariously atop the tide of revolution. Courtly in style and self-image, aggressively entrepreneurial in business, bankers and planters alike looked to antiquity as both a surrogate pedigree and a testament to their republican allegiance.⁹¹ Perhaps the "premier Grecophile of his era," as art historians have suggested, Biddle brought this unstable compound of aristocratic and bourgeois elements to the system of early American banking, with its combination of public service and private profit.⁹²

Designed by his friend William Strickland with Biddle's approval, the stone frame of the Second Bank in Philadelphia fittingly became the most illustrious example of the Greek revival that swept American architecture under the bank's twenty-year tutelage. It was rivaled only by the marble colonnade Biddle had built around his country house at Andalusia, modeled on the Temple of Theseus, and by Girard College, whose prototypically Doric

⁸⁹ BIDDLE, *supra* note 85, at 22.

⁹⁰ THOMAS USTICK WALTER, NICHOLAS BIDDLE & JOSEPH R. CHANDLER, A DESCRIPTION OF THE GIRARD COLLEGE FOR ORPHANS, CONTAINED IN A FINAL REPORT OF THE BUILDING COMMITTEE TO THE SELECT AND COMMON COUNCILS OF PHILADELPHIA, A REPORT TO THE BUILDING COMMITTEE, BY THOMAS U. WALTER, ARCHITECT. TOGETHER WITH THE ADDRESS DELIVERED ON LAYING THE CORNER STONE, JULY 4, 1833, BY NICHOLAS BIDDLE. AND THE ADDRESS DELIVERED ON THE OCCASION OF PLACING THE CROWNING STONE, AUGUST 29, 1846, BY JOSEPH R. CHANDLER. AND AN ACCOUNT OF THE FINAL TRANSFER OF THE BUILDINGS AND GROUNDS TO THE BOARD OF DIRECTORS. TO WHICH IS APPENDED THE WILL OF STEPHEN GIRARD (Philadelphia, Crissy & Markley 1848) [hereinafter DESCRIPTION OF GIRARD COLLEGE].

⁹¹ On the social roots of neoclassicism in England, see Levine, *supra* note 74.

⁹² Michele Taillon Taylor, *Building for Democracy: Girard College, Political, Educational and Architectural Ideology* 223 (1997) (unpublished Ph.D. dissertation, University of Pennsylvania) (on file with the University of Pennsylvania Library); KENNEDY, *supra* note 41, at 235.

design he also supervised.⁹³ From the new north portico of the White House to "thousands of gabled white frame buildings" across the country, as a leading scholar of the revival has written, what Biddle called the "refined simplicity" of the Grecian style epitomized the union of nostalgia and enterprise, draping the new riches of financiers and planters in a classically republican mantle.⁹⁴ "The Bank is undoubtedly the most faultless monument of its size in the United States," wrote the architect James Gallier in 1836. "[W]e cannot avoid noticing the peculiar aptness of the Grecian architecture for banking-houses," he continued, explaining that its exceptional strength and grandeur "form a befitting temple for the worship of the blind goddess. And this style of building . . . prevails throughout the country, wherever an edifice is erected expressly for a banking-house."⁹⁵ By making the national bank's handsome quarters the model for its far-flung branches and for scores of state banks as well, Biddle more than anyone else cemented the association of the form of the classical temple with the functions of finance.

He was hardly the first to connect the two. Commercial banking and neoclassical architecture arose together in Renaissance Italy, and bankers became the leading patrons of the Greek revival in Augustan Britain.⁹⁶ But in the solid geometry of pillars and planes, Biddle found an analog for his notion of banking as the poetry of capital, distilling the Platonic ideals concealed within the hustle and bustle of market relations. From what he regarded as the savage "arts of traffic," banking abstracted the simple yet profound principles of exchange and value — much as Greek architecture perfected the timeless truths of beauty and utility implicit in even the most primitive dwelling.⁹⁷

Indeed, the Hellenic revival came upon the stage hand-in-hand with political economy in eighteenth-century Edinburgh, twin progeny of the Scottish moral philosophy of Adam Smith and David Hume, among others. Biddle began promoting an amalgam of finance and fine art as editor of the *Port Folio*. He published essays by disciples of the Scottish school such as

