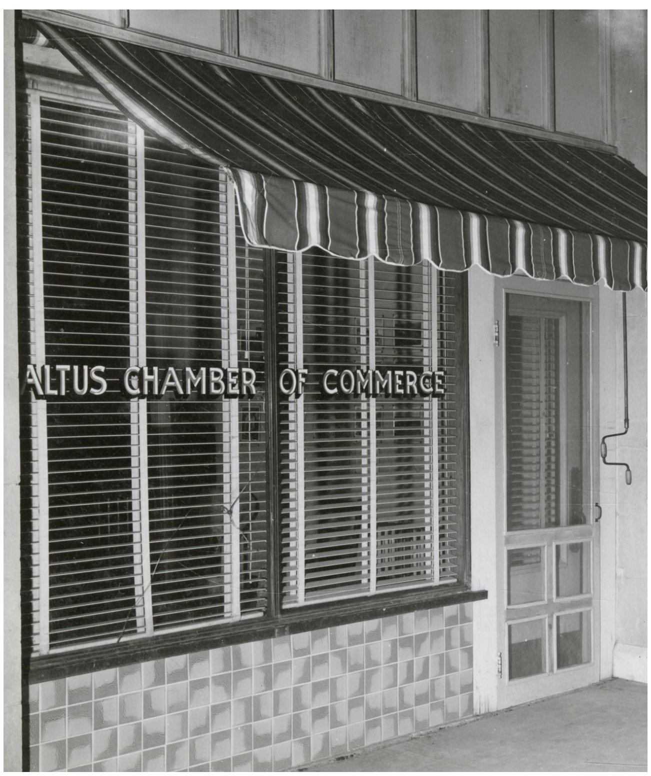
Commerce in Oklahoma

Oklahoma History Center Learning and Engagement Department

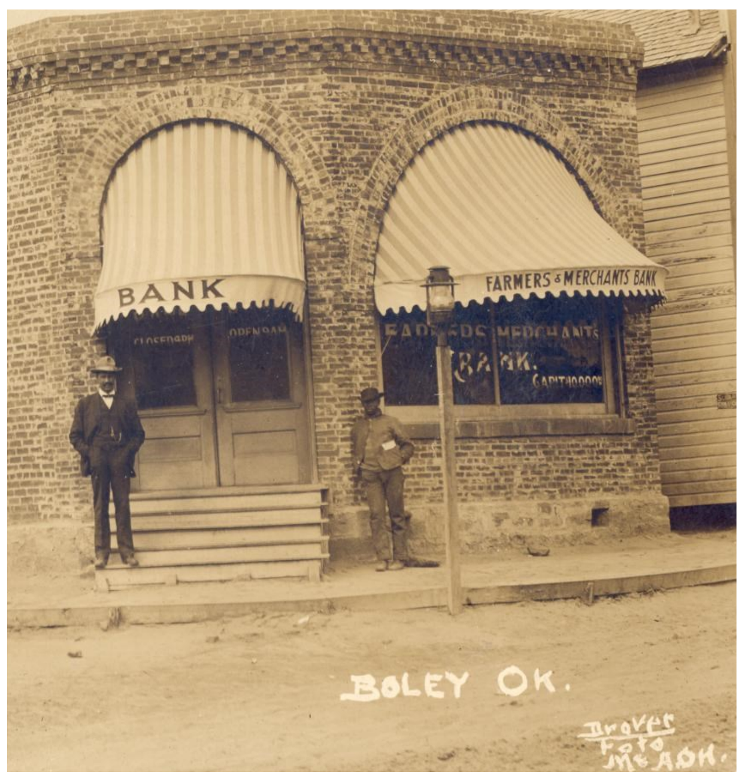
The **Indigenous** people of the land that would become Oklahoma engaged in the production of market goods and the trade of those goods. **Commerce** has always been an activity of the people living here, but the shape of that production, the type of trade, and with whom the people traded has changed dramatically. From intertribal trade within a continental-sized network to trade with international partners for the state's primary commodities—oil and agricultural products—the land that is now Oklahoma has always been connected to the rest of the world. Oklahoma was, and is, a crossroads of commerce.


THE TRADE BULLETIN.
OF OKLAHOMA AND INDIAN TERRITORY
A WEEKLY PUBLICATION DEVOTED TO THE BUILDING AND INDUSTRIAL INTERESTS OF THE TWIN TERRITORIES
Vol. I. No 5. Oklahoma City, Okla, March 31, 1906. 15c a Copy.

A commerce-focused publication from 1906



Altus Chamber of Commerce, 1947 (1989.161.105, W. C. Austin Project, Museum of the Western Prairie, Oklahoma Historical Society).

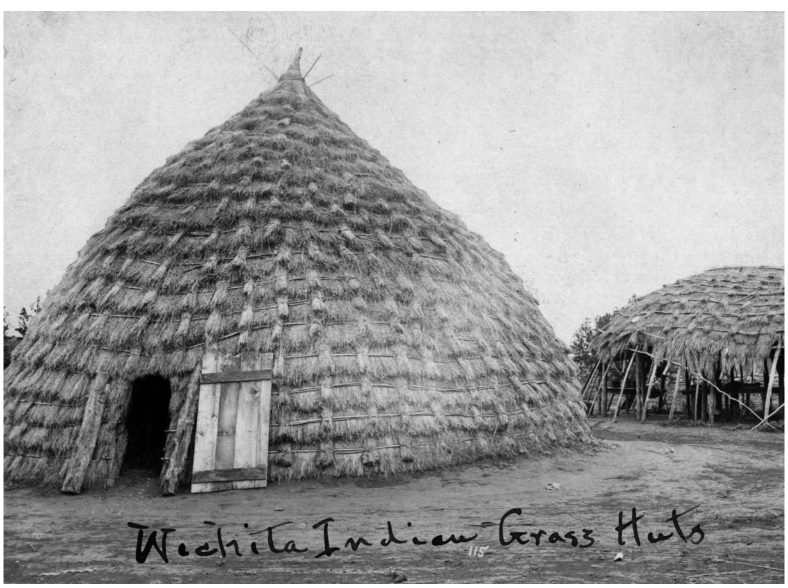


Boley's Farmers & Merchants Bank (3377.1B.1, OHS Photograph Collection, OHS).

Trade and the Columbian Exchange

Long before European explorers made their way to present-day Oklahoma, various tribal nations traded, both long-distance and locally. The **nomadic** tribes such as the Plains Apache and Kiowa, who frequented the territory that became western Oklahoma, were not as active in trading as the settled, **nonmigratory** tribes of the southeast, such as the Caddo and Wichita. Long-distance trade routes shifted over time, while local trade was more consistent throughout the centuries. A wide variety of goods were traded all over the continent, including hides, cotton cloth, copper, unique feathers, and shell beads. Having been established before European contact, these trade routes and connections laid the groundwork for future trade across the continent. Each nation was a distinct community with different ideas, religions, and languages. Once Europeans began settling in the western hemisphere, the nations developed very different strategies for interacting with Europeans and other tribes. The tribes faced the difficult task of maintaining their ideals, cultures, and means of survival while countering European explorers and traders trying to acquire land, gain **commercial** opportunities, and **assimilate** Native people.

Shé-de-ah, Wild Sage, a Wichita Woman by George Catlin, 1834 (image courtesy of Smithsonian American Art Museum).



A Wichita dwelling (4145, E. N. Yates Collection, OHS).

The arrival of European explorers to the western hemisphere provided many European countries with new opportunities for economic advancement. Silver, new crops, rumors of magical golden cities, and a chance to expand their own holdings drove the leaders of these countries to send large groups of explorers to the continent. The **Columbian Exchange** began shortly after, and eventually reached North America and the tribal nations of present-day Oklahoma. This exchange brought new foods, like corn, beans, potatoes, and tobacco to the Europeans, as well as new mineral wealth, furs, and new Christian converts. The Columbian Exchange introduced decorative materials, coffee, tea, and sugar, and new technology. Horses, steel, and guns were among the **technological** innovations the tribes gained access to through trade. Technology enticed tribes to establish trading relationships with groups of Europeans, and propelled commerce into new eras of growth and potential, such as fostering better transportation or developing new tools.

Coronado explored the interior of the North America (2012.201.B0144.0287, OPUBCO Collection, OHS).

Spanish exploration into North America began with the failed mission of Francisco Vásquez de Coronado in 1540. He, accompanied by a large crew of slaves, soldiers, horses, and cattle, searched for the **mythological** cities of gold. A portion of his crew broke off and traveled the path eventually known as the Santa Fe Trail, a trade route that extends from Franklin, Missouri, to Santa Fe, New Mexico, with a branch passing through Oklahoma. The Spanish were **persistent** in their search for the cities of gold, and many of their travels through the area led to conflict with the French and the American Indians, often over their claims to the land.

The Columbian Exchange also brought terror and disease. American Indians were exposed to infectious diseases like smallpox, malaria, and the bubonic plague. These diseases profoundly damaged the Indigenous population, which had no **immunity**, reducing the Western hemisphere's population. Europeans, especially the Spanish, forced the tribes to convert to Christianity.

