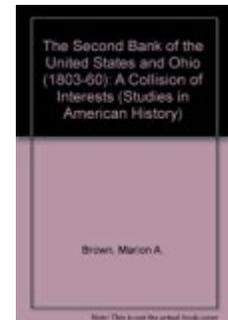




**Marion A. Brown.** *The Second Bank of the United States and Ohio (1803-1860): A Collision of Interests.* Lewiston, N.Y.: Edwin Mellen Press, 1998. ix + 286 pp. \$89.95, cloth, ISBN 978-0-7734-8354-5.



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Although controversy about the Second Bank of the United States--and Andrew Jackson's "war" on it (predating James Carville's "war" on Ken Starr)--has quieted down recently, there is still much work to be done, especially at the local/state level. Marion Brown's *Second Bank of the United States and Ohio* helps fill some of that void.

Brown, who is a professor of history at the University of Cincinnati's College of Applied Science, traces the local reaction and responses in Ohio to the First and Second Banks of the United States (BUS). She provides evidence, mostly from local and regional newspapers, but also from manuscript sources, on the citizenry's view of events surrounding the "monster." While she supplies a great deal of evidence that Ohioans felt the impact of the Banks, she does not make clear what the political and/or economic perspective of the writers was. For example, one is often left wondering if the editorialists and writers in the newspapers were city fathers? Respected leaders? "Hotheads?" Were they pro- or anti-bank people? And why?

In short, we have a book with considerable research that often does not provide the underlying political or economic structure to determine what that research means. One thing is clear: Brown has read many studies, but does not necessarily understand them, or, at least, recapitulate them accurately. For example, she refers to studies done by Charles Calormiris (which she misspells both times) and myself that showed that Ohio's banks were relatively better off than those of other northern states after the Panic of 1857 not because of the state systems or the safety fund, but because of the widespread branch network. Indeed, there is little discussion throughout of branching in the private sector. However, Brown adequately discusses the implications of the BUS's branches and their impact.

Throughout, however, in addition to the absence of context for many of the statements by editorialists and writers of the day, there is a complete lack of economic context, particularly monetary and banking theory. For example, Brown cites Fenstermaker's 1965 study on Biddle and the BUS's ability to influence the U.S. economy, but Pe-

ter Temin and Richard Timberlake, writing more recently, have shown that the BUS's operations were too small to affect the economy. Now she may be right that locals perceived things differently, but that is not her argument. By attempting to portray the struggle as "vigilant Ohioans guard[ing] against any incursions upon their independence and liberty," she simplifies the political debates that occurred not only in Ohio but throughout the nation.

The book would have benefited greatly from a solid discussion of monetary and banking principles of the day. There is nothing to explain what specie reserves meant to local customers. Was a high reserve good? How did people know that the bank was issuing too much money? What did people expect out of banks? What was the difference between note issue and loans? Why were branches opposed? Why was free banking not considered a more enticing alternative to the BUS? Brown's discussions of the Second BUS would have benefited from a thorough reading of Timberlake and David Martin, not to mention writers of the day, such as William Gouge and William Leggett. In other words, too often it is unclear what fundamental principles--what "mindset," in modern slang--the various actors worked from.

Her study is, however, exceptionally valuable when it comes to detailing the interactions between the BUS and its branches, pointing out the critical value of honesty in branch managers. Brown's careful discussion of several scandals shows that trust was a "symbol of safety" in antebellum banking. She also does a fine job of showing the difficulty of evaluating talent--aside from honesty--of the BUS administrators, who had to deal with distant employees in an era when communications were, by our standards, primitive. On the other hand, there is little appreciation for how the politicization of the banking system, like the postal system, was primarily a function of the Jacksonian Democrats and not the Whigs; or of how the creation of mass parties by the Jacksoni-

ans made the BUS "evil" only when it was controlled by political opponents. While Brown concludes that Ohioans were hostile to the BUS, it is ultimately not clear if this is because they (mistakenly) blamed the BUS for problems in the state economy that could have been mitigated by better state banking laws allowing private banks to branch, or because the critics were more effective than the defenders.

*The Second Bank of the United States and Ohio*, in short, is a contribution--and in some places an excellent contribution--but it fails to explain how, and why, there was a "collision of interests" and whether both, or either, or those "interests" were justified in their positions.

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