93 On the design of Girard College, see Taylor, *supra* note 92.

94 ROGER G. KENNEDY ET AL., GREEK REVIVAL AMERICA 11 (1989); DESCRIPTION OF GIRARD COLLEGE, *supra* note 90, at 27.

95 James Gallier, 43 N. AM. REV. 360 (1836), *cited in* Taylor, *supra* note 92, at 231.

96 In fact, the practice of banking in a temple had a classical provenance of sorts. In ancient Greece, temples received valuables and coins offered up as tokens of devotion, then lent these funds at interest to the state and possibly individuals as well. In this sense, "the first primitive banks of Greece can be considered to be the temples." Dimitrios Gkamas, *Banking*, in ENCYCLOPEDIA OF ANCIENT GREECE 122 (Nigel Wilson ed., 2006). Thanks to Caroline Winterer for this point and reference.

97 2 LEWIS & CLARK, *supra* note 5, at 284; not found in the original journals.

the philosopher George Tucker, who contributed pieces in praise of banking and public credit along with others on the classical precepts of architecture, ornament, and rhyme, elucidating their common foundation in universal attributes of human psychology.⁹⁸ In an 1811 manifesto that Biddle published as a special addendum, the architect Benjamin Henry Latrobe wrote that American artistic development was stunted by provincial prejudice against the fine arts and the concentration of funds needed to support them, which were similarly stigmatized as unproductive and unpublican. To the contrary, Latrobe contended, "A propensity to the fine arts is an instinctive property of human nature," liberty and art flourished together, and they had attained their highest stage of mutual improvement in Periclean Athens. Noting that the groundwork for a Greek revival had been laid with the marble façade of the first Bank of the United States and his own Grecian design for the Bank of Pennsylvania, he called for Philadelphia to capitalize on its financial wealth and become "the Athens of the Western world."⁹⁹

Biddle shared Latrobe's enthusiasm for public architecture as the art of turning money and marble into civic symbols that express "the character of the nation which rears them," in Biddle's words.¹⁰⁰ He hoped the beauty of the bank and its branches — representing, as an architectural historian has noted, "the first widespread introduction into the states . . . of public buildings associated with the central government" — could awaken in Americans a visceral sense of unity, rooted in a common system of currency and credit.¹⁰¹ He envisioned the role of national banker much as Latrobe conceived that of national architect, distinguished from mere carpenters and builders or merchants and manufacturers by what Biddle described as his surpassing "genius." The latter, he believed, enabled him to organize the building blocks of modern finance into a structure that stood for ancient ideals.¹⁰²

Like the Whig party, which split from the Democrats after Jackson vetoed

98 George Tucker, *On Architecture*, 4 PORT FOLIO 559 (1814); George Tucker, *On Beauty*, 5 PORT FOLIO 148 (1815); George Tucker, *On Beauty*, 5 PORT FOLIO 220 (1815); George Tucker, *On Banks of Circulation*, 5 PORT FOLIO 417 (1815); George Tucker, *On Simplicity in Ornament*, 6 PORT FOLIO 82 (1815); George Tucker, *On Rhyme*, 6 PORT FOLIO 371 (1815); George Tucker, *On National Debts*, 6 PORT FOLIO 574 (1815).

99 B. Henry Latrobe, *Anniversary Oration, Pronounced Before the Society of Artists of the United States, By Appointment of the Society, On the Eight of May, 1811*, PORT FOLIO 17, 20 (Add. 1811).

