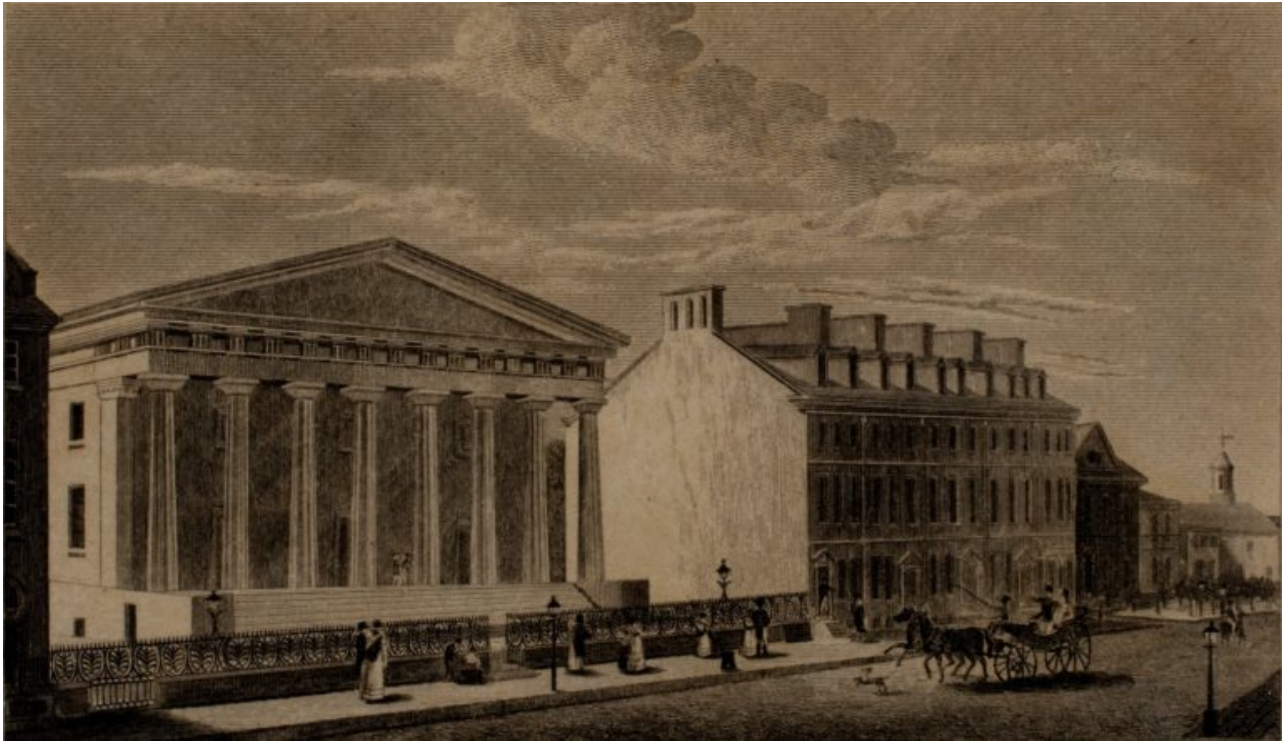


## **“A Bank on Parnassus”**



Nicholas Biddle and the beauty of banking

## **“The Tomb of Many Fortunes”**

When Charles Dickens visited Philadelphia in 1842, he found a ruined capital. “Looking out of my chamber-window, before going to bed,” he wrote of his first night, “I saw, on the opposite side of the way, a handsome building of white marble, which had a mournful ghost-like aspect, dreary to behold.” The next morning, he learned why. “It was the Tomb of many fortunes; the Great Catacomb of investment; the memorable United States Bank. The stoppage of this bank, with all its ruinous consequences, had cast (as I was told on every side) a gloom on Philadelphia, under the depressing effect of which it yet laboured.” Outside the shuttered city, Dickens paused over another deserted monument to its past prosperity: “a most splendid unfinished marble structure for the Girard College . . . which, if completed according to the original design will be perhaps the richest edifice of modern times.”

The stone frames of the bank and the college stood as the most celebrated examples of the Greek Revival in antebellum America, the architectural expression of the newly won riches of planters and financiers. Had Dickens traveled a little farther up the Delaware River, he would have come upon a third classical memorial to the moneyed men of the new Athens, a brick mansion encased in a massive marble colonnade modeled on the Temple of Theseus. There lived the deposed president of both the United States Bank and Girard College,

the chief sponsor of the Greek Revival, Nicholas Biddle. Dismissed by the bank stockholders and college trustees, he was spending his last days, as William Cullen Bryant wrote upon Biddle's death two years later, "in elegant retirement, which, if justice had taken place, would have been spent in the penitentiary."

