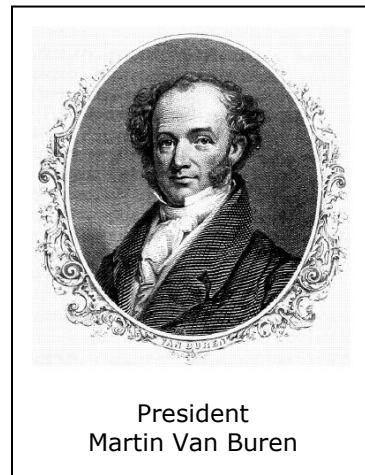


Twenty-Fifth Congress

Sep. 4, 1837 – Mar. 3, 1839

Administration of Martin Van Buren

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Historical Background

By 1837, the four-year battle between President Jackson and the supporters of the National Bank had left the United States on the verge of financial anarchy, as both the number of banks and banknotes continued to increase. Adding to the nation’s economic woes was the speculation and inflation which accompanied the vast internal improvements—principally roads and canals—begun by States and private concerns during this period.

To combat inflation, Treasury Secretary Levi Woodbury issued the Specie Circular of July 11, 1836 (by President Jackson’s order), providing for the future acceptance by the Federal government of nothing but gold, silver, and Virginia land scrip in payment for the purchase of public land. However, instead of amending the situation, the Circular resulted in draining the State banks of specie and the Western real estate market to collapse. By March 1837 there was a full-scale financial panic resulting in 618 banks failing by the end of the year. The ensuing depression lasted for seven years.

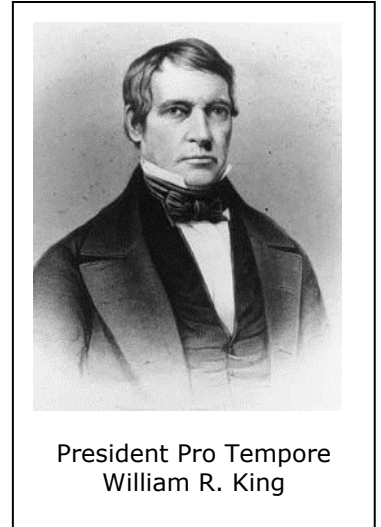
As a result of the Panic of 1837, President Van Buren called a special session of Congress, which convened on September 4, 1837. The following day Van Buren sent a message proposing, among other financial measures, the withdrawal of Government funds from the “pet banks,” where President Jackson had deposited them in 1833, and placing them instead in Federal sub-treasuries. However, Congress did not accede to Van Buren’s wishes immediately. Instead, Congress, hoping to ease the financial distress which faced the nation, authorized \$10 million in Treasury notes in October. Additionally, the Senate passed two different versions of an independent Treasury bill, in October 1837 and March 1838, but in each instance the House was unwilling to concur so neither was sent to the President’s desk.

House	Senate
Majority Party: Democrats (128 seats)	Majority Party: Democrats (35 seats)
Minority Party: Whig (100 seats)	Minority Party: Whig (17 seats)
Other Parties: Anti-Masonic (7 seats); Nullifier (6 seats); Independent (1 seat)	Other Parties: None
Speaker of the House: James K. Polk	Senate President Pro Tempore: William R. King

Along with dealing with economic crisis, the 25th Congress also initiated the Nation's first major agricultural program by authorizing the patent office to distribute seeds, and to collect and publish data of interest to farmers. The first major expansion of the Census was also enacted, requiring the gathering of new information on Revolutionary War pensioners, schools and colleges, literacy, crime, occupations, mental illness, as well as commerce and manufacturing.

Sources:

Dell, Christopher and Stephen W. Stathis. [*Major Acts of Congress and Treaties Approved by the Senate, 1789-1980*](#). Government Division (CRS), Sept. 1, 1982. 97th Congress, 2nd Session, 82-156 GOV. ProQuest Congressional, CRS-1982-GOV-0005



War or Peace?