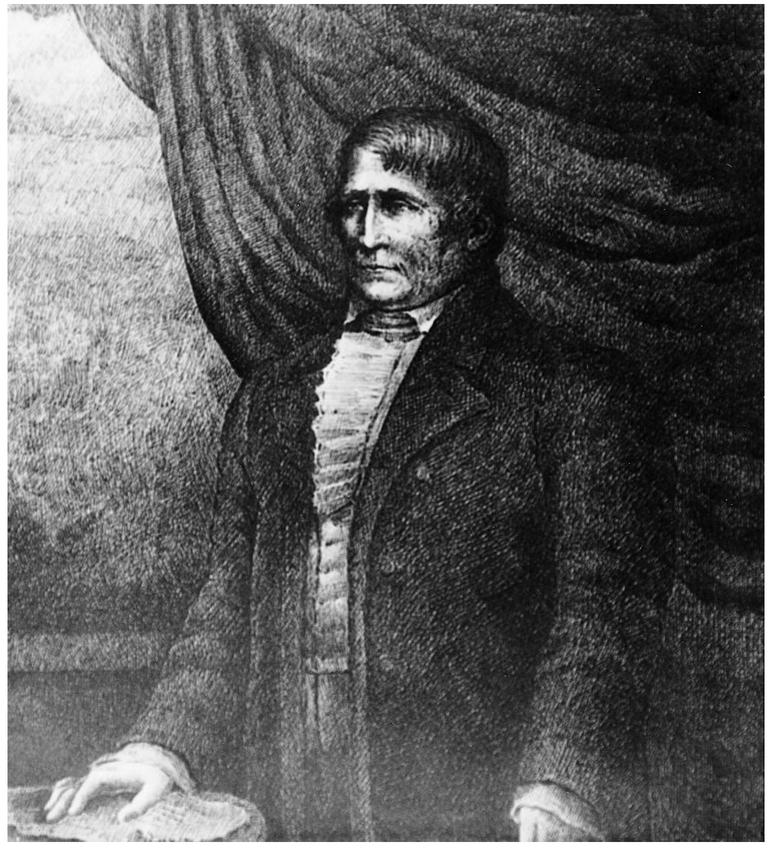
The English **dispossessed** tribal nations of land, sometimes through violent conflict or trickery. The fur trade with the French resulted in overhunting of wildlife. While the introduction of new technology and trade opportunities was positive in many ways, the Columbian Exchange also brought damage and **oppression** with it.

A possible route of traveled by Coronado in 1541 (2012.201.B0144.284, OPUBCO Collection, OHS).

Both the French and Spanish made their mark on the area that became Oklahoma. French fur traders took great advantage of rivers and stretched their business from Quebec to the Rio Grande. The French began trading in Oklahoma by 1719 and worked alongside American Indians to establish a strong fur trade in the area. Many trading posts were established along rivers, specifically in the Three Forks Region. Commerce, rather than land acquisition or empire, motivated the French. The male fur traders frequently married into different tribal nations and, at times, embraced some or all of the culture of their new tribe, while others fought for control of the group away from traditional leadership.

Using trade and technology as bargaining chips with various tribes, the Spanish, English, and French competed for support and assistance in their quarrels against each other. Trade is much larger than an exchange of goods, and affects politics, culture, and societal ideas. The introduction of new technology and new conflicts changed American Indian trade forever and shaped a great portion of United States commerce.

Popular trade goods included glass trading beads (images courtesy Ellensburg Public Library).



Jean Pierre Chouteau was part of a family that successfully traded with the Osage (3105, Oklahoma Historical Society Photograph Collection, OHS).

Map of the Three Forks area, sketched by Tom Meagher (WATMAP.FOREMAN.0002, Grant Foreman Collection, OHS).

Commerce in Indian Territory

Cherokee Farming and Animal Husbandry by Olga Mohr, located in a post office in Stilwell, Oklahoma (image courtesy National Postal Museum).

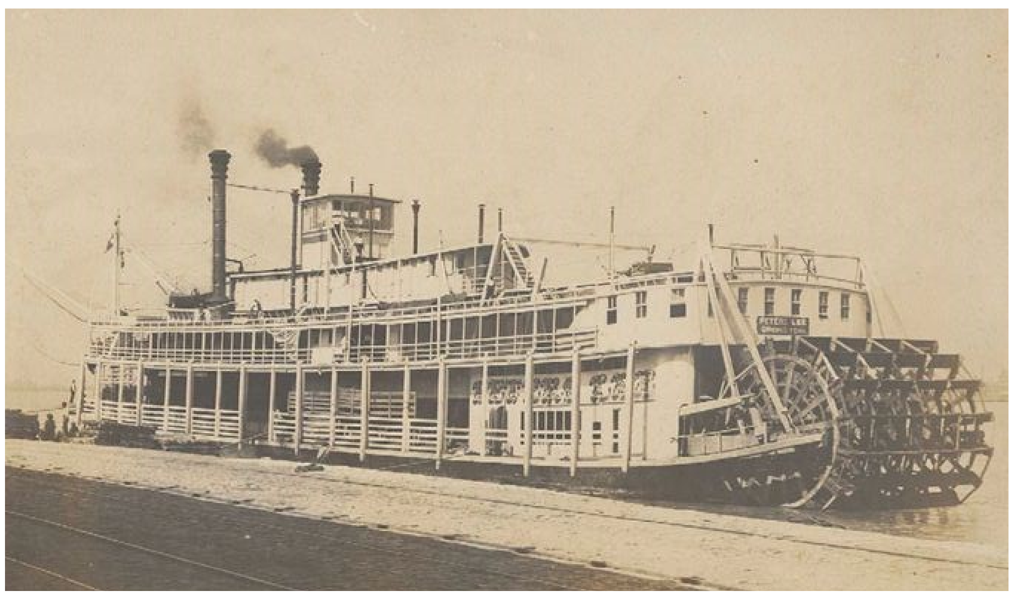
A Freedmen cabin in Okmulgee, Indian Territory, c. 1898–1901 (15816, Aylesworth Album Collection, OHS)

Forced removal from their native lands, combined with treaties and agreements, brought the arrival of the Five Tribes to Indian Territory in the first half of the 19th century. Some white citizens believed the newly established Indian Territory was the solution to the "Indian Problem." The Five Tribes were the Choctaw, Cherokee, Seminole, Chickasaw, and Muscogee (Creek) Nations. With them came enslaved people, cattle, cotton, and conflict. Tribes that previously lived thousands of miles apart were now forced to occupy smaller sections of land within Indian Territory on land already settled by tribes indigenous to the area: the Caddo, Wichita, and Osage. Through the use of slaves, some members of the Five Tribes saw economic success and became wealthy. The Choctaw were the first to plant cotton and took advantage of the free labor obtained through slavery to contribute to trade on a global scale.

While the Five Tribes established themselves in Indian Territory, US soldiers were stationed at Fort Gibson, among other forts, with orders to maintain peace and facilitate the arrival of the eastern tribes. Fort Gibson was built on the Arkansas River and relied on steamboats for transporting goods, people, and supplies. A relatively new creation, steamboats were a fast and inexpensive opportunity to expand trade. Cotton and other goods from Indian Territory traveled via steamboat to international seaports in the east and, from there, were shipped to New England or Europe. Steamboats were a major source of transportation for several decades until railroad expansion brought a more reliable form of fast travel.

Barracks at Fort Gibson, Indian Territory (12625.0, Heye Foundation Collection, OHS).

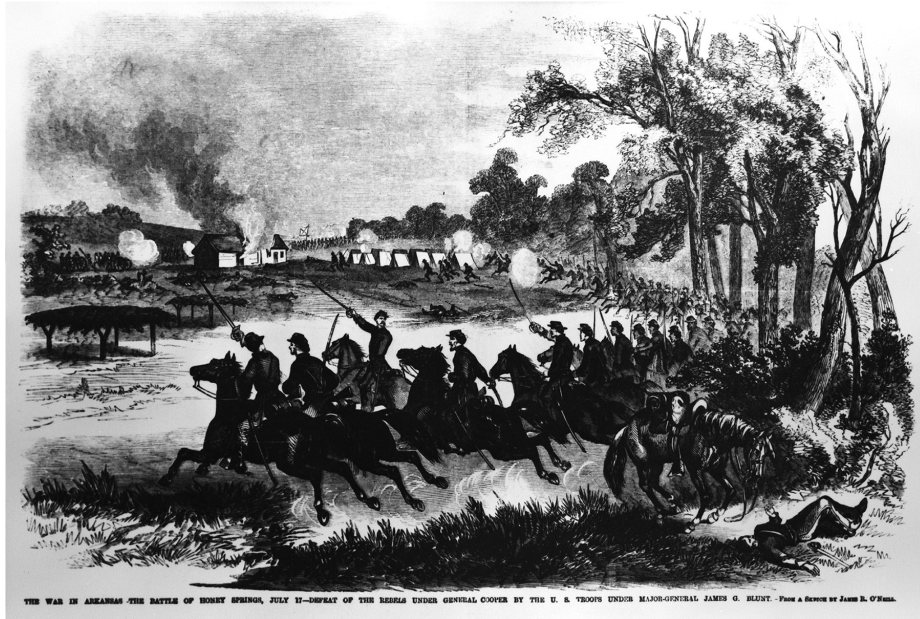
The cattle industry arrived in the Indian Territory with the Five Tribes from the east. Due to tribes' communal land ownership practices, large herds of livestock could openly graze massive tracts of land. The herds saw explosive growth for two decades until the California gold rush in the 1850s brought a new market. The new consumers purchased the **surplus**, creating balance. The cattle industry grew rapidly for two decades and transformed by the end of the Civil War.



Steamboat in the late 1800s (image courtesy Cincinnati & Hamilton County Public Library).

The Civil War in Indian Territory

The Civil War brought devastation to Indian Territory. Small-scale **guerilla** warfare, thievery, and the flight of **refugees** destroyed crops and livestock. The Civil War ultimately divided and weakened Indian Territory, both physically and economically. The **emancipation** of enslaved people removed a source of labor. Cattle trails and railroads quickly cut through Indian Territory in the late 1860s and early 1870s, using the resources of the land but offering the tribal nations little benefit. Further conflict occurred as additional tribes were forced into the area, white settlers expanded, and Freedmen were granted land.



Battle of Honey Springs, from *Harper's Weekly* (20655.63.364, Harper's Weekly and Frank Leslie's Illustrated Collection, OHS).

Cattle brought even more people through present-day Oklahoma. While herds in Indian Territory suffered during the Civil War, Texas ranchers saw a major increase in their livestock and began pushing herds from Texas to Kansas. Cowboys purchased supplies like clothing, medicine, and tobacco at trading posts and stores. By taking advantage of railroads and wagon trade routes, the stores could keep a stock of useful items, guaranteeing their profit. The herds of cattle moved at a leisurely pace and stopped often, providing **ample** opportunities for trade and sales. Where there are people, especially travelers, without a place to produce or make their own items nearby, there is a market. The cattle trails and development along them impacted the Indian Territory economy for twenty years, operating at their peak from 1866 to 1886.

Oklahoma cowboys (16566, Frederick S. Barde Collection, OHS).