Having begun his career as one of the first Americans to tour the ruins of ancient Greece, Biddle may have taken what he called a "melancholy satisfaction" in his own demise amid the Grecian relics of the early republic and the national bank that both united and divided it. The bond that he forged between classical beauty and modern banking helps to explain what made the Bank War of the 1830s the climactic struggle of the new nation and a precursor of the Civil War soon to follow. The long conflict over money and banking in nineteenth-century politics came down to a question of representation: what did the nation's founding principle of representative government mean for the governance of the burgeoning market economy, and what did the new forms of currency on which it depended themselves represent? Americans' answers to those questions had much to do with the different ways they understood representation in literature and art as well as in politics and economics. For, like classicism, what came to be called the "money question" formed a central part of the popular culture of the nineteenth century, before becoming the exclusive province of an educated elite.



Girard College, 1899. City Views Collection; Courtesy of the American Antiquarian Society.

## **"A Bank on Parnassus"**

When Nicholas Biddle became president of the Bank of the United States in 1823, the only business he had ever run was his wife's family estate, and his sole experience in banking consisted of a two-year term on the bank's board of

directors. His national reputation derived rather from his work as editor of the leading American literary journal, author of the standard history of the Lewis and Clark expedition, and amateur authority on ancient Greece. "Alas!" Biddle mused in a poem, "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 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." But the obituary for his youthful passions proved premature, for Biddle's subsequent financial career owed much to his earlier literary one.

Born with the early republic in 1786, Biddle was the son of a prosperous Philadelphia merchant. A prodigious reader as a child, he entered the University of Pennsylvania at the age of ten. At thirteen, he transferred to the College of New Jersey (now Princeton University), where he excelled in Latin and Greek and took a leading role in a debating society as "Grammaticus." Returning to Philadelphia to study law, Biddle joined a circle of local luminaries who wrote for the nation's premier literary magazine, the *Port Folio*, which wedded love of belles lettres to contempt for democratic politics. His own contributions reflected his restlessness for a higher office commensurate with his talents. In the form of a letter to the journal's editor, Biddle mocked the pseudo-military "manœuvres" and "reconnoitring" of "valourous knights" and "damsels" at a tea party, describing himself as a "mere 'looker-on here in Vienna,'" like the Duke in Shakespeare's *Measure for Measure*. Disdaining melodramatic efforts to find heroism within ordinary life, he longed for the means to turn his "looker-on" into a leader.

When the American minister to France, John Armstrong, invited Biddle to join him as an unpaid secretary in 1804, he leaped at the chance. The following year, he embarked from Paris on a grand tour of Europe, joining a growing stream of travelers through southern Italy and on to Greece. Being a mere observer now proved invaluable as he moved freely among Greek peasants and their Turkish occupiers as well as among warring British and French forces. "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 in his journal. Biddle's pilgrimage culminated among the ruins of golden-age Greece, which he was reputedly only the second American to see. (The first, a young Grecophile from Charleston named Joseph Allen Smith, preceded him by just a few years.) "I believe the turn of my mind, or what may properly be called my genius, has at length decided itself," Biddle wrote to his brother. ". . . To govern men, and particularly by means of eloquence . . . a study which roused the slumbering glories of Greece."

Though Biddle's legal practice upon returning home fell short of his lofty ambition, his business flourished. At the same time, he became increasingly involved in running the *Port Folio*, and he took over as editor in January 1812. He made the journal a platform for the kind of impassioned patriotism he

identified with classical oratory. Not “cold and prudent calculation” but “kindred feelings” must bind Americans in common struggle, Biddle wrote amid the War of 1812, calling for poetry and song that would “make us not merely know, but feel that we have a country.” Among the most influential works of American literary nationalism in this period came from Biddle’s own pen. In 1810, Colonel William Clark hired him to edit the journals of the Lewis and Clark expedition of 1804-06. Biddle completely reworked the chronicle, adding extensive material based on his own research, merging the journals of the two commanders into a seamless narrative whose genteel prose bore faint resemblance to the raw material. His two-volume *History of the Expedition of Captains Lewis and Clark* (1814) served as the definitive account until the journals themselves were published in 1904-05. Submerging the personal conflicts and courts-martial of the original company, he fashioned “our national epic of exploration,” as the naturalist Elliott Coues wrote in 1893.