100 DESCRIPTION OF GIRARD COLLEGE, *supra* note 90, at 27.

101 BATES LOWRY, BUILDING A NATIONAL IMAGE: ARCHITECTURAL DRAWINGS FOR THE AMERICAN DEMOCRACY, 1789-1912, at 39 (1985).

102 "Genius" is from BIDDLE, *supra* note 78, at 179.

the recharter of the national bank, the Greek revival appeared avowedly in but not of the revolutionary tide that swept across the Atlantic around 1830. The democratic ferment from Poland to Paris to the English Parliament reached furthest in the United States, inspired in part by the recent triumph of the Greek revolution in the ancient birthplace of Western democracy.¹⁰³ The "refined simplicity" of the Grecian style associated the fortunes of finance with the ascendance of popular politics. Yet at the same time, as the historian Caroline Winterer has shown, classics scholars came to identify Greek art with a sophisticated appreciation for beauty, truth, and genius as opposed to the money-grubbing mediocrity of Jacksonian America.¹⁰⁴

Such superiority naturally appealed to profit-driven southern planters, who owned most of the stock in Biddle's bank held by U.S. citizens.¹⁰⁵ In much the same way, the antimodern character of the Greek revival lent itself to Biddle's image of banking as a critical check on the irresponsibility of businessmen and their representatives in government. "Landed proprietors," Biddle told the Philadelphia Society for Promoting Agriculture in 1822, "well educated, brave, and independent — the friends of the government, without soliciting its favors — the advocates of the people, without descending to flatter their passions; these men, rooted like their own forests, may yet interpose between the factions of the country, to heal, to defend, and to save."¹⁰⁶ The next year, Biddle became president of the Second Bank, where he carved out a similar role for central banking as the balance wheel of the new market society.

C. The Pastoralization of Finance

Even as he waxed rhapsodic about the natural nobility of "men of the soil," Biddle called for stepped-up commercial development of the Pennsylvania backcountry. "Pastoralization" is what the historian Jeanne Boydston has called a form of ideology first described by the literary theorist Raymond Williams, whereby the capitalist transformation of agricultural land and labor became cloaked in the mantle of sentimental ideals. So too, as Boydston argues, the Victorian "home" came to be conceived as a haven from or antidote to the market forces that it actually advanced. Something similar

103 HOBSBAWM, *supra* note 28, at 110-11, 116, 140-42.

104 CAROLINE WINTERER, *THE CULTURE OF CLASSICISM: ANCIENT GREECE AND ROME IN AMERICAN INTELLECTUAL LIFE, 1780-1910*, at 68-69 (2002).

105 KENNEDY, *supra* note 41, at 266.

106 Nicholas Biddle, *An Address Delivered Before the Philadelphia Society for Promoting Agriculture*, in 21 NILES' REGISTER 1 (Supp. 1822).

might be said of Biddle's "bank on Parnassus" and the financial revolution it came to represent.¹⁰⁷

Public credit and paper money had long been associated with the strength of social ties and communal feelings, and particularly with the cultivation of a visceral sense of national identity or "public opinion" in the early United States.¹⁰⁸ Biddle invoked this familiar bond between finance and collective sentiment in identifying the national bank with a romantic reaction against the shallow materialism and individualism of his age — the "worship of cunning" and single-minded pursuit of creature comforts, as he typically put it, which "have tended to unspiritualize the understanding."¹⁰⁹

He had learned his lesson from his disappointing foray into Pennsylvania politics, where he had seen his empire-building plans stymied in the state legislature and his two bids for Congress defeated. "The district is in truth a perfect chaos of factions," he wrote President James Monroe in 1820, his hopes now pinned on appointive rather than elective office, "and as I have shunned all participation in their intrigues I do not anticipate the slightest chance of being elected."¹¹⁰ In the coming years, he found frequent occasion to decry the decline of the "scholar and statesman" whose classical learning made him a leader rather than a follower of his constituents. "Undoubtedly the public councils should reflect the public sentiment," he said in a eulogy for Jefferson in 1827, "but that mirror may be dimmed by being too closely breathed on."¹¹¹ A free people depended on the "personal independence" of leaders able to represent its real interests rather than its "crude opinions," Biddle argued in a public rebuke to Jackson several years later. The danger to

107 JEANNE BOYDSTON, *HOME AND WORK: HOUSEWORK, WAGES, AND THE IDEOLOGY OF LABOR IN THE EARLY REPUBLIC* 142-63 (1990); RAYMOND WILLIAMS, *THE COUNTRY AND THE CITY* 13-35 (1973). For related studies, see WILLIAM ROBERT TAYLOR, *CAVALIER AND YANKEE: THE OLD SOUTH AND AMERICAN NATIONAL CHARACTER* (1961); LAUREL THATCHER ULRICH, *THE AGE OF HOMESPUN: OBJECTS AND STORIES IN THE CREATION OF AN AMERICAN MYTH* (2001); SKLANSKY, *supra* note 53, at 33-72.

