

The Many Panics of 1837
*People, Politics, and the Creation of
a Transatlantic Financial Crisis*

In the spring of 1837, people panicked as financial and economic uncertainty spread within and between New York, New Orleans, and London. Although the period of panic would dramatically influence political, cultural, and social history, those who panicked sought to erase from history their experiences of one of America's worst early financial crises. *The Many Panics of 1837* reconstructs the period between March and May 1837 in order to make arguments about the national boundaries of history, the role of information in the economy, the personal and local nature of national and international events, the origins and dissemination of economic ideas, and most importantly, what actually happened in 1837. This riveting transatlantic cultural history, based on archival research on two continents, reveals how people transformed their experiences of financial crisis into the "Panic of 1837," a single event that would serve as a turning point in American history and an early inspiration for business cycle theory.

Jessica M. Lepler is an assistant professor of history at the University of New Hampshire. The Society of American Historians awarded her Brandeis University doctoral dissertation, "1837: Anatomy of a Panic," the 2008 Allan Nevins Prize. She has been the recipient of a Hensch Post-Dissertation Fellowship from the American Antiquarian Society, a Dissertation Fellowship from the Library Company of Philadelphia's Program in Early American Economy and Society, a John E. Rovensky Dissertation Fellowship in Business History, and a Jacob K. Javits Fellowship from the U.S. Department of Education.

The Many Panics of 1837

*People, Politics, and the Creation of
a Transatlantic Financial Crisis*

JESSICA M. LEPLER

University of New Hampshire



CAMBRIDGE
UNIVERSITY PRESS

Cambridge University Press & Assessment
 978-0-521-11653-4 — The Many Panics of 1837
 Jessica M. Lepler
 Frontmatter
[More Information](#)



CAMBRIDGE
 UNIVERSITY PRESS

Shaftesbury Road, Cambridge CB2 8EA, United Kingdom
 One Liberty Plaza, 20th Floor, New York, NY 10006, USA
 477 Williamstown Road, Port Melbourne, VIC 3207, Australia
 314-321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre, New Delhi – 110025, India
 103 Penang Road, #05-06/07, Visioncrest Commercial, Singapore 238467

Cambridge University Press is part of Cambridge University Press & Assessment,
 a department of the University of Cambridge.

We share the University's mission to contribute to society through the pursuit of
 education, learning and research at the highest international levels of excellence.

www.cambridge.org

Information on this title: www.cambridge.org/9780521116534

© Jessica M. Lepler 2013

This publication is in copyright. Subject to statutory exception and to the provisions
 of relevant collective licensing agreements, no reproduction of any part may take
 place without the written permission of Cambridge University Press & Assessment.

First published 2013

A catalogue record for this publication is available from the British Library

Library of Congress Cataloging-in-Publication data

Lepler, Jessica M.

The many panics of 1837 : people, politics, and the creation of
 a transatlantic financial crisis / Jessica M. Lepler, University of New Hampshire.
 pages cm

ISBN 978-0-521-11653-4 (hardback)

1. Depressions – 1837. 2. Financial crises – United States – History – 19th
 century. 3. United States – Economic conditions – To 1865. I. Title.

HB37171837 .L47 2013

330.973 057-dc23 2013015877

ISBN 978-0-521-11653-4 Hardback

ISBN 978-1-107-64086-3 Paperback

Cambridge University Press & Assessment has no responsibility for the persistence
 or accuracy of URLs for external or third-party internet websites referred to in this
 publication and does not guarantee that any content on such websites is, or will
 remain, accurate or appropriate.

Cambridge University Press & Assessment
978-0-521-11653-4 — The Many Panics of 1837
Jessica M. Lepler
Frontmatter
[More Information](#)

To
Michelle and Allan Lepler

It became evident that a dark cloud hung over the business atmosphere. Unexpected failures every day took place. Some attributed the thick-coming evils to the removal of the deposits, others to interrupted currency; some to overtrading, and some to extravagance. Whatever was the cause, the distress was real. Mr. Draper's cotton became a drug in the market; manufactories stopped, or gave no dividends. Eastern lands lost their nominal value, and western towns became bankrupt. Ships stood in the harbor, with their sails unbent and masts dismantled. Day laborers looked aghast, not knowing where to earn food for their families. The whirlwind came; it made no distinction of persons. 'It smote the four corners of the house,' and the high-minded and the honorable fell indiscriminately with the rest. Well may it be asked, Whence came this desolation upon the community? No pestilence visited our land; it was not the plague; it was not the yellow fever, or cholera. Health was borne on every breeze; the earth yielded her produce, and Peace still dwelt among us.