At twenty-four, Biddle was elected to the lower house of the Pennsylvania legislature, and four years later he entered the state senate. He gravitated toward the mercantile and nationalist wing of the Republican party, promoting a network of roads, canals, and river improvements designed to make Philadelphia the metropole of an agricultural empire stretching from the Great Lakes to the Gulf of Mexico. In this effort, as in his related support for Philadelphia’s first Bank of the United States, Biddle largely lost out to the agrarian wing of the party, loyal to the Jeffersonian ideal of limited government and decentralized development. Retreating from the statehouse to his country estate, he ran twice for Congress and appealed repeatedly for a federal appointment, without success.

Plato’s wise man appeared a poor fit for electoral politics. Biddle later became a sought-after public speaker, and he often used the occasions to decry the decline of the “philosophical statesman” whose 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 Thomas Jefferson in 1827, “but that mirror may be dimmed by being too closely breathed on.” On the eve of the Jacksonian revolution in American politics, which enfranchised many poor and propertyless men for the first time, Biddle harked back to an earlier elitist model of republican government. At the same time, he looked forward to the growing importance of money and banking, in which he found an alternative system of representation.

## “Serving Men”

In 1829, Biddle wrote a poem for his young daughter, Meta. Published together with an earlier poem about banking, “Ode to Bogle” was a mock tribute to the leader of a surprisingly similar occupation: Robert Bogle, the city’s first “public waiter” or caterer, who transformed the position of private butler into a kind of public office for black Philadelphians. Much as Biddle’s bank controlled the cash and credit vital to all kinds of commercial enterprise, so

Bogle presided as the ultimate arbiter of taste and decorum at baptisms, weddings, and funerals. In an age when statesmen were devolving into mere servants, as Biddle saw it, Bogle symbolized the rising power of "serving men" themselves. Yet if democracy meant rule by representatives in this sense, Biddle could claim a comparable authority for the role of public banker, which he more than any other American defined.

The competition for that honor was peculiarly intense. For unlike European banking, which was generally the business of wealthy families, American banking was born public, the creature of the state governments that chartered the first commercial banks in the years after the Revolutionary War. Modeled on lone national banks like the Bank of England, public incorporation remained the rule in the new nation as the number of banks mushroomed—from just three when Biddle was born to more than three hundred by the time he became president of the Bank of the United States. These "state banks" were supposed to help support the state governments and promote economic development in exchange for the corporate privileges they enjoyed. Chief among these privileges was limited liability, which meant that a bank's owners were not legally liable for its debts beyond what they individually invested. Limited liability allowed banks to lend out much more money, in the form of paper notes redeemable in gold or silver, than the gold or silver they actually kept in their vaults. Amid a chronic shortage of coin, these banknotes served as Americans' main currency until the federal government began printing its own paper money during the Civil War.

Whom did state banks, which were primarily privately owned and operated, really represent? What did banknotes, whose value rested largely on trust, likewise represent? The wrenching national debate over these issues focused on the Bank of the United States, chartered by Congress from 1791 to 1811 and again from 1816 to 1836. As the exclusive depository for the revenues of the federal government, the Bank of the United States collected the notes of all the other banks. It was intended to use its power as their biggest creditor to ensure that state banks behaved like public servants in practice as well as in theory.

Biddle's earliest comments on the controversy over banks' control of the money supply came in a speech championing the recharter of the first Bank of the United States, delivered before the Pennsylvania House of Representatives on his twenty-fifth birthday. In sweeping terms, he refuted the popular charge that a representative government had no right to delegate its Constitutional authority over currency to an unelected body of self-interested stockholders. Deputizing private persons to provide public services, he argued, was simply the most effective means of attaining some of the basic ends for which government was empowered. Far from establishing a "monied aristocracy," chartered banks protected poor debtors from rich creditors by interposing between them "an association of individuals whose private or political feelings are merged" in the service of the collective. A public corporation represented the American people better than either elected officials or private individuals could.

"I have however little concern with Banks," Biddle wrote to President James Monroe in 1819, accepting his appointment to the board of the second Bank of the United States. Three years later, he wrote to another board member that the next president of the bank ought to be someone with "*talent* for business rather than what is commonly called a man of business," for businessmen lacked "liberal habits of thinking," and he should likewise "stand well with the Gov<sup>t</sup>" without being "an active partizan." In other words, the job should go to an impartial observer such as himself, as it shortly did.

Under Biddle's direction, the bank took a dominant role in guiding the dizzying expansion of the market economy in the 1820s and 30s. He reined in lending by the state banks while turning up the volume of paper issued by the Bank of the United States' eighteen branches, aiming to create a uniform national currency under the bank's control. He geared the bank's business away from small farmers and toward merchants engaged in long-distance trade between the cotton plantations of the American South and the industrializing regions of the American Northeast and Europe. Biddle's promotion of large-scale development based on staple-crop production for a world market ran counter to the teachings of Adam Smith's *Wealth of Nations* (1776), one of the founding texts of classical economics. Smith and his many American disciples within the ranks of Jeffersonian and later Jacksonian democrats favored a broader diffusion of wealth among smaller farmers and tradesmen producing a wider range of goods for a mainly domestic market. But the deepest difference between Biddle's outlook and that of Smithian political economy concerned his understanding of money.

