

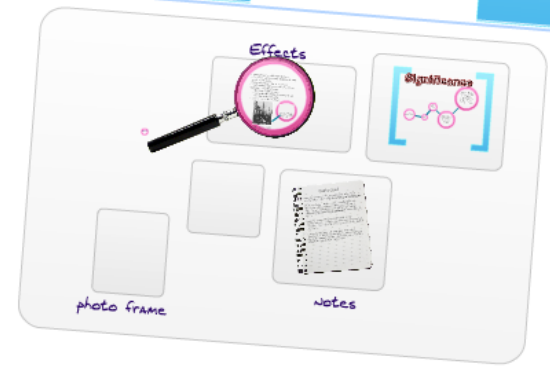
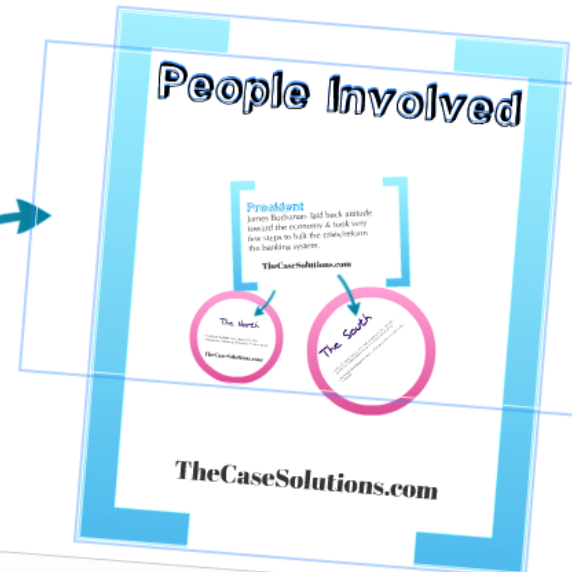
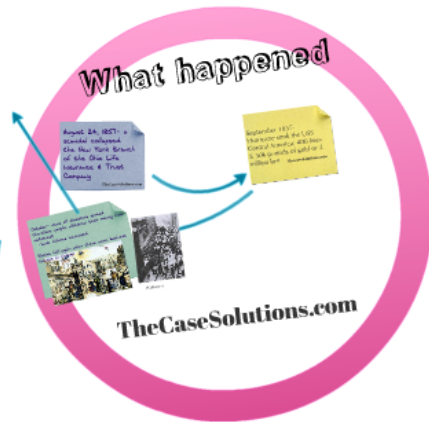
Wall Street's First Panic (A)

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Causes of the panic

- Crimean War(1853-1856)- undercut demands for products.
- Ex: wheat exports 14.8 million -> 3.0 million bushels
- summer of 1857- factories scaled back or shut down production & laid off workers due to unsold inventories
- rail road & land speculation weakened U.S. banking structure
- poor management, overbuilding, led to many railroad failures

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What happened



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People Involved

President
James Buchanan- led back attitude toward the economy & took very few steps to halt the crisis/retain the banking system.

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The North

The South

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Effects

Significance

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What happened

August 24, 1857- A scandal collapsed the New York Branch of the Ohio Life Insurance & Trust Company

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September 1857- Hurricane sunk the USS Central America; 400 lives & 30k pounds of gold or 2 million lost

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October- news of disasters spread therefore people withdrew their money from wallstreet
- bank failures increased
Stocks fell again when there were business failures in Chicago



Wallstreet

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The North

• Northern Republicans angered by the President's attitude and blamed the Democrats

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The South

• Debt was the economic issue with the most support in the rest of the country
• When agricultural products were not to be sold for the crisis in the economy

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