– Hannah Farnham Sawyer Lee, *Rich Enough: A Tale of the Times*
(Boston: Whipple & Damrell, 1837), 70–71.

Contents

<i>List of figures</i>	<i>page</i> viii
<i>Acknowledgments</i>	ix
<i>Abbreviations</i>	xv
Introduction: The Many Panics of 1837	i
1. A Very “Gamblous” Affair	8
2. The Pressure of 1836	43
3. Practical Economists	67
4. Mysterious Whispers	94
5. The Many Panics in 1837	123
6. Parallel Crises	157
7. States of Suspense	191
Epilogue: Panic-less Panics of 1837	235
<i>Notes</i>	255
<i>Index</i>	325

List of Figures

1	Map of the Atlantic Ocean, circa 1837	<i>page</i> xvii
2	“General Jackson Slaying the Many Headed Monster,” 1836	21
3	Samuel Hermann’s House, circa 2012	23
4	Citizens’ Bank Bond, 1836	25
5	Reverse of Citizens’ Bank Bond, 1836	26
6	Bill of Exchange, 1837	29
7	Reverse of Bill of Exchange, 1837	29
8	Protest for Want of Acceptance, 1837	31
9	Bank’s Arcade, 2012	116
10	“Uncle Sam Sick with La Grippe,” 1837	152
11	Hard-Times Tokens, 1837	207
12	“The Explosion,” 1838	213
13	“The Times,” 1837	251

Acknowledgments

The failures of this book are entirely self-made; the successes are the product of the support I have received from many individuals and institutions. Permit me to attempt to express my gratitude to some of those who have made this book possible.

Without Jane Kamensky's trenchant questions and unwavering support, I would never have found the many panics of 1837. She led a superb doctoral committee that included David Engerman and Dan Dupre. Milton Kornfeld, Jacqueline Jones, David Hackett Fischer, Michael Willrich, Joyce Antler, and many others at Brandeis University provided me with the tools of a professional historian. Outside of my graduate institution, my mentors and close friends Cathy Kelly and Cathy Matson have helped me navigate my academic life. My excellent teachers and professors, especially John Hewlett, Gloria Sesso, Wilfred McClay, Christian Brady, and the late Philip Stuart and Jean Danielson, inspired me to pursue a career in history.

As we prepared for our comprehensive examinations more than a decade ago, Emily Straus asked me to explain the Panic of 1837; this book would not exist without her question and the many other insightful queries of my graduate school cohort, especially Kim Frederick, Denise Damico, Eric Schlereth, Will Walker, Gabe Loiacono, Jason Opal, Hilary Moss, Alexis Antracoli, Alexis Messing Tinsley, Maria Noth, Lindsay Silver Cohen, and Lynda Yankaskas.

One day in the spring of 2007, two literary scholars – Yvette Piggush and Hunt Howell – informed me that bills of exchange were texts; in 2009, historian of science Emily Pawley taught me that these same financial instruments were paper technology. I could not have written this book

without their insights. Other fellows who opened my eyes to new ways of seeing include April Haynes, Meredith Neuman, Lloyd Pratt, Ezra Greenspan, Mary Beth Sievens, Michael Winship, Sean Kelley, Adam Nelson, Marla Miller, Rose Beiler, Candice Harrison, and Jenna Gibbs. I owe similar unpayable debts to people too numerous to mention by name. Fellows at the American Antiquarian Society and the Library Company of Philadelphia shaped my work in ways big and small. Although I was not an official fellow at the McNeil Center for Early American Studies, Daniel Richter always made me feel like one. During my year as a visiting assistant professor at Case Western Reserve University, Jonathan Sadowsky, Renee Sentilles, John Broich, and their outstanding colleagues welcomed me as a full member of their community and assisted me in finding my own academic home. Since I arrived at the University of New Hampshire in 2008, all of my colleagues have been generous with both their time and their confidence. Dean Ken Fuld and the several chairs of the History Department – Jan Golinski, Bill Harris, and Lige Gould – have consistently supported my work. Everywhere that I have taught, my students have been a font of provocative questions and insightful comments. In particular, Cory McKenzie’s meticulous editing of my footnotes deserves special recognition.

