

CHAPTER VI

THE PANIC OF '37

The banks of New York suspended specie payments on May 10, 1837, those of Philadelphia the following day, and The Bank of Delaware County on that day, as soon as the news of the action of the banks in Philadelphia was received. The panic of 1837 broke over the country in all its fury, following President Jackson's success in putting The United States Bank out of business.

On the 15th of the same month, the board of The Bank of Delaware County decided that "under present exigencies it is not expedient to make any new loans or increase the liabilities of the bank in any other way," which action is explained by a notice published in the *Delaware County Republican* of May 19, 1837:

A GREAT MOVE

We learn that the Board of Directors of The Bank of Delaware County have resolved not to make any loans, nor in any other way to increase their present liabilities, but on the contrary to proceed with all reasonable speed to reduce the same, with a view to an early resumption of specie payments. This determination will, we presume, be alike satisfactory to the stockholders of the institution and the public.

But the resumption of specie payment did not come about as the directors had hoped it would, hence, on June 19, the resolution prescribing loans and discounts was rescinded, but as the panic was then disturbing all avenues of business and shattering many financial institutions, the utmost circumspection was observed in accepting paper, and much which was issued by Philadelphia firms and individuals and offered to The Bank of Delaware County for discount, met with a refusal.