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Robert E. Shalhope. *The Baltimore Bank Riot: Political Upheaval in Antebellum Maryland.* Urbana: University of Illinois Press, 2009. x + 196 pp. $50.00 (cloth), ISBN 978-0-252-03480-0.

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Bank Fraud in the Age of Mob Violence

In March 2009, President Barack Obama reportedly told a meeting of America's leading bankers that "my administration is the only thing between you and the pitchforks."[1] Despite the warning and public outcry against a taxpayer bailout for troubled banks, an angry mob has yet to burn and pillage the homes of the chief executive officers (CEOs) who brought the financial system to the brink of collapse. Reading Robert E. Shalhope's thought-provoking book on the Baltimore Bank Riot of 1835–an event that left at least five people dead and tens of thousands of dollars in property destroyed–one cannot help but wonder what would happen if today's politics were more like those of the early Republic. If Shalhope is correct, the absence of pitchfork-wielding anti-bank mobs in our time is one outcome of a tumultuous battle of ideas over popular rule that shaped nineteenth-century party politics.

Shalhope argues that the Baltimore Bank Riot of 1835 was caused by the convergence of "three loosely related phenomena": popular animus toward banks, a "fervent belief in the sovereignty of the people," and public reaction to fraud perpetrated by the Bank of Maryland's officers (pp. 2-3). Understood primarily as a product of cultural attitudes, the riot in Shalhope's treatment is most significant for its impact on popular discourse. Careful to limit his claims to Maryland, Shalhope argues that the riot and its aftermath produced competing Whig and Democratic political worldviews (ibid.).

The narrative begins with the fallout from the Panic of 1819, which in Baltimore shuttered a major bank and wiped out more than one hundred merchant houses. In his nationally syndicated newspaper, Baltimore editor Hezekiah Niles blasted a "Club" of merchants and bankers who had speculated in the stock of the Bank of the United States (BUS) with funds on deposit at two troubled state institutions whose cashiers were involved in the scheme. In 1821, the lead speculators were brought to trial but acquitted of fraud. Niles's attack on "little knots of cold-calculating individuals, at once bankrupts in probity and property" who manipulated the public trust and beggared "widows and orphans," presaged the anti-banking rhetoric that accompanied the financial scandals of the 1830s (p. 18).

Bank fraud returned to Baltimore through a new type of financial innovation–high interest paid on all deposits, large or small, long or short term. The innovator was the Bank of Maryland, the state's oldest credit institution, which in 1831 came under the management of Evan Poultney–a merchant who turned to finance in search of higher profit margins–and Reverdy Johnson and William Glenn, two young attorneys with political ambitions. The offer of interest on savings attracted deposits from artisans and petty proprietors. Those deposits backed hundreds of thousands of dollars in newly issued notes on the Bank of Maryland, a portion of which were used by Poultney, Johnson, Glenn, and three additional cronies to buy Bank of Maryland stocks. These six bank insiders then put up the stock as collateral to create the General Insurance Company. Cycling bank notes through the General Insurance Company and then skimming profits in their capacity as its directors disguised the fact that this six-man cabal had placed bets for their own gain by using the Bank of Maryland's deposits. To generate more notes and thereby more profit for themselves, the club aggressively pushed the Bank of Maryland to operate beyond the state's borders and to buy a rival credit institution that these politically connected men knew to be one of Andrew Jackson's prospective "pet banks" that would receive federal deposits removed from the BUS.

Ironically, Jackson's "bank war" brought down the Bank of Maryland. In response to the loss of federal deposits, the BUS called in its loans and dried up the flow of credit that had fueled the Bank of Maryland's speculative spree. In March 1834, the Bank of Maryland shut its

doors, wiping out the savings of its depositors.

The next year witnessed a public war of words over who was to blame. State investigators and newspaper editors pointed to the bank's directors as the culprits, but the directors' courtroom skills and political allies enabled them not only to evade a guilty verdict but also to reap more profits when the state paid off the bank's creditors, many of whom had in the intervening months sold their notes at a discount to the clique headed by Johnson and Glenn. Public patience ran out in August 1835 when Johnson and Glenn issued a lengthy pamphlet, *Final Reply*, that repeated earlier efforts to pin the bank's failure on Poultney, with whom they had parted company. The pamphlet was "was either obviously false or so lacking in credibility that it served only to arouse the bank's already enraged creditors" (p. 45). Beginning on August 7, crowds destroyed the homes of Bank of Maryland directors, visiting the worst damage on the property of Johnson and Glenn. After failing on previous nights, municipal authorities managed to suppress the mob on August 10.

According to Shalhope, the rioters acted on their belief "in the people's right to exercise a form of direct democratic action" and exert their will as sovereigns (p. 52). The mob's attack on bank directors' homes–as opposed to any and all wealthy residences–showed that the particular grievance against the Bank of Maryland, rather than generalized class animosity, motivated the violence. Nor was the riot an act of wanton destruction, as evidenced by the mob putting out fires that spread to neighboring homes. In this careful targeting of property owned by men who violated the public trust, Shalhope finds echoes of traditional "moral economy" crowd action that predated the nineteenth century.