I am incredibly fortunate that the American Antiquarian Society brought together Scott Sandage, Adam Rothman, Bruce Mann, Caroline Sloat, and Paul Erickson to discuss my dissertation. So many other scholars have answered my questions, suggested sources, or read versions of this manuscript that it would be impossible to thank them all by name. I owe particular debts to John Larson, David Green, Michael Zakim, Mary Poovey, Robert Lee, Richard John, David Nord, Steven Bullock, Roderick McDonald, Michael Zuckerman, Mary Templin, Brian Murphy, Edward Balleisen, Jeffrey Pasley, Joshua Greenberg, Margot Finn, Sven Beckert, Lesley Doig, Stephen Mihm, Daniele Besomi, Nancy Davison, Christopher Clark, Brian Luskey, Richard Latner, George Bernstein, Peter Temin, Stanley Engerman, Seth Rockman, Andrew Shankman, Robert Wright, Scott Reynolds Nelson, Naomi Lamoreaux, Emma Rothschild, Walter Johnson, Ann Fabian, Larry Schweikart, Alice O’Connor, Steve Fraser, Mary Fuhrer, and Wayne Bodle.

Commentators, fellow panelists, and participants at conferences, seminars, and colloquia have provided me with indispensable feedback. I was fortunate to present my work to the Organization of American Historians, the American Historical Association, the American Studies Association, the Society for Historians of the Early American Republic, the History of

Acknowledgments

xi

Economics Society, the American Antiquarian Society, the Program in Early American Economy and Society at the Library Company of Philadelphia, The Historic New Orleans Collection, the Hagley Library, the McNeil Center, the Center for History and Economics at Harvard University, the University of Georgia, the Culture of the Market Network at the University of Oxford, the University of Liverpool, the University Seminar on Early American History and Culture at Columbia University, the UNH History Faculty Seminar, and the Kompactseminar of Brandeis University and Universität Augsburg.

The libraries and librarians at UNH, Brandeis, Case Western, and the affiliated institutions of the Boston Library Consortium have provided me with extraordinary research capabilities. For enabling me to access digital and print sources when I was far from my home institutions, I would like to thank the King's College London Department of Geography; the British Library; and the libraries of the University of Pittsburgh, the University of Pennsylvania, George Washington University, and Tulane University. I am grateful to all of the institutions that granted me image and manuscript permissions. I owe a heartfelt thanks to the staff at the Rothschild Archive, the Bank of England Archive, the Baring Archive, the British Library Newspaper Reading Room, the National Archives at Kew, the Manuscript and Newspaper Reading Rooms of the Library of Congress, the Louisiana Research Collection at Tulane University, the Williams Research Center of The Historic New Orleans Collection, the City Archives and Louisiana Division of the New Orleans Public Library, the New Orleans Notarial Archives, the Earl K. Long Library at the University of New Orleans, the Hermann-Grima Historic House, the New-York Historical Society, the Manuscripts and Archives Division of The New York Public Library, the National Archives at New York City, the Library Company of Philadelphia, the Historical Society of Pennsylvania, the American Antiquarian Society, the Baker Library of the Harvard Business School, the Boston Public Library, the Massachusetts Historical Society, and the Boston Athenaeum. Some of the people who make these institutions such delightful workplaces include Melanie Aspey, Moira Lovegrove, Clara Harrow, Sarah Millard, Melissa Smith, Ken Owen, Lee Miller, Irene Wainwright, Priscilla Lawrence, John Lawrence, Jessica Dorman, Mary Lou Eichhorn, Gigi Barnhill, Vince Golden, Lauren Hewes, Elizabeth Pope, Laura Wasowicz, Andrew Bourque, Jackie Penny, Diann Benti, Jim Green, Wendy Woloson, and Connie King.