According to the traditional view dating back to Aristotle, money was simply something of sufficiently stable value that could be divided into standard units and passed from hand to hand, so that it could serve as a measure of value in general and a means of exchanging other goods. Age-old proscriptions on profiting from monetary transactions gained force from the presumption that money was merely a "sterile" medium of exchange, possessing no productive power of its own. Beginning in the fifteenth century, however, the development of banknotes and other kinds of paper currency led European merchants and bankers toward a view of money as much more than an intermediary. Allied with monarchical governments, financiers came to see the money supply as a fundamental force in its own right, like a great river of liquidity irrigating commercial farms, powering manufactories, and carrying trade on its current.

It was this "mercantilist" conception of money that Smith repudiated. Far from being the golden goose that merchants and monarchs imagined, money was for the classical economists essentially what it had been for pre-mercantilist thinkers: a "veil" covering the "natural economy" of land and labor, goods and services. In the late eighteenth century, this deep-rooted dispute blossomed into a major political issue on both sides of the Atlantic. Developments in banking made it possible for the kinds of bills and notes long used by merchants to circulate much more widely, becoming common currency. Currency came unhitched from gold, silver, or other commodities and attached instead to credit instruments, while the credit instruments themselves became detached

from their original lenders and borrowers. Money took on a life of its own, apart from the industry and commerce it was meant to represent.

Nowadays, we are so accustomed to viewing money as autonomous in this way that early Americans' preoccupation with what lay beneath the "cash nexus" (as Thomas Carlyle called it) can seem simple-minded, bespeaking an apparent inability to think abstractly or an uneasiness with flux and fluidity in general. But to people schooled in the struggle against British rule, the growing power of money and of those who controlled it naturally raised the specter of corruption and tyranny. For, as a popular writer put it, "Money is as much the representative of the property of the people, as the legislature are the representatives of their constituents." The further money became separated from the property and people it was supposed to represent, the more many Americans worried that the banking system was becoming an irresponsible power unto itself.

Biddle's answer to this problem came less in his short-lived policies and pronouncements than in his enduring architectural influence. Joining his ideas about representative government to his notions of classical beauty, he created an artistic idiom that helped validate the authority of bankers and bank money in democratic America.



"Nicholas Biddle." Painting by Thomas Sully, 1826. Courtesy of the Andalusia Foundation.

## **"Refined Simplicity"**

Biddle was famously handsome. Proud of his looks, he sat for at least eighteen



portraits, recording his development from the rakish youth in a French drawing of 1805 into the elder statesman with the Grecian portico of the national bank in the background in an engraved painting of 1837. Probably his best-known likeness, painted by Thomas Sully in 1826, depicts the boyish president of the bank in romantic repose, softly lit in an open-necked shirt and fur-collared coat, his long brown hair draping his flushed face as he sits pensively at a window opening onto a cloudy seascape—the picture of a poet with more on his mind than cotton bills and discount rates.

Biddle drew the face of American banking with equal panache. He began sketching it long before he became a banker, in his painstaking traveler's notes on ancient Athenian architecture. Back in Pennsylvania, he persuaded his prospective mother-in-law to let him build a Doric garden house at the family estate, twenty years before he had the main mansion renovated along similar lines. European architects had been copying Greek temple remains since the mid-eighteenth century, but the Greek Revival made little headway in the United States before the 1820s. Revolutionary-era Americans' enthusiasm for the ancients ran strongly toward republican Rome, and early national architecture clung to the stately red-brick boxes of British and Dutch colonialism—with the crucial exception of Jefferson's classical Roman plans for the University of Virginia and Monticello. Awestruck by the ruins of Greece, Biddle believed such buildings could have a similarly ennobling effect in his own country. Like patriotic songs and epics of exploration, the timeless grandeur of Greek design could awaken in Americans a visceral sense of national unity.