Border Disputes

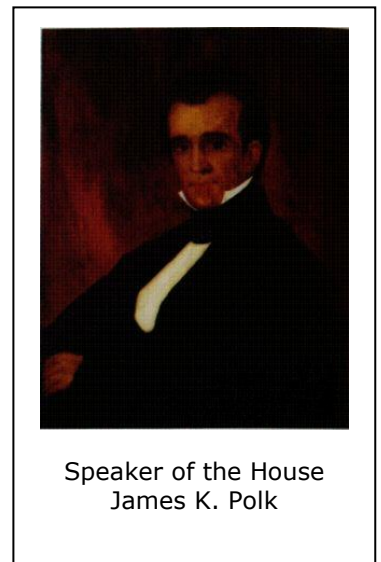
While the 25th Congress transpired during a period of relative peace for the United States, the Van Buren Administration nevertheless faced issues relating to long-simmering disputes with the country's immediate neighbors to the north and south: Mexico and British America.

Subsequent to its war for independence from Spain, Mexico experienced prolonged periods of political instability that heavily impacted trade and relations with international partners, including the United States. Much of this impact was related to claims against the Mexican government made by foreign nationals for property destroyed during the civil unrest that followed independence.

As President Van Buren reported during his second annual address to the Congress, the U.S. and Mexico had concluded treaty negotiations aimed at settling claims of U.S. citizens against the Mexican government. Meanwhile, a claim made by the French owner of Mexico City pastry shop, in addition to Mexico's default on monies owed to the French government, led to war between those two countries. The French blockade of Mexico's east coast resulted in significant disruptions for U.S. trade, with not only Mexico, but also neighboring countries.

Meanwhile, the Texas Revolution of 1836 led to the declaration of the independent Republic of Texas. Though the territory was self-governing, its independence was never recognized by Mexico. This, coupled with internal disputes over the issues of slavery and Native American populations within the territory would lead Texas to loom large in U.S. policy, culminating with the annexation of Texas by the United States in 1846.

To the North, the threat of war with Great Britain arose over the disputed northeastern boundary between Maine and New Brunswick in the Aroostook area. In March 1839, British troops reached Madawaska. In response, Congress authorized a force of 50,000 men and \$10 million to protect U.S. territory. Congress also appointed a special minister to London to attempt to resolve the dispute. However, the conflict – now known as the bloodless



Aroostook War - was settled peacefully by General Winfield Scott, who, at President Van Buren's direction, negotiated a truce between the Governor of Maine and the Lieutenant Governor of New Brunswick. Great Britain and the United States permanently resolved the border issue three years later with the ratification of the Webster-Ashburton Treaty.

Second Seminole War

After a period of difficulty for the United States's efforts to force the Seminole Indians to relocate west of the Mississippi River, marked by a series of losses, Major General Thomas Jesup assumed command of U.S. military forces in 1836. In January 1837, Jesup's Marine brigade captured several dozen Seminoles and a large quantity of livestock in the Battle of Hatchee-Lustee. Seminole leaders sent a delegation to Jesup and a truce was signed. At this time, many Seminoles arrived at Army camps to prepare to be resettled west, though some Seminole leaders refused to surrender and give up their lands. In June of that year a group of Seminoles entered the holding camp where the surrendered Seminoles waited to be transported, freeing several hundred of their number. Jesup resumed a belligerent footing, however, because of the recent truce, he was not yet in a position to resume full military action immediately. On October 21st, at peace talks under a white flag of truce, General Thomas Jesup captured the influential Seminole leader Osceola who had been leading the rebellion and had him imprisoned.

In December 1837, Colonel Zachary Taylor tracked a large contingent of Seminoles into the central part of the territory, catching up with them on the north shore of Lake Okeechobee. Though he lost around 100 men in his effort to subdue the Seminoles, whose casualties were fewer than 20, he was ultimately able to drive the Seminoles from their defensive position, forcing a retreat. This was followed by another victory in the Battle of Loxahatchee in January 1838 and the capture of a significant contingent of Seminoles in February of that year, after their proposal to be allowed to settle south of Lake Okeechobee was rejected by Secretary of War Joel Roberts Poinsett.

Sources:

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Economic Trends and Conditions

The United States experienced its first sustained economic crisis during the 25th Congress. During the Administration of Andrew Jackson, competing

factions differed over the question of whether to renew the charter of the Bank of the United States. The Jacksonian Democrats considered the Bank an unconstitutional violation of state sovereignty and beneficial only to the financial elite, while Pro-Bank National Republicans felt the Bank was necessary for the continued maintenance of Federal funds. In 1832, Jackson vetoed the Bank's charter renewal and distributed federal funds to dozens of "pet banks" around the country between 1833-1836. This 'Bank War,' along with over-speculation, inflation, and rampant real estate expansion created an increasingly unstable economic environment, leaving the banking industry and federal funding for public works in disarray.