108 See JENNIFER BAKER, *SECURING THE COMMONWEALTH: DEBT, SPECULATION, AND WRITING IN THE MAKING OF EARLY AMERICA* (2005); Mark Schmeller, *Imagining Public Opinion in Antebellum America: Fear, Credit, Law, and Honor* (2001) (unpublished Ph.D. dissertation, University of Chicago) (on file with the University of Chicago Libraries).

109 BIDDLE, *supra* note 86, at 10, 12.

110 Letter from Nicholas Biddle to James Monroe (Oct. 8, 1820), in *THE CORRESPONDENCE OF NICHOLAS BIDDLE DEALING WITH NATIONAL AFFAIRS, 1807-1844*, at 15 (Reginald C. McGrane ed., 1919).

111 BIDDLE, *supra* note 82, at 47.

democracy came from demagogues who followed too faithfully the caprice of popular excitement, who vowed "that they will never act nor think nor speak but as we direct them," who "flatter us until they can betray us — as men praise what they mean to sell."¹¹²

Politicians and salesmen alike, said Biddle, obeyed the destructive dictates of parochial self-interest. As he saw it, the dollar democracy of the market followed the same logic as popular politics, under a misguided faith that the free play of competing interests automatically assured the general welfare of all. And indeed, his Jacksonian opponents typically did apply the same basic conception of faithful representation to market exchange and electoral politics — and to art and literature as well. They implicitly recognized no legitimate role for public officials or financial intermediaries beyond obediently carrying out the wishes of their constituents and customers. For Biddle, however, true representation meant rising above the "chaos of factions" and the base "arts of traffic," or "that selfishness . . . which *intense devotion to the world of business* is too prone to inspire."¹¹³ It meant standing over politics and business as an independent guardian, paternally supportive of both public authority and private profit, but subservient to neither. This was the Ciceronian sovereignty that had eluded Biddle as a lawyer and legislator, and that he finally claimed as the nation's first central banker.

The helm of the Second Bank afforded a unique form of unappealable power in a constitutional republic, comparable only to the Supreme Court as it came to define its role in these same years. As Biddle confided to a political supporter near the end of his tenure at the Bank in 1837, "I have been for years in the daily exercise of more personal authority than any [U.S.] President habitually enjoys."¹¹⁴ Unlike even Supreme Court justices, the president of the BUS was not appointed by any popularly elected official; he was elected by the bank's board of directors, which mainly comprised bankers appointed by other bankers, who were responsible solely to private investors. The president was the only member of its board of directors who served an unlimited term; he generally controlled sufficient votes among the stockholders to decide the election of the other directors; and in practice, he selected the directors and officers of all the branches as well.¹¹⁵

112 BIDDLE, *supra* note 86, at 13, 14, 16.

113 BIDDLE, *supra* note 82, at 44.

114 Letter from Nicholas Biddle to Thomas Cooper, Former President & Professor of Chemistry, S.C. Coll. (May 8, 1837), in THE CORRESPONDENCE OF NICHOLAS BIDDLE DEALING WITH NATIONAL AFFAIRS, *supra* note 110, at 278. "No real safeguards prevented the Bank misusing its power." HOWE, *supra* note 1, at 375.

115 GOVAN, *supra* note 2, at 79, 83-84.

Far from disguising this virtually unlimited authority in his public statements and private correspondence, Biddle made the Bank and its chief executive's autonomy their prime virtue and most critical asset. The president of the BUS, he wrote shortly before taking the job, should be someone with a "*talent* for business rather than what is commonly called a man of business," for businessmen lacked "liberal habits of thinking." He should likewise "stand well with the Government" without being "an active partizan," for "I am far from thinking that the Government should have any direct or indirect influence over the Bank."¹¹⁶ In virtually everything he said and wrote about the Second Bank, he walked this ideological tightrope, relentlessly affirming the Bank's vital service to the national government and promotion of economic development while jealously defending its political and economic independence.