As white settlers continued to push into the area, American Indian land ownership was forcibly changed. The General Allotment Act of 1887, along with several similar acts, divided tribal lands and designated individual owners of each portion. Over the next decade, the United States government passed additional acts to give themselves the ability to override tribal governments, squeezing the tribal nations into clearly defined portions of modern-day Oklahoma. Carved out between allotted spaces, the Unassigned Lands opened to settlers in one massive move: the Land Run of 1889. The population spike from this and later land openings would quickly lead to the establishment of the Oklahoma Territory and the beginnings of the statehood movement. The new settlers brought permanent changes to Oklahoma commerce.

Dawes Commission enrolling citizens in the field, Okmulgee, Indian Territory (15832, Aylesworth Album Collection, OHS).

The Settler Economy

The tribal governments in Indian Territory were **dismantled** with purpose. The United States government deliberately stripped away **tribal sovereignty** to take advantage of the land and resources. After opening the area to white settlement, statehood became an **inevitability**. Without representation in the federal government, the tribes and their members were overridden and ignored. Non-Native settlers quickly organized the western half of Indian Territory as Oklahoma Territory. White citizens of the United States had an advantage over the tribal leaders and more opportunities to exercise their power to shape the formation of the state.

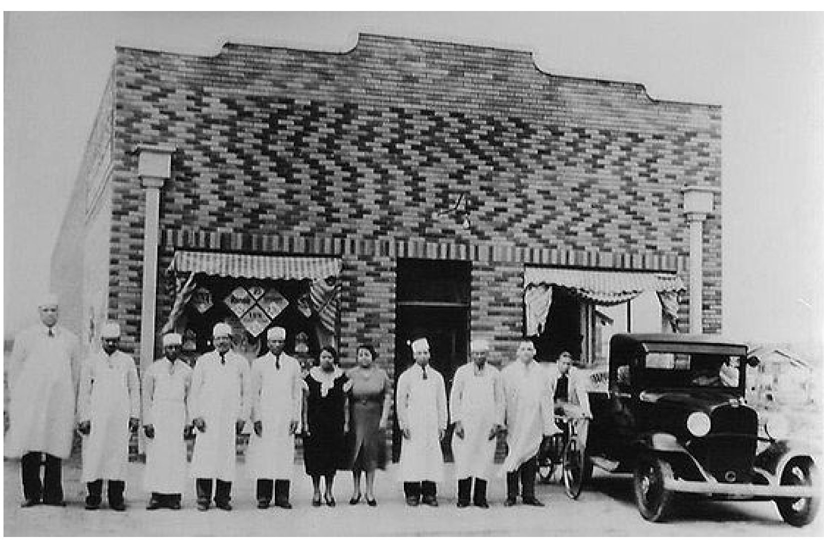
Railroads expanded to cross Indian Territory, further dividing the land previously **communally** owned. The railroads were used to promote a **primary** economy. Farmers produced raw materials, which were shipped to other places to be **manufactured** into different items. In the southern part of the state, cotton remained a major crop, and farms of various sizes became dedicated to growing it. This led to problems for landowners with smaller plots and lower incomes. A lack of crop **diversity** resulted in an **overreliance** on the cotton market. If the cotton market failed, these farmers would be left without money for food or supplies.

Cotton field in Muskogee (image courtesy National Museum of the American Indian).

Cotton harvest (image courtesy National Museum of the American Indian).

Workers' **unions** had come to the area with the railroads and grew quickly as the region moved towards statehood. Mining unions were some of the strongest and most active in the area, given the particularly dangerous jobs the miners took on and the low pay they often received. Some national labor organizations refused to include **tenant farmers** or **sharecroppers**, but farmer's unions grew in strength and became major influences in politics of the early 20th century. Unions were diverse and stretched across nearly every industry and **ethnic** group. The **Farmers' Alliance** and trade unions grew in strength as the population of the area increased. Months after the **Enabling Act** cleared the path to statehood, several labor organizations worked together to write the **Shawnee Demands**. The Shawnee Demands proposed 24 ways for the state constitution to protect the working class. This included **compulsory** education, regulated work days, and anti-**corruption** measures. A major goal of the Shawnee Demands was to use government power to prevent unfair treatment of workers. Agreeing to some or all of these popular demands provided support from lower-class voters to politicians and instilled progressive ideas into the state constitution. When many of these voters were later **disenfranchised** by **literacy tests**, their political influence waned.

A major figure in union organizing, the Shawnee Demands, and early Oklahoma politics was Peter Hanraty (4566, Frederick S. Barde Collection, OHS).



Mann Grocery Store in Greenwood (image courtesy Greenwood Cultural Center).

With statehood came divisive political practices. **Jim Crow laws** and disenfranchisement tactics replaced the fluidity of race relations during the territorial era. Previously established All-Black towns were now facing white **encroachment** and additional **discrimination**. More strictly enforced segregation solidified distinct communities not only culturally, but economically as well. Business centers like the Greenwood District in Tulsa found success and created wealth and strong Black communities. The new ideas and successful businesses of these communities often faced increased discrimination from hate-fueled groups such as the Ku Klux Klan.

Statewide, progressive ideas were still common, and many Oklahomans embraced **socialism**. The Socialist Party of Oklahoma was one of the strongest in the nation and advocated for workers and fair business practices. With a large working class, voters advocated for their own protection legally and economically.

Socialists in Oklahoma adapted practices, such as religious encampments, to advance their goals. Photograph by Tom M. Greenwood, September 2-5, 1910 (20489, OHS Photo Collection, OHS).

Sharecroppers in Muskogee. Photograph by Russell Lee, 1939 (image courtesy Library of Congress).

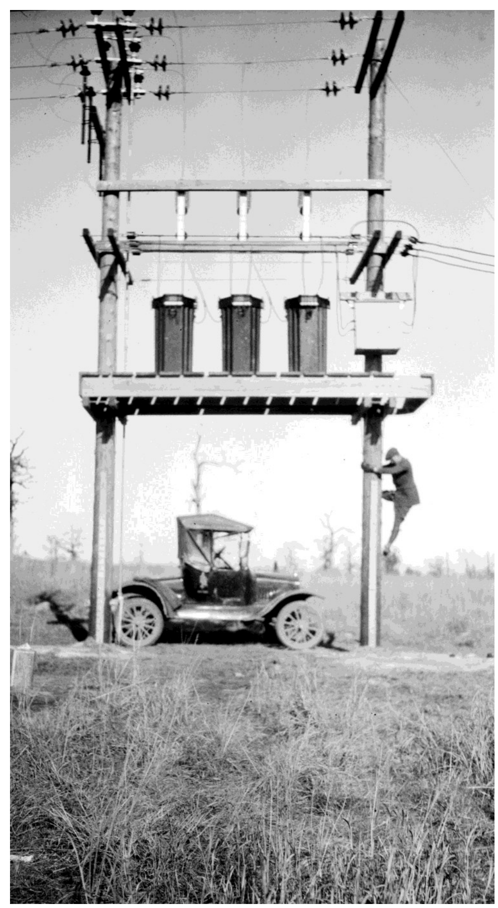
Corn, cotton, and wheat remained the largest crops in the area, with cotton taking a substantial lead in monetary value and opportunity. The lack of crop diversification continued to pose a threat, and although agriculture remained very influential, individual farmers faced increasing hardships. Many were tenant farmers and lacked the security land that ownership promised. Sharecropping, or tenant farming, involves a landlord who owns the farmland and an individual farmer who pays for their rent by working the land and handing over up to two-thirds of their crop. Sharecropping became more and more common, with two-thirds of African American farmers and more than half of white farmers renting the land they worked by 1935. This worsened the problem of **overproduction** of a single crop because landowners demanded tenants plant as much of the dominant cash crop as possible. The Oklahoma economy was relying on unstable markets. Mining, oil, and farming industries all require a strong balance of supply and demand. Consumers and producers face economic hardship when this balance is not achieved, and the entire state's economy is at risk.

The **petroleum** industry boomed in the early 20th century. Discoveries were made in every corner of the state, and Oklahoma quickly became a leader in oil production. Tulsa was known as "the Oil Capital of the World." Cushing produced a massive percentage of the country's oil. Geological processes were reinvented and improved nationwide because of developments made in Oklahoma. A massive employer with far-reaching political and economic influence, the oil industry drew migrants to the Oklahoma area.

Other mining ventures, such as coal, were also large sources of employment for the state, but wouldn't stretch into the 21st century as the oil industry did. Coal and other minerals led to the creation of mining towns, with populations that **fluctuated** and relied on the nearby mines. Many modern cities, such as McAlester, began as mining towns. Mining **strikes** were particularly common, starting as early as 1894. Strikes are opportunities for employees to demand fair treatment from their employers, whether it is adequate pay or safety-related regulations. Workers withhold their labor until an agreement is met. Unions gave the working class the ability to present their concerns as a unified and organized front, and continue to serve that purpose today.

A wooden oil well, 1930 (18785, OHS Photograph Collection, OHS).

Laying an oil pipeline (21639.5, OHS Photograph Collection, OHS).



Oil meter, 1920 (20218.3558, Clayton E. Soule Collection, OHS).

As World War I began in Europe, the Central Powers' markets were closed to American **exporters** because of the **embargo**, specifically devastating the cotton market. The closure of these markets gave rise to widespread antiwar sentiments as farmers found themselves with excessive supply and lowered demand. The possibility of entering the war worried the general population for several reasons, but the economic consequences were a primary issue. As America prepared to join the war, other markets opened for excess cotton, such as military uniforms. This increase in demand helped balance the market, resulting in a rare and profitable period for Oklahoma farmers.

At the same time, antiwar sentiments continued with the new wartime demands and worries of loss of labor to military **recruitment** and **drafts**. These frustrations came to a climax in the Green Corn Rebellion of 1917, where hundreds of working-class Oklahomans of various races and trades gathered in protest. After hundreds of arrests and four deaths, the rebellion was **quelled** by a hastily organized **posse.** **Vigilante** justice was still common in this era and was often politically or racially motivated. Anyone expressing "anti-American" ideas was **persecuted** legally and sometimes violently. This eventually led to the **dissolution** of many progressive groups, including the Socialist Party of Oklahoma and some labor organizations.