During the same time, prices for land, cotton, and slaves rose precipitously and westward expansion generated a real estate bubble. Moreover, international investment was high. State bonds were eagerly bought on the international money market. However, when the Bank of England - which backed much of the bonds acquired on the money markets with hard money (coins) - began raising interest rates to compensate for a decline in funds in 1836, banks in the United States were forced to follow suit. Higher interest rates led to a devaluation of U.S. securities and currency, in turn leading to rapid decline in prices. Cotton, the main cash crop of the era, saw a 25% decline in price by March 1837. The resulting Panic of 1837 was the first significant economic depression in U.S. history.

Exacerbating the situation, Treasury Secretary Levi Woodbury issued the Specie Circular of July 11, 1836, providing for the future acceptance by the Government of nothing but gold, silver, and Virginia land scrip in payment for the purchase of public land. The policy was meant to combat land speculation and inflation caused by the excessive issuance of paper money by banks. Instead, the Circular caused a drain on State banks' hard currency and for the western real estate market to collapse. In March 1837, New York Banks suspended specie payments, meaning an individual could no longer exchange paper money or bank notes for coin currency, causing a full-scale panic. By the end of the year, 618 banks failed, bankruptcies became commonplace, unemployment rose sharply, farm prices declined rapidly, and riots broke out among the poor. The ensuing depression lasted for the next seven years.

In an urgent attempt to ease the crisis, newly elected President Martin Van Buren called a special session of Congress. In his message, Van Buren proposed, among other financial measures, the withdrawal of Government funds from the "pet banks," and placing them instead in a new system of Federal sub-treasuries. Hoping to ease the financial distress the country faced, Congress authorized the issuance of \$10 million in Treasury notes in October. However, despite Van Buren's urgent calls to do so, Congress did not authorize the creation of an Independent Treasury system until the following Congress. By early 1838, signs of an improving economy emerged, and in April, banks in New York announced their resumption of specie payments. Other banks soon followed. In May, a bill sponsored by Whig Senator Henry Clay repealing the Specie Circular was signed into law and the economy saw a brief respite from the Panic between 1838 and 1839.

Sources:

Jackson, Andrew. [*Message from the President of the United States to the Two Houses of Congress at the Commencement of the Second Session of the Twenty-Fourth Congress*](#). House, Dec. 5, 1836. 24th Congress, 2nd Session, H.doc.2/1, (Pr7.1/1:836). ProQuest Congressional, 301 H.doc.2/1

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Van Buren, Martin. [*Message from the President of the United States to the two Houses of Congress at the commencement of the third session of the Twenty-Fifth Congress*](#). House, Dec. 3, 1838. 25th Congress, 3rd Session, H.doc.2/1 (Pr8.1/1:838). ProQuest Congressional, 344 H.doc.2/1

Landmark U.S. Supreme Court Decisions

Charles River Bridge v. Warren Bridge, ruling that individual or corporate property rights do not overrule the needs of the community and that state public works do not interfere with corporate profits, 36 U.S. 420 (1837)

New York v. Miln, upholding reporting requirements imposed on ship masters, ruled the state has the right to invoke “police power,” to take all necessary steps to protect the health, safety, and welfare of its citizens, and provide precautionary measures to bar those coming into the state from becoming public charges, 36 U.S. 102 (1837)

Kendall v. Stokes, sustaining an act of Congress in which the Postmaster-General was ordered to honor contracts with a firm for carrying the mail of the United States and to pay the credit that was owed at the behest of a mandamus from the Circuit Courts of the District of Columbia, 38 U.S. 607 (1838)

Sources:

Costello, George A. and Johnny H. Killian. [*Constitution of the United States of America. Analysis and Interpretation*](#). CRS, Library of Congress, Jan. 1, 1996. 103rd Congress, 1st Session, S. Doc. 103-6 (Y1.1/3:103-6). ProQuest Congressional, 14152 S.doc.6

1837 Events

- **Jan. 26:** Michigan admitted to the Union as the 26th State
- **Feb.:** [*Charles Dickens's Oliver Twist begins serial publication in London*](#)
- **Feb. 8:** [*Richard Johnson becoming the only Vice President chosen by the U.S. Senate under the provisions of the 12th Amendment*](#)
- **Feb. 25:** The Institute for Colored Youth (ICY) is founded in Philadelphia as the first institution for the higher education of black people in the United States
- **May 10:** *Panic of 1837* – New York City banks fail and unemployment reaches record levels