"If the existence of the Bank is justifiable at all, it is on account of its utility in carrying into effect the powers of the general government," Biddle wrote in December 1830, reiterating a point he made countless times in his career.¹¹⁷ To those, like Jackson, who questioned the constitutionality of the BUS charter, he responded that it was simply a vehicle for the performance of several of the federal government's constitutional powers, including the authority to tax, borrow, and regulate interstate commerce and currency.¹¹⁸ Yet its public responsibilities emphatically did not mean that the BUS was or should be answerable to the citizens or elected officials it served. Biddle's constant refrain was the Bank's "complete estrangement from politics" — a theme he emphasized increasingly as the Bank came under attack for purportedly favoring anti-Jackson candidates in state and national elections.¹¹⁹ "We believe that the prosperity of the Bank and its usefulness to the country depend on its being entirely free from the control of the Officers of the Government — a control fatal to every Bank, which it ever influenced,"

116 Letter from Nicholas Biddle to Unknown Addressee (Oct. 29, 1822) (on file in the Biddle Papers at the Library of Congress).

117 Letter from Nicholas Biddle to Richard Smith, Cashier, Wash., D.C. branch of the Bank of the United States (Dec. 16, 1830) (on file with the Houghton Library, Harvard University).

118 Letter from Nicholas Biddle to Cadwalader Evans, Member of Pennsylvania House of Representatives (Jan. 26, 1830) (on file in the Biddle Papers at the Library of Congress).

119 Letter from Nicholas Biddle to Richard Smith (Feb. 5, 1829) (on file in the Houghton Library, Harvard University).

he wrote to Sen. Samuel Smith of Maryland, chair of the Senate Finance Committee, in December 1828.¹²⁰

So too, Biddle assiduously asserted the Second Bank's strict allegiance to the so-called "real bills doctrine," which meant restricting its own lending to the business of discounting commercial paper, or essentially self-liquidating, short-term loans to merchants arising from actual purchases and sales of goods — as opposed to longer-term, less liquid loans to farmers and entrepreneurs, backed by personal security or real estate mortgages. First articulated by Adam Smith, this conservative stricture ostensibly tied banks' note-issue to the real "needs of trade," restraining them from altering the supply of money relative to the volume of business transactions for which it was called into use, or the current demand for liquidity.¹²¹ Especially when responding to Congressional investigators, Biddle pointed with pride to the discipline with which he maintained the Bank's "true business character as a Counting House," promoting "a thorough identification of the Bank with the real business and exchanges of the country."¹²²

Yet just as the Bank's fealty to the federal government did not warrant government control over it, so its responsiveness to the "real" needs of trade did not mean that it should simply do its customers' bidding. The fatal mistake of his predecessors, according to Biddle, was to have too readily accommodated the growing demand for credit and currency as the national economy expanded.

The fact is that the misfortunes of the Bank . . . were occasioned by the men of business and their errors were precisely the faults into which the men of business were most likely to fall. They trusted the Western people with money as they trusted them with goods,

he wrote before taking office. "It is no doubt very unpleasant and even painful to decline good business paper," he instructed the president of the New York branch of the BUS, Isaac Laurence, in April 1825, "but . . . beyond a certain limit the convenience of the customers of the Bank[,] however desirable it may be to promote it, is only a secondary consideration."¹²³ Indeed, the very purpose of the central bank, in Biddle's view, was to *regulate* the market rather

120 Letter from Nicholas Biddle to Samuel Smith (Dec. 29, 1828) (on file in the Biddle Papers at the Library of Congress).

121 See Laidler, *supra* note 16, at 289-93; LLOYD W. MINTS, A HISTORY OF BANKING THEORY IN GREAT BRITAIN AND THE UNITED STATES 5, 9-10 (1945); ROGERS, *supra* note 50, at 228-32.