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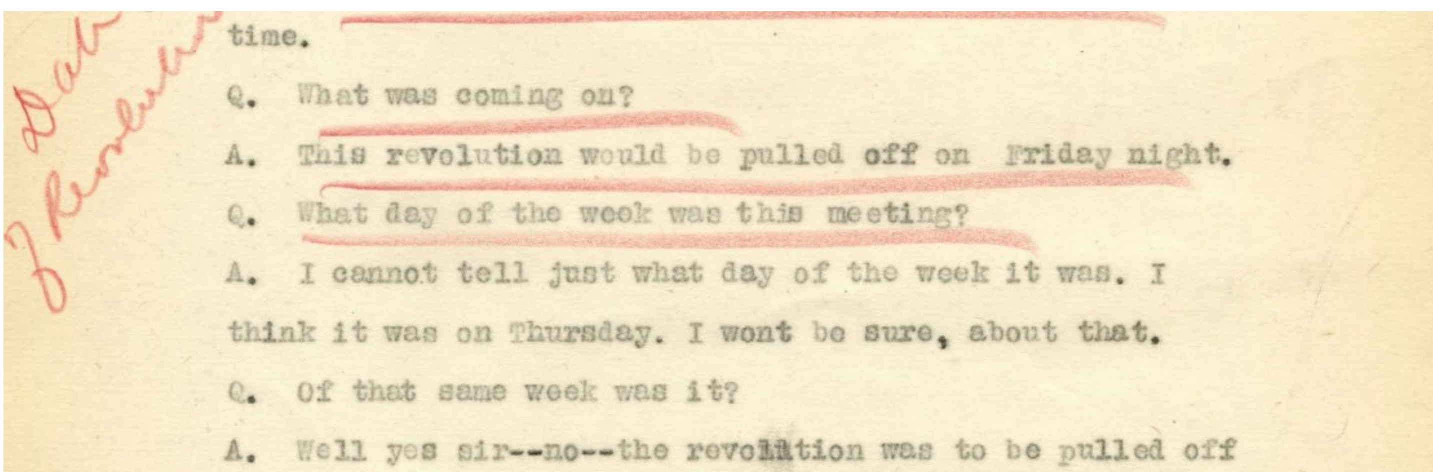
time.

Q. What was coming on?

A. This revolution would be pulled off on Friday night.

Q. What day of the week was this meeting?

A. I cannot tell just what day of the week it was. I think it was on Thursday. I wont be sure, about that.

Q. Of that same week was it?

A. Well yes sir--no--the revolution was to be pulled off

Portion of the testimony from *United States v. Clure Isenhouer et al.,* the trial related to the Green Corn Rebellion, 1917 (image courtesy National Archives).

The Great Depression

The Great Depression **encompassed** much more than the infamous crash of 1929.

The Oklahoma farmers experienced the beginning of a two-decades-long **depression** after World War I. Prices of crops and livestock returned to prewar levels and lower, but the cost of needed items (land, seeds, tools) didn't decrease in proportion. This **phenomenon** is called a "cost-price squeeze" and demonstrates another need for balance in economies. Balance is also a necessity in farming, and the desperate overworking of the land would lead to devastating environmental consequences in the next decade. Alongside the declining agriculture industry were struggling banks. With the increased demand and upward economic movement that occurred during World War I, farmers and companies alike took out additional loans to expand their production capabilities. When prices dropped, these people were unable to repay their debt, and banks found that they had **overextended** themselves in lending. This damaged banks and led to the **bankruptcy** or closure of many.

Banks in rural communities such as this one in Perry, Oklahoma, regularly loaned to farmers. Photograph by Russell Lee in 1939 (image courtesy Library of Congress).

This image taken by Dorothea Lange in Cleveland County in 1937 hints at the effects of the Depression on entire communities (image courtesy Library of Congress).

The 1920s and 1930s would be extremely difficult for many groups of people in Oklahoma. The 1921 Tulsa Race Massacre devastated a thriving, successful economy in Greenwood. The previously strong district was burnt, and its people killed, injured, made homeless, and more. While the businesses of Greenwood began after strict **segregation** made them necessary, African American **entrepreneurs** had successfully formed a mostly **self-sustaining** economy, all contained within one portion of a large city. The destruction of this community was an economic setback that the area would slowly recover from, always remembering the brutality of the other residents of their own city. Elsewhere, during the Great Depression, most historically All-Black towns would dwindle and many would disappear completely.

A group of young women sing in a choir in Taft, Oklahoma, an All-Black town in 1937. Photograph by Alphia O. Hart (2012.201.B1048.0343, OPUBCO Collection, OHS).

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A. J. SMITHERMAN, Editor and Pub.

Advertisements for local businesses in Greenwood ran in the *Tulsa Star* before the Tulsa Race Massacre.

The state didn't feel the full effects of the economic downturn until 1930, when a severe **drought** devastated the already struggling farms, and large discoveries in the oil industry upset the balance of supply and demand. Widespread **layoffs** led to the creation of unemployment committees. Before this point, support for the unemployed was unorganized and usually only found through charities. The Great Depression demonstrated the need for organized **welfare** programs. The economy reached its lowest point in the winter of 1932–33. Farm income fell 64 percent, and urban joblessness rose to around 38 percent. In 1932 Franklin D. Roosevelt was elected president. When he took office in March 1933, his New Deal attempted to bring a return to normalcy and offer recovery efforts for every facet of American life. In Oklahoma, however, the New Deal faced political setbacks. The state legislature, having dealt with several gubernatorial **impeachments** and growing corruption, was full of counteractive ideas and infighting. Opposition to the New Deal was widespread in the state, and people like Governor "Alfalfa Bill" Murray viewed it as federal interference in state business. Murray's successor supported the New Deal, but faced strong opposition from state legislative bodies. E. W. Marland was technically more successful than his predecessors and his successor, but only implemented a few portions of the New Deal. State budgets and processes were tainted by corruption and politicians vying for personal capital gain.

Family in the May Avenue camp in Oklahoma City. Photograph by Russell Lee, 1939 (image courtesy Library of Congress).

A family's shanty in May Avenue camp in Oklahoma City. Photograph by Russell Lee, 1939 (image courtesy Library of Congress).

The National Recovery Administration, as well as the state government, attempted to prorate (limit) oil production several times, but had limited success until the Interstate Oil and Gas Compact underwrote the proration agreement. Underwriting is a way of securing an agreement where the underwriter agrees to assume **liabilities** and provide financial or legal support. The decision to limit oil production was made because new discoveries threw off the balance between supply and demand. The opening of new fields in the late 1920s and early 1930s led to a surplus of oil, which, combined with the worldwide economic downturn, led to a severe drop in crude oil prices. The price drop led to a spike in unemployment and out-migration as companies struggled to make ends meet. People were fleeing Oklahoma, hoping to find employment in other states.

The discovery of new oil fields rapidly increased the supply of oil in the 1930s. Photograph by Meyers Photo Shop, July 7, 1935 (21412.BH818, Z.P. Meyers/Barney Hillerman Photographic Collection, OHS).

Imbalances between supply and demand in several key economic sectors worsened the effects of the Depression in Oklahoma. This photograph of a Seminole oil field worker was taken by Russell Lee in 1939 (image courtesy Library of Congress).

The Oklahoma Indian Welfare Act was signed into law in 1936. The act was debated and re-written multiple times, and was controversial among Oklahomans. The act was created in response to other federal attempts to provide relief to American Indian nations. Intended to specifically improve conditions for Oklahoma's American Indian population, the Oklahoma Indian Welfare Act allowed the tribes to reestablish governments modeled after the US government. The power and abilities of these tribal governments would continue to be debated and rewritten. Still, other components of the "Indian New Deal" would help pull American Indian communities out of the Great Depression. One part of the legislation allowed the creation of tribal business councils which focused on economic development for their citizens.

Chief White Eagle (Osage) and John Collier, commissioner of Indian affairs, right. Collier oversaw the passage of the Indian Reorganization Act (1934) and the Oklahoma Indian Welfare Act (1936). The Osage were excluded from these acts because they purchased their reservation rather than acquiring it through treaty (2012.201.B0233.0168, OPUBCO Collection, OHS).

This photograph depicts the Caddo Nation Tribal Council in 1938. The Oklahoma Indian Welfare Act offered tribes the opportunity to reorganize tribal governments that had been abolished (image courtesy Caddo Nation).

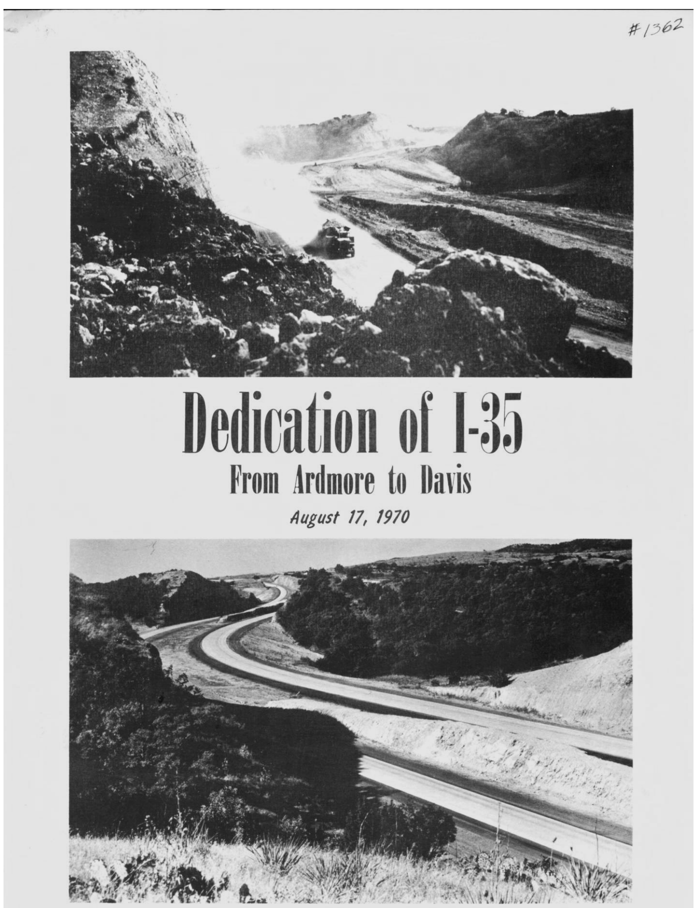
World War II

The material and labor needs of World War II ended the Depression. The introduction of several **defense-related** industries and military bases brought short and long-term advantages to Oklahoma. Immediately, Oklahoma companies were given opportunities to gain the business of the federal government. The emergency speeds at which military bases arrived meant money was **delegated** to produce results more rapidly. Companies hired more employees to help them work **efficiently** and quickly. Jobs were created in nearly every industry as these industries and military bases ramped up. Demands from the federal government to outfit its military and meet the obligations of allies moved production, profits, and wages into high gear. The early 1940s brought a time of upward economic movement and reversed the high unemployment numbers.