- **June 11:** The Broad Street Riot, fueled by ethnic tensions between Anglo-American citizens and newly arrived Irish immigrants, occurs in Boston
- **June 12:** [English inventors W.F. Cooke and Charles Wheatstone patent a system of electrical telegraph](#)
- **June 20:** 18-year old Queen Victoria accedes to the throne of the United Kingdom upon the death of her uncle William IV
- **Oct. 21:** *Second Seminole War* – [General Thomas Jesup captures Seminole leader Osceola under a white flag of truce](#)
- **Oct. 22:** Henry David Thoreau makes his first journal entry at the suggestion of Ralph Waldo Emerson
- **Nov. 7:** In Alton, Illinois, abolitionist printer Elijah P. Lovejoy is shot and killed by a pro-slavery mob while he attempts to protect his print shop from being destroyed a third time
- **Dec. 17:** A fire in the Winter Palace in St. Petersburg, Russia ignites and burns over three days
- **Dec. 25:** *Second Seminole War* – [400 Seminole warriors stopped the advancement of 1,100 troops under the command of Zachary Taylor at the Battle of Lake Okeechobee](#)

1838 Events

- **Jan. 6:** [First public demonstration of Samuel Morse's telegraph; two days later Alfred Vail demonstrates a telegraph using dots and dashes, the forerunner of Morse code](#)
- **Jan. 12:** [Joseph Smith, Jr., founder of the Church of Jesus Christ of Latter-Day Saints, and fellow church leader Sidney Rigdon flee the threat of mob violence in Ohio in the wake of the Kirtland Safety Society banking fiasco for Missouri](#)
- **Jan. 24:** *Second Seminole War* – Second Battle of the Loahatchee River General Jesup defeats 300 Seminoles
- **Feb. 11:** *Second Seminole War* – [General Jesup sends a request to Washington permitting Seminoles to remain in the Everglades – the request is denied](#)
- **Apr. 30:** [Nicaragua declares its independence from the Federal Republic of Central America](#)
- **May 26:** *Trail of Tears* - [U.S. soldiers being the forcible removal of Cherokee peoples in Southeastern States as a part of the Indian Removal Act, eventually resulting in the deaths of an estimated 4,000 Cherokees](#)
- **July 4:** [Iowa Territory organized from Wisconsin Territory](#)
- **Sep. 3:** Dressed in a sailor's uniform and carrying identification papers provided by a free Black seaman, future abolitionist Frederick Douglass boards a train in Maryland on his way to freedom from slavery
- **Sept. 4:** Forced relocation of Potawatomi tribe members from Indiana to eastern Kansas begins
- **Oct. 27:** [In an executive order, Missouri Governor Lilburn Boggs declares Mormons to be enemies of the State and encourages the](#)

[extermination or exile of the religious minority, forcing nearly 10,000 Mormons to leave the State](#)

- **Nov. 5:** [Honduras and Costa Rica follow the example of Nicaragua and secede from the federation, causing the dissolution of the Federal Republic of Central America](#)
- **Dec. 16:** The Boers win a decisive victory over the Zulus in the Battle of Blood River

Sources:

Baker, Richard A. [Thirty Minutes of Senate History](#). Senate, Nov. 1, 1997. 105th Congress, 1st Session, Senate Publication No. 105-33 (Y1.3:S.PUB.105-33). ProQuest Congressional, CMP-1997-SEN-0010

Cooper, S. [Letter from the Secretary of War \[...\] as to whether any Seminole Indians, coming in under a flag of truce, or brought in by Cherokee Indians, acting as mediators, have been made prisoners by General Jesup](#), Department of War, Apr. 10, 1838, 25th Congress, 2nd Session, H.doc.327. ProQuest Congressional, 329 H.doc.327

Dickens, Charles. [Oliver Twist](#) [1837], Alma Books, 2014. ProQuest Ebook Central, 4880915

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Gorham, George C. [Annual Report of the Board of Regents of the Smithsonian Institution, showing the operations, expenditures, and condition of the institution for the year 1878](#), Mar. 3, 1879. (S11.1:878) ProQuest Congressional, 1835 S.misdoc.59