I am grateful to *Common-place*, *Journal of Cultural Economy*, and Ashgate Publishing for granting me permission to include in this

monograph material originally published as “Pictures of Panic: Constructing Hard Times in Words and Images,” *Common-place* 10, no. 3 (Spring 2010); “‘The News Flew Like Lightning’: Spreading Panic in 1837,” *Journal of Cultural Economy* 5, no. 2 (May 2012): 179–95; and “‘To Save the Commercial Community of New York’: Panicked Business Elites in 1837,” in *Commerce and Culture: Nineteenth-Century Business Elites*, edited by Robert Lee (London: Ashgate, 2011), 117–38.

My work has benefited from the financial support of a Hench Post-Dissertation Fellowship from the American Antiquarian Society; a Dissertation Fellowship from the Program in Early American Economy and Society at the Library Company of Philadelphia; a John E. Rovensky Fellowship in U.S. Business or Economic History; an Irving and Rose Crown Fellowship and a Sachar International Travel Award from Brandeis University; a Jacob K. Javits Fellowship from the U.S. Department of Education; a Dianne Woest Fellowship from The Historic New Orleans Collection; an Annette K. Baxter Travel Grant from the American Studies Association; a travel grant from the University of Liverpool; a Research Bursary from the Rothschild Archive; a Dean’s Honor Scholarship from Newcomb College of Tulane University; and funds from the UNH College of Liberal Arts, the UNH History Department, and the Signal and Dunfey Funds.

In 2008, the Society of American Historians awarded my dissertation the Allan Nevins Prize. I will forever be grateful to Mark Carnes, Robert Cowley, and Susan Hartmann for this honor. At Cambridge University Press, I have had the pleasure of working with Eric Crahan, Lew Bateman, Deborah Gershenowitz, Abigail Zorbaugh, Alison Daltroy, and Dana Bricken, and Sumitha Nithyanandan and her team at Integra Software Services. David Lyons made good sense of the manuscript in his index.

I could not have performed the far-ranging research for this book without a wide network of wonderful friends who hosted me on my travels. I would especially like to thank Vanita Neelakanta, Rachel Kapelle, Becky Olson, Jeremy Colson, Vicki and Ryan Wepler, Royden Tull, Eric Olson, Stefan Friedl, Lars Lierow, Wolfgang and Barbara Siegert, Stephane Saal, Connie Siedler, Vincent Webb, Ken Damico, Brian Kinney, Cindy Chen, Louise and Lawrence Francis, Jennifer Cricenti Rheder, Tania Playhay, Kathryn Davies, William Danny, Hilary Guite, Petr Barta, Jo Collins, Leena Pradhan-Nabzdyk, Christoph Nabzdyk, Lisa Singleton, Nezahualcoyotl Xiuhtecutli, Margarita Vargas, Michael Joyce, James McAllister, Jeannie Sowers, Ben Chandran, Riki Greenspan, and the Jakobs sisters.

Acknowledgments

xiii

Finally, Spencer Lepler; Reginald Waters; Marcia Dube; Sheila Feingold; and the Lepler, Gratz, and Rodden families have allayed my many personal panics. Several of my biggest supporters did not live to see the end product of all my years of work: my maternal grandparents Estelle and Max Feingold, my paternal grandparents Gertrude and Louis Lepler, and my “Nana Dog” Zak. This book is dedicated to my parents, Michelle Feingold Lepler and Allan Lepler. Michael Dube, my bashert, you will always be my lawyer (and songwriter) perfect.

Abbreviations

ARCHIVAL COLLECTIONS

AAS	American Antiquarian Society, Worcester, MA
BA	The Baring Archive, London, United Kingdom
BBLOC	Baring Brothers Papers [Microfilm], Manuscript Division, Library of Congress, Washington, D.C.
BOEA	The Bank of England Archive, London, United Kingdom
CBLARC	Citizens' Bank of Louisiana Records, Louisiana Banking collection, Mss. no. 539, Louisiana Research Collection, Tulane University, New Orleans, LA
HNOG	Williams Research Center, The Historic New Orleans Collection, New Orleans, LA
LOC	Manuscripts Division, Library of Congress, Washington, D.C.
LARC	Louisiana Research Collection, Tulane University, New Orleans, LA
MCNYHS	Manuscript Collections, New-York Historical Society, New York
MTP	Moses Taylor papers, Manuscripts and Archives Division, The New York Public Library, Astor, Lenox, and Tilden Foundations, New York
MVBLOC	Martin Van Buren Papers, 1797–1910 [Microfilm], Manuscript Division, Library of Congress, Washington, D.C.