Construction after a fire on Tinker Air Force Base in 1946 (22596.12, Jacqueline D. Wright Collection, OHS).

Schoolchildren had to use old Tinker facilities because the size of the school district grew so rapidly (2012.201.B0149.0804, OPUBCO Collection, OHS).

This photograph shows I-35 in 1970 (2012.201.B0289B.0340, OPUBCO Collection, OHS).



"Dedication of I-35 From Ardmore to Davis," August 17, 1970 (1362, William A. McGalliard Historical Collection, OHS).

The military-industrial complex introduced a new business **sector** into Oklahoma's economy and rapidly increased the population of Oklahoma. The lack of economic diversification that caused severe consequences in the last two decades seemed to fade, but the state remained dependent on unstable markets. Throughout World War II, another shortcoming became apparent: the highways. The roads across Oklahoma were very undeveloped. Many of them were unpaved and most of the major roads we are familiar with today did not exist. Unpaved roads were inconvenient for the federal defense programs, as they often needed fast transportation for soldiers or supplies. This led to the development of a plan for a network of superhighways and is one of the reasons Oklahoma is now known as a major crossroads in the nation.

These roads, approved by the 1956 Interstate Highway Act and constructed in the 1960s–70s, would **stimulate** the economy in several ways. Fast and more direct transportation for goods, the creation of jobs in construction and **urban** planning, and easier travel for the average person increased opportunities to explore new markets and network with other businesses. Even though the need for more roads became glaringly apparent in the 1940s, it would provide the greatest economic benefit 20 and 30 years later.

ACME Manufacturing in 1957 (21412.M454.22, Z.P. Meyers/Barney Hillerman Photographic Collection, OHS).

Manufacturing opportunities also increased in the 1940s. Production of goods for the war effort and increased demand overall led to a slight transition away from an **extractive** economy. Where previously most goods that came from Oklahoma were raw materials (cotton, zinc, lead, wheat, etc.), the increase in manufacturing meant Oklahoma was now producing finished goods, adding a **secondary** sector to the economy. The increase in manufacturing continued to grow and helped to counter the lack of diversification in the state. The manufacturing industry relied on the military bases in Oklahoma and vice versa.

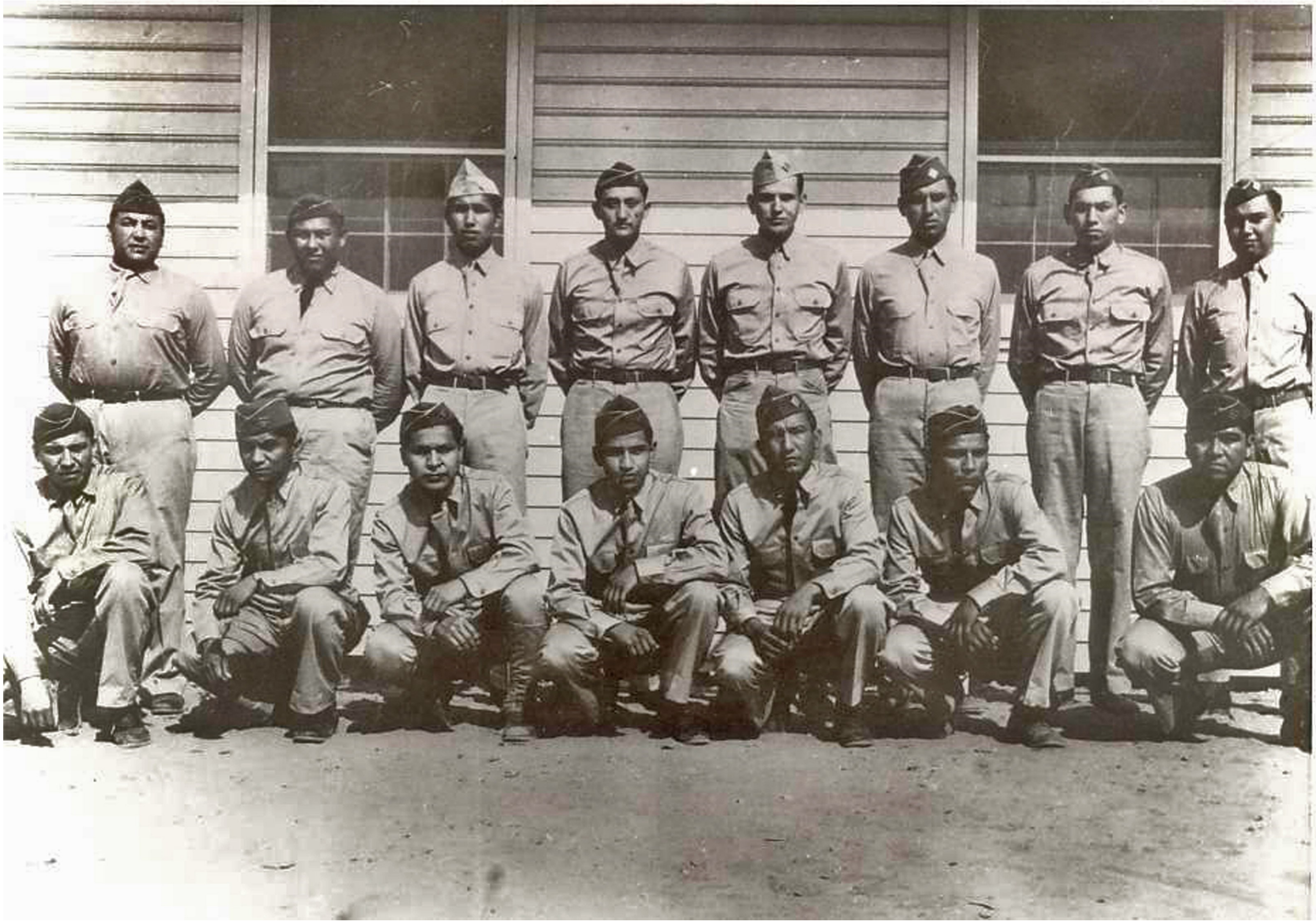
Agriculture was beginning to evolve and saw drastic changes in the 1940s–50s. The Rural Electrification Administration, established in 1935, brought electricity to farmers across the state. Conveniences common in urban areas, like running water, indoor plumbing, and refrigerators, were reaching those in rural areas as well. By 1950, more than 66 percent of farmers had electricity, and the rural standard of living improved. At this point, the restructuring of Oklahoma's agriculture became apparent. Farms were decreasing in number but increasing in size, and would continue to do so for the next 30 years.

The **Dust Bowl** and drought continued to harm the agricultural industry, and people in every corner of the state faced hunger and homelessness. "Hooverville" tent cities were set up in most large cities, named after Herbert Hoover who was president during the beginning of the Great Depression. Franklin Roosevelt's New Deal, having faced such strong political obstacles, couldn't build the stable economy needed in Oklahoma on its own. Its worker programs saw the most success here, like the Civilian Conservation Corps (CCC) and Works Progress Administration. Both programs managed to create jobs and cultivate stability in Oklahoma. They assisted in solving problems in several ways. They built roads, which improved **infrastructure**. **Soil conservation** projects helped the land recover from the drought and overwork. The CCC built state parks, which established areas dedicated to native vegetation and opportunities for immersion in nature. These programs provided some opportunity to rise from the Depression, but it wasn't until the demands of World War II and the end of the devastating drought that Oklahoma's economy could truly recover.

Guthrie CCC camp, 1936. Photograph by Jim Slack (20778.AG.SCS.OKLA.5115, Edd Roberts Collection, OHS).

The Great Depression was extended by political disagreement. The state of Oklahoma was, and still is, greatly affected by the events of the 1920s and 1930s. The population of the state would remain strikingly low until the 1970s, but the oil, mining, and agricultural industries would grow to be relatively strong in the next few decades. The railroads, which had faced a sharp decline during the Depression, would strengthen during World War II, only to fall afterward. Coal mining became less common as zinc production increased. The arrival of the military-industrial complex would drastically affect the area, and the importance of balance in economics would be reestablished time and time again.

Civilian Conservation Corps #899 in 1933 (21023.9, OHS Photograph Collection, OHS).



Comanche Code Talkers made a significant contribution to the victory in the Pacific during World War II (image courtesy of the United States Army).

The federal government chose Oklahoma for new military development for several reasons. Governor Robert S. Kerr had repaired the state's relationship with the Roosevelt administration and secured a large share of federal defense funds for the state. Geographically, Oklahoma is central, protected, and mostly flat with space for development and growth. Climatically, Oklahoma is relatively mild, allowing for year-round work and lower heating expenses. As the war progressed, the federal government established prisoner of war (POW) camps in various parts of Oklahoma for many of the same reasons. The issue of unemployment evolved into a shortage of workers, which led to women's entry into the workforce. Discoveries of oil reached new highs, as did production of the new technology of **liquefied natural gas**. People of every race and creed assisted in the war effort, whether they worked at the in-state flight training facilities, fought on the frontlines in Europe, or filled one of the thousands of positions in between. American Indian soldiers from Oklahoma served vital roles in the war as Code Talkers. The few Japanese Oklahomans faced additional discrimination due to the nature of the war, but many of them also served in the armed forces.

