

Chapter 00288

PANIC OF 1837



8/24/2024

Panic of 1837



- ❑ A direct result of the closing of the National Bank
- ❑ “Pet banks” over-speculated and paper money became nearly worthless
- ❑ People lost their savings, businesses went bankrupt and 1/3 of the population was out of work

By 1837, there were 26 states with 13 million citizens.

By 2024, there is 50 states with 341 million citizens.

“The **Panic of 1837** was a financial crisis in the United States that began a major depression, which lasted until 1844. Profits, prices, and wages dropped, westward expansion was stalled, unemployment rose, and pessimism abounded.” (2024 Wikipedia)

“Democrat President **Andrew Jackson**'s policies were blamed for triggering the panic.” (2024 DailyHistory.org) (7th US President 1829-1837)

“The Panic of 1837 brought about changes in banking and monetary policy.”

“Democrat President Van Buren (1837–1841) moved to establish an independent U.S. treasury system in 1840 to hold and disburse government funds.” (2024 Wikipedia) 8th US President 1837-1841)

“Though initially defeated, the federal system became permanent in 1846. From that point onward, to help stabilize the nation's economy, public funds were held in the U.S. Treasury and its branches in various cities, rather than in the nation's private banking and financial system.” (2024 Encyclopedia .com)

“Difficult economic times contributed to the rush of emigrants that began flooding across the [Oregon Trail](#), beginning in 1843, seeking a fresh economic start. Thousands of emigrants had been displaced by the depression resulting from the Panic of 1837. Ironically, the depression drove U.S. expansionism and spurred new economic hope by the late 1840s. “ (2024 Encyclopedia .com)

President Jackson eliminated the Federal Bank. “This caused many state banks to become insolvent due to their inability to access federal funds.”

“All land purchases had to be made with gold or silver coins instead of paper money. This policy helped to reduce the money supply, making it more difficult for banks to meet their obligations. This further limited the ability for banks to lend out money as they had less coins and gold in their vaults.”

“800 banks closed their doors and the economy was stifled. “

“The government began printing more paper money, and the banks started printing their own currency. This caused inflation and led to sky high unemployment. Without bank regulation or mints, banks recklessly loaned out huge sums of money.”

“This caused a chain reaction when some of the most important state banks refused to accept the paper notes from other banks.”

“When President Martin Van Buren took office in 1837, he sought to implement new policies to combat the crisis.”

(2024 DailyHistory.org).

Pearce / Pierce relatives who lived in 1837.

To be done.