What Biddle called its “refined simplicity,” evoking at once republican virtue and romantic idealism, made the Greek temple a fitting symbol for his vision of banking. He was hardly the first to connect the two. Commercial banking and neoclassical architecture arose together in Renaissance Italy, and eighteenth-century bankers became the leading patrons of the Greek Revival in Britain. The first authentically Grecian building in the United States was the Bank of Pennsylvania, designed by Benjamin Henry Latrobe and constructed between 1798 and 1800. In 1811, Biddle published in the *Port Folio* Latrobe's manifesto for the Greek Revival, calling for Philadelphia to capitalize on its financial wealth (and abundance of marble) by becoming “the Athens of the Western world.” Biddle took an eager interest in his friend William Strickland's Doric design for the second Bank of the United States, built between 1818 and 1824. As chair of the bank's building committee and then as president, he saw to it that branches of the bank across the country—and scores of state banks as well—came to be modeled on Greek temples.

More broadly, Biddle sponsored the rapid spread of the Greek Revival from its hub in Philadelphia throughout the Bank of the United States' principal dominion, extending along the Atlantic seaboard from Washington and Baltimore to New York, westward across the “inland empire” of canal towns to the riverbank cities and frontier communities of the Northwest Territory, and southward through the old tobacco country of Virginia and North Carolina. Cotton planters brought neoclassical architecture to the Deep South, following



the lead of Biddle's nemesis, Andrew Jackson, who had his Tennessee manor rebuilt to fit his image as a latter-day Cincinnatus. But the white-columned mansions of the cotton kingdom only loosely resembled the Greek models that Biddle promoted in the North. By the 1830s, these were generally viewed as "the 'official' style of financial Whiggery," in the words of the architectural historian Roger G. Kennedy.



United States Bank, Philadelphia, 1831. Drawn by C. Burton and engraved and printed by Fenner, Sears, and Co., London, March 1831. Courtesy of the American Antiquarian Society.

Like the Whig party, which split from the Democrats after Jackson vetoed the recharter of Biddle's 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 went furthest in the United States, inspired in part by the recent triumph of the Greek revolution against the Ottoman Empire. 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 defiantly unpopular reverence for beauty, truth, and genius as opposed to the money-grubbing mediocrity of Jacksonian America. Such superiority naturally appealed to profit-driven southern planters who fancied themselves courtly cavaliers. 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 "men of business" and their representatives in government.

Both sides in the Bank War cast themselves as guardians of representative government against corruption. The crux of the Jacksonian position was that the Bank of the United States, like all specially chartered banks, served the private interest of its investors at the expense of the public interest represented by elected officials, conferring quasi-governmental power upon a "paper aristocracy." The paper currency such banks created, untethered to

either the gold and silver for which it substituted or the purchases and sales for which it served, likewise turned money into an end in itself, fueling a vicious cycle of boom and bust that Jacksonians chalked up to “speculation.” Defenders of the Bank of the United States countered that the danger to democracy came from politicians who followed too faithfully the caprice of popular sentiment, who vowed “that they will never act nor think nor speak but as we direct them,” as Biddle said in an 1835 talk to Princeton alumni. A free people depended on the “independence” of public servants able to represent its real interests rather than its “crude opinions.” The national bank’s very autonomy enabled it to play such a regulative role, without which, he warned, a free market could sustain itself no better than a free people. The national bank’s necessary instrument for governing the market economy was its control over the supply of paper money. And the bank’s Grecian architecture set its sovereignty in stone.

## “Melancholy Satisfaction”

Ever since visiting Greece, Biddle had been drawn to architecture as a lasting memorial to its makers. Calling for the construction of a monument to George Washington in 1811, he recalled the relics of ancient republics, which “still shed their melancholy glories on the desert.” Addressing the Princeton alumni a quarter-century later, he was reminded again of the marble fragments and crumbling columns, “all that represent the buried glories of Sparta, of Corinth, or Argos.” In leading the Greek Revival, he looked forward with “melancholy satisfaction” to the ruins of his own realm. Freed from the political fray in which it was born, the bleached remains of the Bank of the United States might finally attain the Olympian authority for which it stood.



“Andalusia.” Nicholas Biddle’s country estate. Painting by Thomas U. Walter, ca. 1836. Courtesy of the Andalusia Foundation.

In his desire to remove public banking from the political arena, Biddle was ahead of his time. President Bush’s recent nomination of Ben Bernacke as chair of the Federal Reserve barely registered in American politics, though the job wields more power than Biddle’s did. When the selection of the nation’s chief banker attracts little interest beyond Wall Street, it is hard to imagine that

the president of the national bank was once almost as controversial as the president of the United States. In Biddle's lifetime, the separation of currency from commerce became an open, urgent political question, comparable to the separation of labor from capital. The money question remained hotly contested throughout the nineteenth and early twentieth centuries, only gradually becoming eclipsed along with the labor question. The beauty of banking was Biddle's effort to bring that contest to a close.

## Further Reading:

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