The banking industry was devastated by the Great Depression. However, it saw some reprieve during World War II and reduced its reliance on the agriculture industry, expanding towards military development and later towards housing and a variety of other trades. They maintained their relationship with agriculture by creating new farming-based departments. Banks cultivated economic growth through the creation of the Oklahoma Finance Authority in the 1950s, promoting startup businesses and offering deals to new entrepreneurs.

The end of World War II left the state with strong economic momentum, and industries built out of necessity became mainstays of Oklahoma that still function today. These industries, combined with those that were long established, **revitalized** the Oklahoman economy and began a new era for the state. Despite the usual postwar instability and inflation that arises as demands change, the next decade was relatively stable. The petroleum industry began a slow nationwide descent in the 1950s, but its influence on Oklahoma's economy continued to be strong. Railroads, specifically those that carried passengers rather than goods, dwindled as private automobiles became increasingly popular. Many rail lines shut down due to a lack of usage. The invention of mechanical air conditioning expanded business opportunities in the hotter summer months. The fight for civil rights increased and saw substantial results, and the movement evolved as African American communities united to protest discriminatory practices and systems, both legally and physically. In Oklahoma triumphant civil rights cases gained attention, including *Sipuel vs. Board of Regents of the University of Oklahoma* (1948) and *McLaurin v. Oklahoma State Regents for Higher Education* (1950). The developments in civil rights for African American communities meant increases in economic opportunities and decreases in legal and physical barriers.

Civil rights leaders such as Amos T. Hall, Thurgood Marshall, and Ada Lois Sipuel Fisher expanded economic opportunities for Black Oklahomans. (2012.201.B1268.0091, OPUBCO Collection, OHS).

Diversification

The state emerged from World War II in a strong economic position. The Cold War established an expansive American military commitment across the globe. The growth of defense and related industries boosted and diversified Oklahoma's economy. Using the Cold War as a justification, the government made unprecedented investments in infrastructure, research, and education, spurring economic development wherever those activities were conducted. The baby boom increased demand for government services, housing, and consumer goods and services. The end of the twin crises of the Great Depression and World War II marked the beginning of a rapid transition to a car-centric economy. New technologies such as television and air conditioning followed the growing electrification of the countryside and gained widespread adoption. Oklahoma's industries embraced new inventions, innovations, and relationships, resulting in a healthy and profitable environment for entrepreneurs. Shifting production methods in agriculture resulted in the movement of people to cities called **urbanization**, where jobs created from this economic development awaited the migrants.

The Berlin Airlift demonstrated the value of air power and increased tensions during the Cold War (image courtesy Department of Defense).

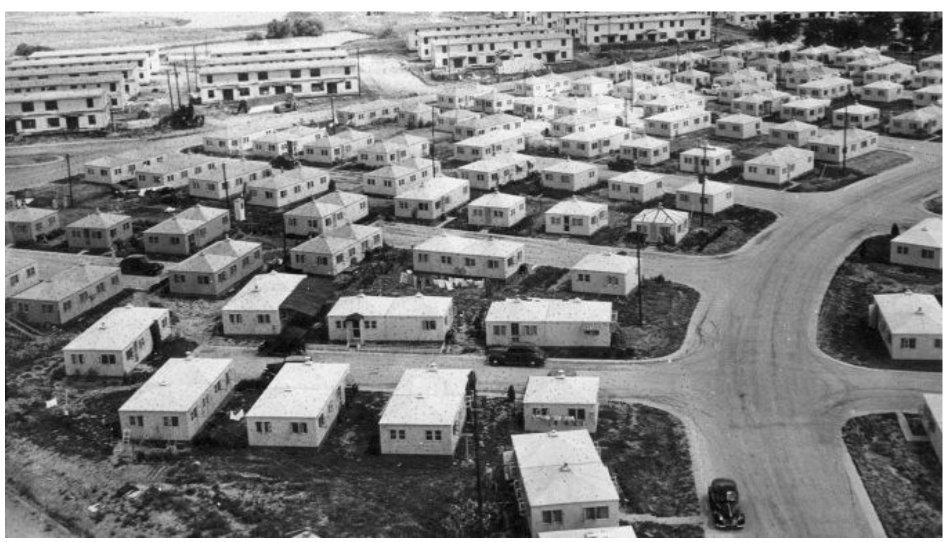
The state's connection with the air force would stimulate Oklahoma's economy as that branch moved to the forefront of the US military. From the Berlin Airlift to the Korean War to the Vietnam War, the United States' way of war increasingly depended on airplanes. Tinker employees worked on thousands of C-47 Skytrains, A-7 Corsair IIs, F-4 Phantoms, and B-52 Stratofortresses. In addition to hosting those planes, in 1961, the base at Altus briefly became the site of several intercontinental ballistic missiles. Vance became the first government-owned, contractor-operated base, a model that was used on other air force bases. The country's international commitments and conflicts ensured the continued survival of Oklahoma's air force bases and the industries that serve them. In 1958, because of Oklahoma's strong connection to the air force and aviation, Congress approved the construction of a large Federal Aviation Administration campus. The Mike Monroney Aeronautical Center employs thousands of people. The nearness of the air force bases and the FAA has resulted in several aviation companies, such as Boeing, building facilities here.

An ICBM being delivered to Altus (image courtesy of Old Greer County Museum).

The passage of the 1944 GI Bill, the 1956 Interstate Highway Act, and the National Defense Education Act of 1958 provided government funding for a more broadly educated workforce, infrastructure, and university research. The sustained investment in research and development supported an increase in the private businesses doing similar work and the number of trained professionals available to qualify for high-paying positions. The investment in infrastructure—in particular highways, the communication network, and the McClellan-Kerr Arkansas River Navigation System—reduced costs and increased efficiency for private businesses public organizations, and individuals alike. All of these efforts were spurred by or impacted by the Cold War. A desire to be equal to or better than the Soviet Union in all measurements motivated governmental officials to invest heavily in multiple areas to achieve those goals.

Baby boomers stimulated the economy throughout their lifespan. An explosion of housing developments began with the first of the baby boom generations. Building adequate educational facilities was a challenge for local and state governments. In 1965, the federal government began funding education for all these children with the Elementary and Secondary Education Act. The large number of youths in a certain age group resulted in the invention of the concept of a "teenager," and specific **consumer goods** were marketed to them, such as unique fashions like blue jeans, transistor radios, and rock 'n' roll music. When the baby boom generation reached college age, universities scrambled to add staff and facilities to accommodate the incredible demand of a generation that attended college at historic levels. Class sizes exploded because of a lack of instructors. Many male students found themselves sleeping in barracks with dozens of other students as their first dorm experience because of the record number of students. The student movement, which provided significant support for civil rights and antiwar movements, began as a protest against the impersonal, **bureaucratic** approach universities had adopted toward them.

Hospitals had to expand their nurseries in response to the baby boom (2012.201.B0265.0516, OPUBCO Collection, OHS).



A Veteran's Village in Stillwater (image courtesy Edmon Low Library).

From the 1920s onward, the country developed new industries related to cars. Gas stations, road-building, motels, car lots, auto mechanics, and even drive-in movies and restaurants began or increased in number. One does not need to look far to find examples of businesses or economic activity related to the automotive industry. Sonic Drive-In and Love's Country Travel Stops are successful businesses that serve the needs of people using automobiles. Tire manufacturing is a major industry in Oklahoma. The construction of I-35 and I-40 employed a large number of workers, and the crisscrossing of these two highways increased trucks traveling through the state dramatically.

Top Hat would become Sonic Drive-in, an Oklahoma-based company, that benefitted from car culture (image courtesy of *The Oklahoman*).

TG&Y warehouse, 1953 (2012.201.B0967.0407, OPUBCO Collection, OHS).

Inventions and innovations impacted families and businesses. For families, the postwar environment embraced the idea that the consumer goods one owned were a reflection of one's status. This moved shopping to the center of many families' lives. TG&Y and C. R. Anthony's were two businesses founded in Oklahoma that served the strong, continuing demand for consumer goods. Businesses also benefitted from inventions. Oklahomans developed several industry-specific inventions. Garman Kimmell, an engineer, developed a pressure regulator that transformed the oil and gas industry. He built a company called Kimray after this initial success and continued building. Edwin "Ed" Malzahn built the first service-line trencher, called the Ditch Witch, which made the process of laying wire or pipe underground significantly easier and more efficient. Nazih Zuhdi, a Lebanese immigrant to Oklahoma, invented several pieces of medical technology, including a heart-lung machine and an artificial heart, which saved hundreds of thousands of lives.

The Growth of the Service Economy

Agricultural **subsidies,** technology, and the **economy of scale** changed the agricultural industry in Oklahoma. Successful farmers invested in more land, buying out neighbors and educating themselves on the new science and business practices that became an integral part of American agriculture. Those without land often moved to nearby cities to find work. This led to population increases in the cities and fewer people in rural areas. Subsidies came about to solve the major problem of American agriculture: overproduction. This concept started during the Great Depression with the passage of the Agricultural Adjustment Act and has evolved into a permanent government policy. Advances in agricultural technology, building on the success of the tractor in the 1920s, included new seed strains, combines, and inexpensive fertilizer. With extensive government support and the technological advances, the cultivated land increased in acreage per grower. The dominant form of agriculture in the United States became large-scale commercial farming.

The reduction in the number of people working in agriculture meant that former farmworkers needed other kinds of jobs. Additionally, as people moved to the cities, they began demanding a wide range of services. This movement helped develop other sectors of Oklahoma's economy, including construction, education, health care, government, and retail jobs. The construction of suburbs grew in response to the integration of schools in the city core, which, along with construction of a system of highways, meant that the demand for services would continue in every new town, resulting in more jobs available. Tribal nations spearheaded economic development in the towns within their jurisdictions and created numerous rural enterprises that limited the unemployment issues often faced by those living in the countryside.