NARA	Entry 117, Bankruptcy Records, Act of 1841, United States District Court for the Southern Federal District of New York, National Archives at New York City
NOCA	Louisiana Division/City Archives, New Orleans Public Library, New Orleans, LA
NONA	Clerk of Civil District Court, Notarial Archives Division, New Orleans, LA
NYPL	Manuscripts and Archives Division, The New York Public Library, Astor, Lenox, and Tilden Foundations, New York
RAL	The Rothschild Archive, London, United Kingdom
UNO	Historical Archives of the Supreme Court of Louisiana (Mss 106), Earl K. Long Library, University of New Orleans, New Orleans, LA

PERIODICALS

<i>NI</i> ₃	<i>National Intelligencer</i> (Washington, D.C.) [Thrice-Weekly Edition]
NOTA	<i>The True American</i> (New Orleans)
NYH	<i>New York Herald</i>
PIC	<i>Picayune</i> (New Orleans)

NAMES OF FIRMS, BANKS, AND OTHER INSTITUTIONS

BOE	Bank of England
BUS	Second Bank of the United States
JLSJ	J. L. & S. Joseph & Co.
NBER	National Bureau of Economic Research
NMRS	Nathan Mayer Rothschild & Sons

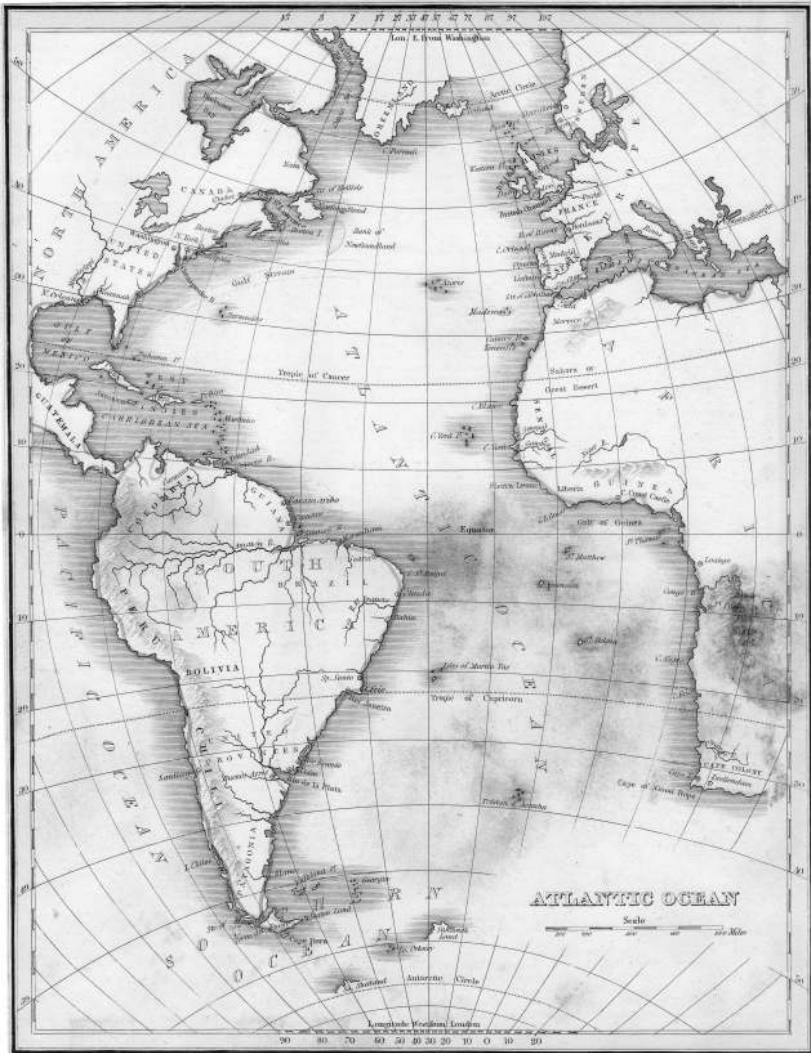


FIGURE 1. “Atlantic Ocean,” T.G. Bradford, *A Comprehensive Atlas Geographical, Historical & Commercial* (1837), 80.