

# Economic Crisis And Political Disorder After The Panic Of 1837

In the year 1837, a severe economic downturn hit the United States, leading to what is now known as the Panic of 1837. This financial crisis had far-reaching consequences, not only on the economy but also on the political landscape of the country. The repercussions of this tumultuous period were felt for many years to come.

The Panic of 1837 was triggered by a series of events, including changes in banking practices, rapid inflation, and excessive speculation in land and railroad investments. As a result, numerous banks failed, and thousands of businesses went bankrupt. The collapse of the financial system led to widespread unemployment and a sharp decline in wages. These economic hardships, in turn, created immense social unrest.

With the economy in shambles, the political climate became highly volatile. The 1830s were marked by intense political rivalries and ideological debates, and the Panic of 1837 added fuel to the fire. The crisis exacerbated the existing tensions between the Whig Party, which favored a strong central government and protective tariffs, and the Democratic Party, which championed states' rights and a limited federal government.

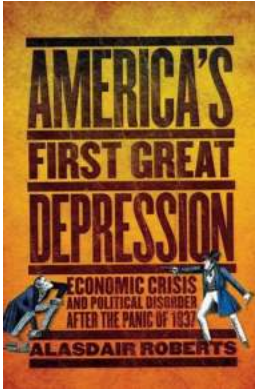
## **America's First Great Depression: Economic Crisis and Political Disorder after the Panic of 1837** by Alasdair Roberts (Illustrated Edition, Kindle Edition)

★★★★☆ 4.3 out of 5

Language : English

File size : 2259 KB

Text-to-Speech : Enabled



Screen Reader : Supported  
Enhanced typesetting : Enabled  
Word Wise : Enabled  
Print length : 265 pages



## The Impact on Political Parties

The Panic of 1837 shattered political coalitions and caused a major realignment of political loyalties. The Whigs, who were in power at the time of the crisis, were heavily criticized for their handling of the situation. Many blamed their economic policies, such as the Bank War initiated by President Andrew Jackson, for exacerbating the crisis. This resulted in a decline in support for the Whigs and a rise in popularity for the Democrats.

The Democrats, led by President Martin Van Buren, capitalized on the public's dissatisfaction with the Whigs and proposed a series of legislative measures to address the economic crisis. Van Buren's administration advocated for a more hands-off approach, believing that the economy would eventually correct itself. However, this laissez-faire stance did little to alleviate the suffering of the American people.

With the economy in turmoil, political disorder quickly followed. Rioting and protests became commonplace, as citizens expressed their frustration and anger with the government. In response, various political factions emerged, each with its own proposed solutions to the crisis. Some advocated for increased

government intervention to stimulate the economy, while others pushed for strict austerity measures and the reduction of public spending.

## **The Impact on Society**

The economic crisis had a profound impact on American society. The collapse of banks and businesses led to widespread poverty and destitution. As unemployment rates soared, many families were left homeless and were forced to rely on charitable organizations for basic necessities.

The Panic of 1837 also had lasting effects on the American psyche. Trust in the banking system was severely damaged, leading to a widespread aversion to credit and financial institutions. The crisis sparked a growing sense of skepticism towards the government and its ability to effectively manage the economy.

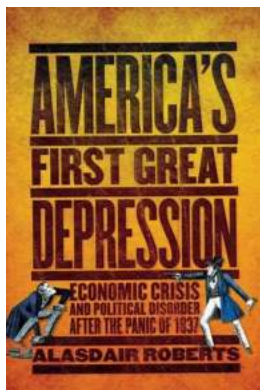
Moreover, the economic hardships experienced during this period deepened existing societal divisions. The wealth gap between the rich and the poor widened, exacerbating class tensions. The plight of the working class, in particular, became a focal point for social reform movements.

## **The Aftermath**

It took several years for the United States to recover from the Panic of 1837. Eventually, a gradual economic upturn occurred, propelled by factors such as the expansion of the industrial sector and the discovery of gold in California. However, the repercussions of this crisis were far-reaching and continued to shape American politics and society for decades to come.

The economic crisis of 1837 had a profound impact on the political landscape of the United States. It shattered the existing political coalitions and led to the rise of new factions. Furthermore, the crisis created widespread social unrest and

highlighted deep societal divisions. The Panic of 1837 serves as a reminder of the fragility of the economy and the delicate balance between economic stability and political order.



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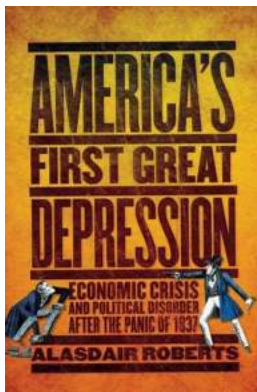


For a while, it seemed impossible to lose money on real estate. But then the bubble burst. The financial sector was paralyzed and the economy contracted. State and federal governments struggled to pay their domestic and foreign creditors. Washington was incapable of decisive action. The country seethed with political and social unrest. In *America's First Great Depression*, Alasdair Roberts describes how the United States dealt with the economic and political crisis that followed the Panic of 1837.

As Roberts shows, the two decades that preceded the Panic had marked a democratic surge in the United States. However, the nation's commitment to democracy was tested severely during this crisis. Foreign lenders questioned whether American politicians could make the unpopular decisions needed on spending and taxing. State and local officials struggled to put down riots and

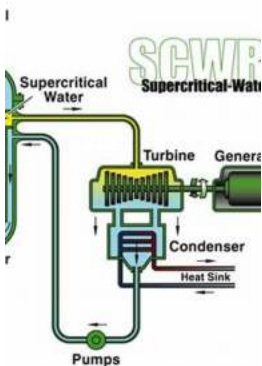
rebellion. A few wondered whether this was the end of America's democratic experiment.

Roberts explains how the country's woes were complicated by its dependence on foreign trade and investment, particularly with Britain. Aware of the contemporary relevance of this story, Roberts examines how the country responded to the political and cultural aftershocks of 1837, transforming its political institutions to strike a new balance between liberty and social order, and uneasily coming to terms with its place in the global economy.



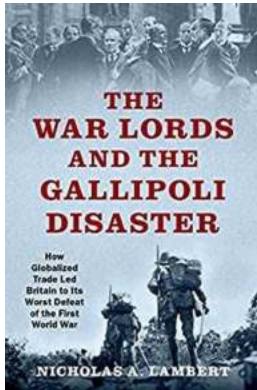
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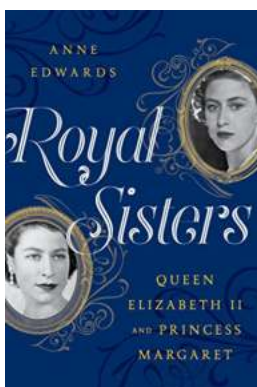
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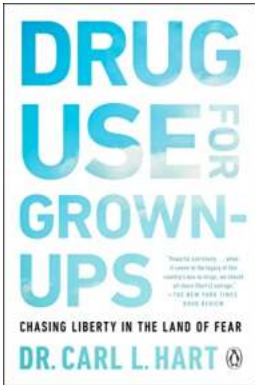
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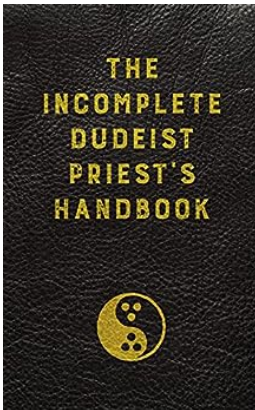
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