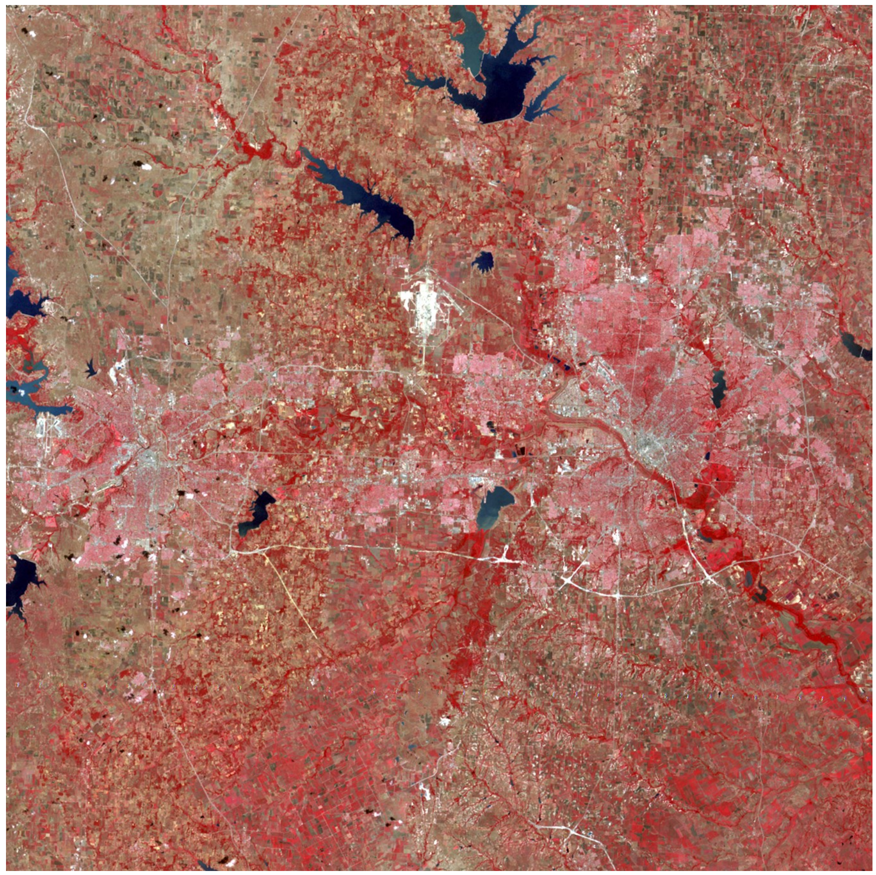
The cost of advanced farm equipment helped shift the way agriculture was produced into large commercial ventures that could afford investments such as these (2019.061.B5.08242, Oklahoma Conservation Historical Society, OHS).

Most towns offer a wide variety of shopping which provides jobs. Photograph by Paul B. Southerland, 1985 (2012.201.B0974B.0816, OPUBCO Collection, OHS).

Oklahoma Goes Global

During the 1970s and 1980s, Oklahoma's economy showed how thoroughly intertwined it was with the global economy. The volatility of Oklahoma's economy demonstrated that finding a balance between supply and demand was even more critical when events throughout the world could directly impact the markets for Oklahoma goods and services. Oklahoma's economy also reflected how intertwined government policies are with economies. What is produced, who benefits, and who makes economic decisions are important questions that governments—federal, state, local, and tribal—continuously try to answer.

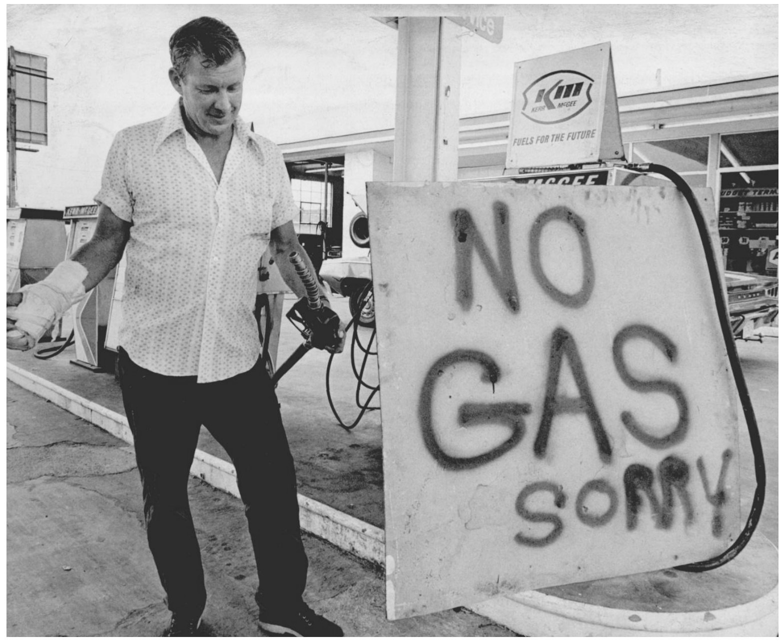
Unlike the rest of the nation, which grappled with difficult economic trends such as **stagflation**, Oklahoma's economy thrived in the 1970s. A major element of Oklahoma's agricultural sector is cattle ranching. In the 1970s, meat prices increased because of a shortage. Ranchers chose to reduce the number of cattle they sold at market so they could produce more cattle in the future. This reduction caused the cost of meat to increase further. Ranchers saw once-in-a-generation profits.



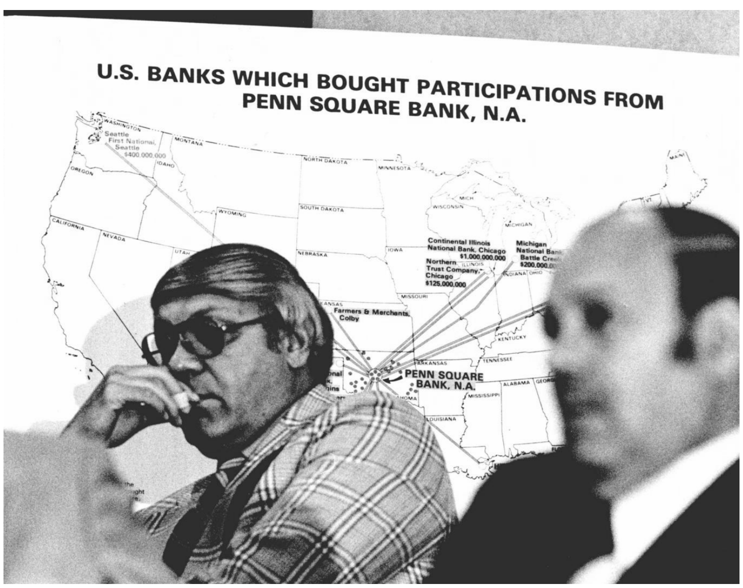
The first Landsat photo from 1972. If Landsat had launched six months earlier than it did, it would have allowed government officials to manage the wheat harvest so that the spikes and shortages were lessened (image courtesy USGS).

Ranching prospered in the 1970s, and so did the state's many wheat farmers. Grain harvest failures in the Soviet Union resulted in a crisis: either the USSR found grain for their population, or they faced famine. In 1973, the United States and the Soviet Union agreed to a deal. The Soviet Union would purchase ten million tons of grain from American farmers, and the United States government would help pay for it. US government officials did not recognize the size of global grain failures that year, so the movement of American grain to the Soviet Union caused global wheat prices to skyrocket. Oklahoma farmers experienced **unprecedented** profits.

Oklahoma's other major economic sector, oil and gas production, also experienced record profits in the 1970s because of global politics. In 1973, several Arab countries and Israel went to war. In retaliation for resupplying the Israelis, the oil **cartel** Organization of Petroleum Exporting Countries (OPEC) placed an **embargo** on the US, which means they refused to sell their petroleum to the US. This led to alarm throughout the country. People began **hoarding** fuel, which led to shortages. The shortages and perceived crisis resulted in huge jumps in oil prices. The removal of competition from OPEC meant petroleum producers in the US received a greater percentage of the overall amount paid for oil, in addition to the higher prices. Political disagreements in the Middle East resulted in high oil prices for the remaining decade.



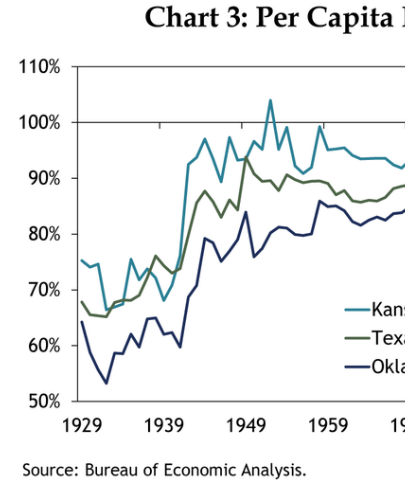
Many gas stations throughout the country ran out of gas during the oil shocks in 1973 (2012.201.B1162.0232, OPUBCO Collection, OHS).



An interconnected economy has its own challenges, as the Penn Square Bank failure demonstrated. Photograph by Roger Klock, 1982 (2012.201.B0966.0089, OPUBCO Collection, OHS).

The 1980s tells the other side of the story. Just as global shortages boosted the income of Oklahoma producers, the return of competition in other parts of the world had negative outcomes for the state. During the strong economy of the 1970s, many producers sought to expand their businesses by taking out loans at high interest rates. Other producers may have taken on personal obligations such as car leases and loans or mortgages at high interest rates. When demand and profits fell in the early 1980s, some producers were unable to repay their debts. This is called a **default**. When enough debtors default, the bank may be unable to handle their daily business of withdrawals. If that happens, the bank fails. This happened in 1982 at Penn Square Bank in Oklahoma City. Bank operators had heavily invested in the oil industry and shared the loans they made with other banks. Oil prices dropped in 1981, and Penn Square Bank's investments soured. Because Penn Square Bank shared debt with other banks across the country, banks began failing elsewhere.

Oklahoma at the Turn of the Century



Bank failures impacted communities all over Oklahoma, as did major layoffs in the petroleum industry. Unemployment throughout the country reached 10.8 percent by the end of 1982. This was the highest unemployment rate since the onset of the Great Depression. Incomes in the state had risen to equal the national average in the 1970s, but in 1987, Oklahoma incomes were only 81 percent of the average. The population decreased most years in the 1980s. Local and state governments confronted **revenue failures,** which resulted in fewer jobs and services. In the 1980s, the number of Oklahomans enrolled in federal welfare programs peaked.

