Wolters/Economics

History of American Banking

Read Ch.10.2 and answer the following:

1. What was the Federalists view on government and banking? Who led the Federalists?

2. What was the Antifederalist view on government and banking? Who led this group?

3. In 1791, the Federalists were successful in establishing the first Bank of the United States. What were the main purposes of this bank?

4. When the charter of this bank expired 20 years later, state banks emerged to take its place. What was the main problem with this state-banking system?

5. In 1816 the Second Bank of the United States was chartered, and lasted until President Andrew Jackson's veto of a charter renewal in 1832. What problems were associated with the Free Banking ERA (1837-1863), dominated by state-chartered banks, which followed?

6. Reforms of the late 1800s helped to stabilize the banking system.

 When did the US Treasury issue the "greenback?"

 What powers were given to the federal government by the National Banking Acts of 1863 and 1864?

 How did the gold standard promote stability?

7. What led to the Panic of 1907?

8. How did the Federal Reserve System, established in 1913, begin to manage the money supply?

9. What guarantee was made available to bank customers in 1933?