Unlike civic officials who dealt with crowd actions in earlier centuries, public authorities in 1830s Baltimore sought to uphold the principle that laws, not men, governed the city. Out of the many arrested on the charge of rioting, nine of the accused were found guilty of riot and three served lengthy prison terms. Judge Nicholas Brice, who issued these sentences, rebuked the defense of rioting as an expression of popular government by asserting that "the rule of law and the continued existence of America's republican institutions … must be protected" (p. 86).

Brice's effort to dampen enthusiasm for the rioters' populist aims was weakened by the demand of Bank of Maryland directors that taxpayers indemnify losses suffered in the riot. Letters to local newspapers railed at the state's willingness to remunerate bank officials while refusing to cover the savings lost by their depositors. As in earlier battles, the indemnity debate rallied combatants around the standards of the people's will and the rule of law. In response to arguments that "there is a point beyond which human power cannot restrain the innate sense of natural justice," defenders of the indemnity posited a Lockean "doctrine of institutions" under which the people gave their allegiance to government (pp. 115-116).

These "increasingly antagonistic moral and political postures" crystallized into Democratic and Whig partisan ideologies when the debate over the riot's consequences spilled over into the issue of government's responsiveness to the will of the people (p. 111). Maryland operated under a constitution that gave rural districts power in the legislature that was disproportionate to their share of the total population. Baltimoreans believed the state's failure to take more vigorous actions against bank fraud resulted in part from the minimal voice given to the city's representatives in the General Assembly. In the fall 1836 elections, Baltimore Democrats tied their cause to democratization by demanding constitutional "reform or revolution" via a convention of the people that would rewrite the state charter independently of the legislature (p. 127). Their Whig opponents wanted any changes to be made through established channels so as to prevent Maryland from falling into the "abyss of anarchy and ruin" (p. 144). Whigs won the statewide balloting and managed to defeat the call for a convention. With the failure of root-and-branch constitutional reform, Shalhope concludes that the larger movement for "revolution" in politics came to an end, and with it the kind of mass mobilizations on behalf of the public good that had motivated the bank rioters. While Maryland populists failed to bring about the kind of wide-open democracy envisioned by constitutional reformers, Shalhope asserts that sovereignty of the people survived as a principle in the positions advocated by Democrats in 1836. The ideas put forward by Democrats and Whigs in that election "made up the fundamental core of two powerful social and political persuasions rooted in both the causes and the consequences of the bank riot" (p. 147).

Shalhope ends his study with a brief look ahead to the late antebellum era and Baltimore's path through the secession crisis of 1860-61. He identifies Unionists as defenders of state authority against the minority of white Marylanders who advocated secession and who invoked the Jacksonian belief in the sovereignty of the people as a rationale. The defeat of secession closed off another political meaning of the sovereignty of the people. Union victory in the Civil War discredited the revolutionary tra-

dition of the people actively participating "in shaping governmental actions affecting their lives" by associating the sovereignty argument with secession and slavery (p. 163). The legitimacy of mobs as arms of popular government was no longer up for debate.

In terms of method, Shalhope concentrates on what the Bank Riot reveals about the "language and ideas" of Jacksonian Baltimore (p. 4). This treatment belongs to a long line of intellectual histories of Jacksonian politics, a tradition that Shalhope acknowledges by drawing on Marvin Meyer's 1957 classic *The Jacksonian Persuasion* to explain how contrasting political worldviews emerge from commonly shared social values, such as the sovereignty of the people and the rule of law. In advising cultural historians "to behave a bit more like intellectual historians and a bit less like social historians," Shalhope develops valuable insights into the ways that city dwellers understood the intersection between the market economy and American democracy (p. 3).

The Baltimore Bank Riot disputes the origins of Jacksonian era party ideology as presented in influential studies by Charles Sellers (*The Market Revolution: Jacksonian America, 1815-1846* [1991]), John Ashworth ("*Agrarians*" & "*Aristocrats*": *Party Political Ideology in the United States, 1837-1846* [1983]), Sean Wilentz (*The Rise of American Democracy: Jefferson to Lincoln* [2005]), and Daniel Walker Howe (*What Hath God Wrought: The Transformation of America, 1815-1848* [2007]). Despite significant disagreements among themselves, these historians identify social changes in the early Republic as the cause for the new political discourse of the 1830s. In contrast, Shalhope argues that "social and economic divisions did not simply beget political organizations.... Instead, the Democratic and Whig parties emerged in order to protect distinctive visions of the Constitution" (p. 6). Shalhope's interpretation amends rather than refutes the dominant scholarship. Although Shalhope finds a different source for Whig and Democratic ideas, he echoes the prevailing understanding of them as expressive of a broad philosophical debate over the major questions of the day.

