### THE BANKING SYSTEM

**Advantages of Having Banks:**
- **To the depositor:** Safer, earns interest
- **To the bank:** Makes money by loaning money back out
- **To the economy of the whole country:** Charges interest

Banks make money more available to consumers and business owners. This leads to more business and jobs for people in the whole nation.

### HOW CAN BANKS HELP AN ECONOMY?

1. **Through many individual deposits**, they combine small amounts of money into larger sums that can pay for larger projects.
2. **By issuing loans (which is also debt)**, banks allow "1 sum of money to do the work of several."

### DISCUSSION OF INFLATION

Most common ways that people have access to money:
1. **Jobs** (paycheck).
2. **Loans** (through credit cards or bank loans).
3. **The government increases the money supply.**

Inflation can be caused by a large increase in any one of these three.

### INFLATION:

**Definition:** A rise in the usual price level for goods and services.

### THE OPPOSITE OF INFLATION?

**Deflation:** A drop in the usual price level for goods and services.

Though falling prices may sound great, a lot of deflation can be bad for your economy because it usually results in some people **losing jobs.**
WHY DID JACKSON OPPOSE THE 2nd BANK OF THE UNITED STATES?

JACKSON FELT THE BANK OF THE U.S.:
• HAD TOO MUCH Power
• FAVORED THE Powerful RICH

JACKSON DID NOT TRUST BANKS IN GENERAL,
➢ HE FELT THE GOVERNMENT'S MONEY WAS BETTER OFF IN MANY BANKS THAN IN 1 LARGE BANK.
➢ HE Vetoed THE BILL THAT WOULD HAVE RECHARTERED THE BANK. AS RESULT, HE PUT THE GOVERNMENT'S MONEY IN A NUMBER OF SMALLER, "Peo. " BANKS.

RESULT OF JACKSON “KILLING” THE BANK OF THE U.S.:


2. NOW THAT IT WAS GONE, THE MANY SMALLER BANKS TENDED TO MAKE MORE LOANS THAN BEFORE. THIS Grew THE ECONOMY.

RESULT OF JACKSON “KILLING” THE BANK OF THE U.S.:

3. THERE WAS A “Boom” TIME AS THE ECONOMY GREW RAPIDLY; JACKSON LEFT OFFICE PROUD OF WHAT HE HAD DONE FOR THE ECONOMY.

4. HOWEVER, ALL OF THE EXTRA MONEY (LOANED BY THE SMALL BANKS) IN THE ECONOMY CAUSED Inflation

RESULT OF JACKSON “KILLING” THE BANK OF THE U.S.:

5. JACKSON TOOK STEPS TO TRY TO BRING INFLATION UNDER CONTROL– HE TRIED TO TIGHTEN THE MONEY Supply.

6. THIS MADE THE ECONOMY START TO Slow Down AND STOP; PEOPLE COULD NOT REPAY THEIR LOANS, BANKS LOST THEIR MONEY. THE Panic OF 1837 TOOK PLACE AND A DEPRESSION FOLLOWED. THOUGH JACKSON'S POLICIES SET THIS ALL IN MOTION, Van Buren TOOK THE Blame.
THE TRAIL OF TEARS

1. The video says that the Cherokee chose the wrong side in the American Revolution. Briefly explain what they meant by this.
   They fought on the side of the British—who lost.
   They chose the losing side.

2. After the Revolution, the American government began a policy of “civilization”. The video provides several examples of what this meant; the Cherokee would need to learn:

   “How to be an [Anglo - American].”
   “How to grow [wheat] instead of [corn].”
   “How to eat [meals] at regular times during the day and not when they were [hungry].”
   “How to dress in [European-style] clothing.”
   “How to speak the [English] language.”
   “How to go to [church] and [pray] at regular times.

Basically, how to live the kind of [life] that Anglo-Americans believed was a “civilized” life.

There was a belief that if the Cherokees (and other tribes) could assimilate, they could be the [political] and [social] equals of their white neighbors.

To assimilate (or assimilation) is when a group adopts the culture that is dominant (larger).

President Thomas Jefferson’s vision of the Cherokees was of them doing what? in a nation.

Uniting with Americans — be one people.

“Your blood will run in our veins.”
Trail of Tears (continued):

Give 5 examples of how the Cherokees were assimilating to the Anglo-American culture:

i. Dressed in European-style clothing
ii. Spoke English (many were learning)
iii. Many converted to Christianity.
iv. Had their own Constitution
v. Had their own written language

Some had slaves.

The video says the tribe needed “able, English-speaking” men to negotiate. Why would it be necessary for the Cherokees to have English-speaking leaders during this time when they are trying to resist pressure to move west of the Mississippi River?

They wanted leaders who knew and understood how American government worked. This would help them in negotiations. It helps to make sure they weren’t cheated.

What is happening to other nearby tribes during this timeframe (1820s)? How does this impact the Cherokee tribe?

They are leaving—being relocated west of the Mississippi River. Settlers are moving in all around them.

Sequoyah develops a system of writing for the Cherokee language. By doing this, he is the only person who does what?

Creates a written language when he could not read or write himself.

What things does a written language allow the Cherokees to do?

Create their own written Constitution.
Write newspapers to communicate throughout tribe.

How does the state of Georgia react to news that the Cherokees have enacted their own constitution?

They are angry. They believe, if they don’t force them to leave soon, they may never be able to do so.

What was the “Blood Law”? Why would it be thought necessary to have a law like this?

If any Cherokee sold any land without the approval of the entire tribe, he could be killed by any other Cherokee—without penalty to the killer. This had happened to other tribes to get their land.