122 Letter from Nicholas Biddle to Daniel Webster (Feb. 16, 1826) (on file in the Biddle Papers at the Library of Congress); BIDDLE, *supra* note 41, at 16.

123 Letter from Nicholas Biddle to Unknown Addressee (Oct. 29, 1822) (on file in the

than be regulated by it, as the state banks largely were. He clearly regarded his leverage over the money supply as an essential instrument of economic planning, not simply a means of promoting economic development. And he justified that authority as a fulfillment of the Bank's duty to look out for the long-term general welfare rather than the immediate interests of its various stakeholders.

As much as he railed against the irresponsibility and recklessness of the state banks, Biddle's arguments on behalf of the BUS extended in many ways to the system of commercial banking in general. "Banks are essentially popular and republican institutions. They are the places of refuge from the overweening dominion of very rich men," he wrote in March 1831. Properly organized and operated, banks served as impartial umpires impervious to the commotion of political and economic self-interest, providing a crucial buffer between creditors and debtors, rich men and poor men, while safeguarding the interests of all contending parties. "A bank," he said, "is an unambitious and passionless rich man lending for money not for power."¹²⁴ It was, in fact, "the most natural way of protecting the poorer classes," preventing the operation of predatory moneylenders by providing loans at moderate interest. "As to a monied aristocracy, is it not obvious that the funds of a bank are of all other kinds of property the least calculated to promote the influence which is feared?" Biddle argued.

An extensive proprietor of land may oppress his tenantry; the holder of mortgages may influence and control a whole neighborhood; but a large stockholder in a bank sees interposed between him and his debtors an association of individuals whose private or political feelings are merged in the ruling passion of such companies, pecuniary gain.¹²⁵

In other words, banks were rightly seen as the *solution* to the potential for exploitation in creditor-debtor relations — much as enthusiasts of commercial banking still contend today. And the Second Bank fulfilled the promise of banking on a national and international scale. It reunited in a single transcendent public interest, in Biddle's telling, what market and contractual relations set apart as opposing interests — not just creditor and debtor, but labor and capital, agriculture and industry, northeast and

Biddle Papers at the Library of Congress); Letter from Nicholas Biddle to Isaac Laurence (Apr. 22, 1825) (on file in the Biddle Papers at the Library of Congress).

124 Letter from Nicholas Biddle to P.P.F. Degrand, Editor & Publisher, Boston Weekly Report of Pub. Sales & of Arrivals (Mar. 8, 1831) (on file in the Biddle Papers at the Library of Congress).

125 Holgate's Resolutions, *supra* note 29, at 28.

southwest — much as his Lewis and Clark narrative united the patchwork of polities across the continent, and the promise of international law bound together the warring nations of Europe and America.

In this way, Biddle advanced an influential argument for the increasing autonomy of bankers in general and the central bank in particular. What critics viewed as a betrayal of representation — the rise of the "money power" as an authority in its own right rather than a dutiful servant of business and government — he championed as a measure of disinterested loyalty to the common good. In striking respects, Biddle anticipated the corporate liberalism of enlightened capitalists later in the century. His closest ideological successor in his own day was arguably the political economist-turned-sociologist Henry Carey, a fellow Philadelphian and the foremost American exponent of the "harmony of interests." Carey shared Biddle's romantic faith in the corporate form, or what Carey called "the brotherhood of man translated into the partnership of business," and in a uniform national currency as the "instrument of association," a solvent for sectional, sectoral, and class strife. Ironically perhaps, Carey went on to become a leading theorist of the Greenback movement after the Civil War, which took up the radical democratic call for a monetary system governed by ordinary citizens and their elected officials without financial intermediaries, tied to the collective output of factories and farms instead of the private assets of moneyed men.¹²⁶

126 3 HENRY C. CAREY, *PRINCIPLES OF SOCIAL SCIENCE* 420 (Augustus M. Kelley 1963) (1858-1859); *see* SKLANSKY, *supra* note 53, at 77-93.