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Jackson, Andrew. [State of Michigan. Message from the President of the United States, upon the subject of admitting Michigan into the union as an independent state](#). Committee on the Judiciary, House, Dec. 1, 1836. 24th Congress, 2nd Session, H.doc.46. ProQuest Congressional, 302 H.doc.46

Owen, Ephraim. [Memorial of Ephraim Owen, Jr., \[...\] asking of Congress to afford protection to the people called Mormons, in the enjoyment of their civil rights as citizens of the United States; and complaining of loss of property, &c.](#) Committee on the Judiciary, House, Dec. 20, 1838. 25th Congress, 3rd Session, H.doc.42. ProQuest Congressional, 346 H.doc.42

Poinsett, Joel Roberts. [Letter from the Secretary of War, transmitting copies of the correspondence between the War Department and Major General Scott, in relation to the removal of the Cherokees](#), Department of War, July 3, 1838. 25th Congress, 2nd Session, H.doc.453. ProQuest Congressional, 331 H.doc.453

Poinsett, Joel Roberts. [Letter from the Secretary of War, transmitting copies of the letter of General Jesup, dated Fort Jupiter, February 11, 1838](#), Department of War, Mar. 21, 1838, 25th Congress, 2nd Session, H.doc.272. ProQuest Congressional, 328 H.doc.272

Sheridan, Peter B. [Admission of States into the Union After the Original Thirteen: A Brief History and Analysis of the Statehood Process](#), Government Division (CRS), Apr. 2, 1985. 99th Congress, 1st Session, 85-765 GOV. ProQuest Congressional, CRS-1985-GOV-0026

Woodbury, Levi. [Letter from the Secretary of the Treasury, transmitting a letter from Professor Morse, on the subject of his electro-magnetic telegraph](#). Committee on Commerce, House, Dec. 28, 1838. 25th Congress, 3rd Session, H.doc.58. ProQuest Congressional, 346 H.doc.58

Major Acts

Postponement of Fourth Installment of Deposits within States.

Postponed the transfer of the fourth installment of deposits to be made directly to the states until January 1, 1839. Approved Oct. 2, 1837 ([5 Stat. 201, Chap. 1](#))

Treasury Note Issue of 1837. Authorized \$10 million in Treasury notes to relieve the national financial crisis. Approved Oct. 12, 1837 ([5 Stat. 201, Chap. 2](#))

Repeal of Specie Circular. Directed the Secretary of the Treasury to receive the notes of specie-paying banks and to discriminate “as to the money or medium of payment” in which debts to the U.S. government were paid. Approved May 31, 1838 ([5 Stat. 310](#))

Iowa Territory Establishment. Created the territory of Iowa out of the western part of the Wisconsin Territory. Boundaries of the new territory were the Mississippi River on the east, the Missouri River on the west, Canada on the north, and Missouri on the south. Approved June 12, 1838 ([5 Stat. 235, Chap. 96](#))

Census Act of 1840. Authorized the establishment of a centralized census office during each enumeration and provided for the collection of statistics pertaining to “the pursuits, industry, education, and resources of the country.” Required new information on Revolutionary War pensioners, schools and colleges, literacy, occupations, mental illness, as well as commerce and manufacturing. Approved Mar. 3, 1839 ([5 Stat. 331, Chap. 80](#)). Amended Feb. 26, 1840 ([5 Stat. 368, Chap. 3](#))

First Appropriation for the Promotion of Agriculture. Authorized the patent office to spend \$1,000 for the collection and distribution of seeds, and the collection of agricultural statistics. Approved Mar. 3, 1839 (5 Stat. 353, Chap. 88)

Defense of State of Maine. Authorized the President to resist any attempt by Great Britain “to enforce by arms, her claim to exclusive jurisdiction over that part of the State of Maine which is in dispute between the United States and Great Britain.” Provided that in the event Maine was invaded, the President was authorized to accept the services of up to fifty-thousand volunteers and complete construction of the armed vessels previously authorized by law to repel those forces. Approved Mar. 3, 1839 ([5 Stat. 355, Chap. 89](#))

Sources:

Dell, Christopher and Stephen W. Stathis. [*Major Acts of Congress and Treaties Approved by the Senate, 1789-1980*](#), Government Division (CRS), Sept. 1, 1982. 97th Congress, 2nd Session, 82-156 GOV. ProQuest Congressional, CRS-1982-GOV-0005

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