While the Baltimore Bank Riot is well known to historians of the early Republic, it has not had its own full-length treatment, and where it does appear in the scholarship it is more often seen as an indication of national trends during the riot-ridden year of 1835.[2] In recent studies of Baltimore, the riot has received the most attention from William R. Sutton, who characterizes it as a "contest between authority based on traditional views of community morality and authority grounded in modern perceptions of legal proscriptions."[3] Shalhope complements Sutton's interpretation but shifts the ground away from the social-forces explanation for Jacksonian ideological battles to the political-philosophical terrain of constitutional thought.

As with any work of scholarship, choices made on method and sources necessarily downplay other ways of looking at a particular topic. In Shalhope's case, his request that cultural historians act more like intellectual historians slights the important role played by social history if the term is understood as the search for connections between historical actors and the structural elements of their society. Shalhope might have spent more time investigating the rioters and the forces of order in terms of occupation, age, race, national origins, religion, family status, and neighborhood. In a city notorious for racial and religious conflict, did the rioters or their foes share social experiences, such as slaveholding or membership in evangelical Protestant churches, that reinforced solidarities derived from their stand on banks and constitutionalism? Without a sustained look at these issues, readers learn very little about who was in the mob, who wrote letters to the editor, and what kinds of city dwellers decided to join the militia rather than burn wealthy homes.

Another neglected approach is the so-called new political history, or more accurately, social science political history. Its methods could be tapped to find out more about the contours of the Baltimore electorate and the institutional factors driving the formation of parties. Beyond the simple numbers of which party won how many votes, knowing the geography of the vote–did Whigs win the ward(s) where the bankers lived?–might lend more credence to Shalhope's claim that class and social divisions were not at issue in creating Maryland parties. As Michael F. Holt's work (*The Rise and Fall of the American Whig Party: Jacksonian Politics and the Onset of the Civil War* [1999]) shows, partisan activists sometimes acted first and foremost out of partisan logic, rather than for the principles inscribed on newspaper mastheads. Instead of an overriding commitment to the sovereignty of the people, Democratic editor Samuel Harker, for example, may have latched onto constitutional reform in 1836 in an opportunistic effort to unseat the Whigs.

Seeing politicians as motivated by a range of interests, including their institutional need to win elections and organize legislative power, helps to explain some of the ideological flip-flops that Baltimore's political actors performed in the late antebellum era. Shalhope finds a common thread running from constitutional reform in 1836 to secession in 1861 because the rhetorical battle be-

tween sovereignty of the people and the rule of law dominated public debate in each instance. While true, some attention to the constituents of each side and their actions suggests that the rhetoric available to partisans did not fully express the scope of their political allegiances.

Baltimore's 1861 Unionists were Know-Nothings who in the late 1850s earned notoriety for enlisting street gangs as election-day muscle and defying the will of state government when it tried to station troops at city polling places. The secessionists, by contrast, came from a minority faction of the Democratic Party and had close ties to the City Reform Association, which defeated the Know-Nothings in 1860 in an anti-party "law and order" campaign. A few months after the municipal elections, the constituencies for Union and secession tracked alongside Know-Nothing-Democratic rivalry, but their rhetoric had flipped such that Confederate-sympathizing Democrats now called themselves defenders of popular rule and pro-Union Know-Nothings suddenly spoke reverently about the sanctity of the state constitution, which they had tried to rewrite just three years earlier. Furthermore, while conservatives like Johnson did manage to co-opt the rhetoric of "the people" for their own purposes during the Civil War, Maryland's Union Party, led by the same men who defended the established order in 1861, pulled off what one historian termed a "mighty revolution" by outlawing slavery via constitutional revision in 1864 (Charles Wagandt, *The Mighty Revolution: Negro Emancipation in Maryland, 1862-1864* [1964]).

The observation that social history adds a dimension to the study of past politics equal to that contributed by intellectual history does not deny Shalhope's point that conservatives like Johnson maintained political power during the Civil War and consolidated their victory over the democratic impulses of the 1830s. On that score and others, Shalhope's interpretation of Baltimore political thought is well worth reading. He sheds light on the vitality of constitutional debates in early Republic politics and offers compelling insights into a precursor of our current financial crisis. A "sovereigntist" mob has not gathered on Wall Street, but the conservative "tea party" protesters of the healthcare reform bill have invoked the American Revolution's tradition of crowd action, suggesting that calls to enforce the "people's will" still resonate. While much has changed since the 1830s, *The Baltimore Bank Riot* provides a timely study of past bank frauds and the populist movements that emerged in their wake.

Notes

[1]. Eamon Javers, "Inside Obama's Bank CEO Meeting," *Politico*, April 3, 2009, http://www.politico.com/news/stories/0409/2087 (accessed March 30, 2010).

[2]. David Grimsted, *American Mobbing, 1828-1861: Toward Civil War* (New York: Oxford University Press, 2003), 4, 14; and Paul A. Gilje, *Rioting in America* (Bloomington: Indiana University Press, 1996), 72.

[3]. William R. Sutton, *Journeymen for Jesus: Evangelical Artisans Confront Capitalism in Jacksonian Baltimore* (University Park: Pennsylvania State University Press, 1998), 178.

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