Although the state's overall economic condition was poor, several policy changes would lay the foundation for major changes in the Oklahoma economy. The most important are the federal laws passed in the late 1970s and 1980s that reinforced tribal sovereignty for the tribal nations of Oklahoma, including the Indian Self-Determination and Education Assistance Act in 1975 and the Indian Gaming Regulatory Act in 1988. The federal government's recognition of the tribal governments' sovereignty and power to develop economic programs for their citizens has stimulated rural economies, benefitting everyone in the state.

In 1990, teachers gathered in a four-day walkout to protest against the poor funding and conditions in the state's public schools. In response, the legislature passed House Bill 1017, a major education reform bill that was signed by Governor Henry Bellmon. Although never fully implemented, this landmark investment sought to transform Oklahoma education.

After losing a maintenance facility for United Airlines, the city of Oklahoma City introduced the first Metro Area Projects (MAPS) initiative. This sales tax increase funded an effort to improve the quality of life in the city. MAPS taxes have resulted in a complete transformation of downtown Oklahoma City. This spurred further investment, making the city center a destination for local and out-of-state visitors. The MAPS model has been approved three additional times to provide funding for infrastructure and schools.

Another major influence on Oklahoma's economy is the rapid growth of both non-English speakers and immigrants in rural, urban, and suburban communities throughout the state. The growth of these populations created a demand for cultural products unavailable in Oklahoma. Many entrepreneurs from these communities have stepped up to provide these foods, financial transfers, personal care products, and services in languages other than English. The growth of these new businesses has reinvigorated various communities, including the southside of Oklahoma City and Guymon in Oklahoma's Panhandle.

Activities

Investigating Local History

Banks and Oklahoma Communities
As Oklahoma grew in population, communities organized. These new population centers attracted businesses to sell goods and services. Banks within these communities helped the economy grow by allowing residents to pool their resources and loan money to individuals wanting to start or expand a business.

In 1896, Fred G. Moore established Exchange Bank in Perry. He, along with his brother-in-law, invested $5,000 to operate the bank. Perry residents clearly needed a bank. The community deposited $1000 into the bank on its first day of operation. Local residents sought loans for many reasons, but they usually centered on purchasing property and expanding farm operations. In 1909, O. R. Hall became an assistant cashier at the bank. Fred G. Moore and O. R. Hall continued to work at Exchange Bank for the rest of their lives, as did the younger generations in both families into the 21st century.

The "new" Exchange Bank in Perry, 1950 (2012.201.B1017.0391, OPUBCO Collection, OHS).

A loan is the primary way a bank makes money. Once a bank approves an individual for a loan, the bank gives the person the amount of money they agreed upon. The bank then charges an the person the cost of their original loan plus an additional amount. This additional charge is called interest. The individual who takes the loan out pays interest so they can borrow money they otherwise could not get. The bank owners take the interest and will save it, use it to invest, or use it to pay for expenses like employee salaries and rent for the building.

Bank employees must be careful, accurate, and use good judgment. If they grant a large number of loans that are not paid back, they run the risk of a bank failure. A bank failure is when a bank is unable to pay its depositors. Because most communities had one bank and everyone deposited their money in that bank, a bank failure could be disastrous for an entire community. In order for the community to stay healthy and grow, the bankers had to be cautious enough to protect their depositors but risk enough to earn interest.

What bank is located nearest to where you live?
Can you visit their website and find out their history?

Computation: Life as a Bank Teller

Fred G. Moore, O. R. Hall, and all the other employees at Exchange Bank spent their days finding the answers to questions similar to the ones below. How many questions can you answer?

One of the basic responsibilities of a bank teller is to take people's money and add it to their account. This is called a deposit. When a person takes money from their account, it is called a withdrawal. Managing deposits and withdrawals requires strong cash-handling and arithmetic skills. See if you have what it takes to be a cashier.

Oklahoma bank tellers assist customers in 1948 (21412.M191.7, Z. P. Meyers/Barney Hillerman Photographic Collection, OHS).

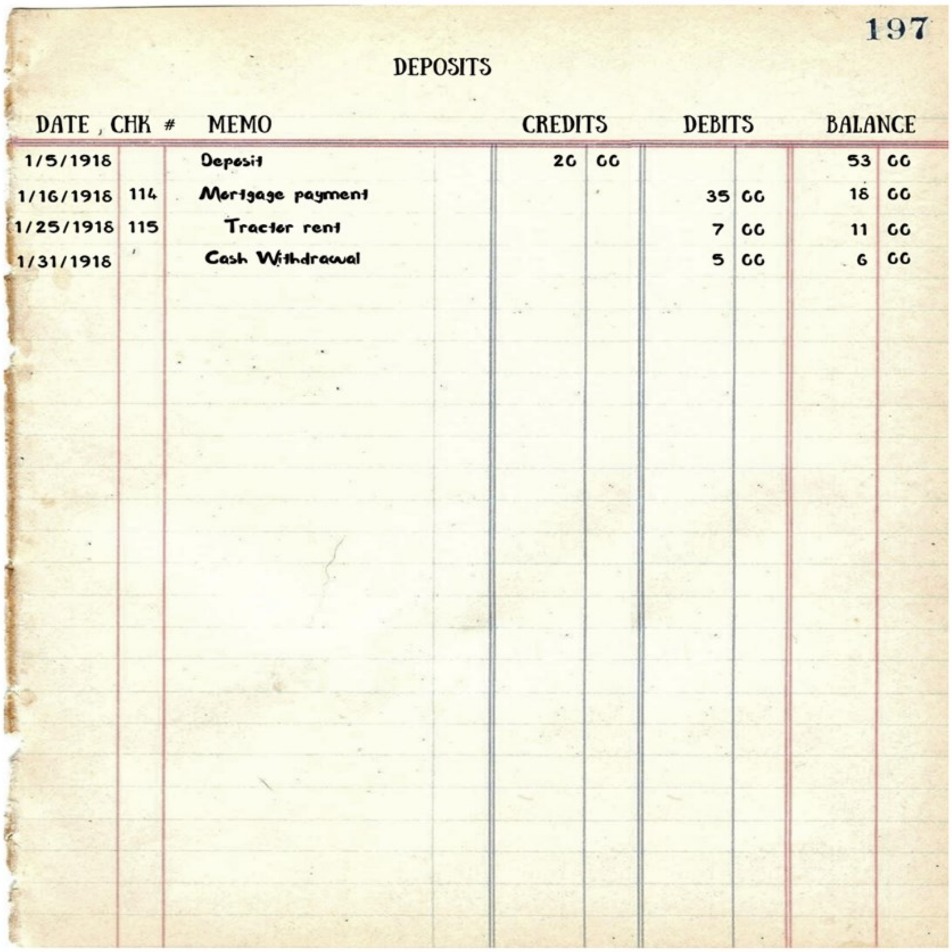
Mr. Marks comes in and hands you a one-hundred-dollar bill. He says he would like $75 deposited into his savings account and the rest in cash. How much cash do you give him?

Taylor visits the bank to deposit the day's sales. There are four checks in the amount of $15.05, $210.25, $34.00, and $26.75, and $115.30 in cash. Taylor says they want two rolls of quarters (each roll is $10) and the rest of the money deposited in the business account. How much does Taylor deposit?

John comes in after he accidentally overdrew on his account. An overdraft is when an account owner authorizes the payment of more money than the account has. Usually, the bank will cover the overdraft, but they will charge a fee to do so. John overdrew his account by $10.45, and the fee is $30. John deposits $150 into his account. What is his account balance after paying back the amount the bank covered and the fee?

Computation: Balancing Books

Another responsibility bank employees have is to keep a ledger. A ledger lists what is put in and taken out of an account. Today, this is electronic and mostly done automatically. When the Exchange Bank began, the employees kept a record of every depositor's account activity in a book called a Boston ledger. Here is a ledger to practice your teller skills:



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DEPOSITS

DATE	CHK #	MEMO	CREDITS	DEBITS	BALANCE
1/5/1918		Deposit	20 00		53 00
1/16/1918	114	Mortgage payment		35 00	18 00
1/25/1918	115	Tractor rent		7 00	11 00
1/31/1918		Cash Withdrawal		5 00	6 00

You will notice that if money is going into the account, it is entered in the "credits" column. That amount is <u>added</u> to the balance amount of the previous line and the new balance is entered in the far right column titled "balance." If money is coming out of the account, either through a check or a cash withdrawal, it is listed under "debits" and <u>subtracted</u> from the balance on the line above. The new balance is entered in the far right column.

Try it yourself:
The farmer worked on a railroad maintenance crew over the winter. He returns in January with $72 and then deposits $70 when he comes into town on February 3, 1918. The farmer's wife sells eggs and butter. She deposits $10 in the bank on February 15, 1918. The mortgage payment is due every month on the 15th. They pay the same amount every month, and this payment is on check number 116. The farmer does not need to rent a tractor in February, but he needs to buy seed for the upcoming growing season. The seed costs $38.75 on March 15, and the farmer pays with check number 117. What is the family's balance on March 16?

Using Formulas: Simple and Compound Interest

Another common responsibility for bank officers is computing interest. If the bank grants a loan, they need to compute the interest to ensure the borrower knows how much to pay each month. During the early 1900s, the type of interest charged was called simple interest. If the bank loaned at an 8 percent rate, then the borrower paid the total amount of the loan plus another 8 percent of the loan in interest. To determine simple interest, you can use this formula:

$A = P(1+rt)$

A—is the final total loan amount

P—the original amount loaned

r—the annual interest rate

t—time (in years)

Try to compute simple interest:

Jose borrows $3,000 at five percent interest for five years. What is the total amount Jose will pay for the loan?

Here's a twist: Mr. Jordan pays a total of $15,600 for a loan he took out for 10 years at three percent interest. What was the principal amount of the loan?

If a customer opens a savings account, the account earns interest. Banks want customers to deposit money into accounts and leave it for some time so that the bank can use the money for loans. Instead of earning simple interest, savings accounts usually earn compound interest. Compound interest means that interest is earned on whatever is deposited at the start of the account AND the interest it has earned previously. The bank will add the interest to the principal every month, quarter, or year and then use that as the new total to earn interest. This can really add up!

The formula for compound interest is a little different than simple interest. It is:

$$A = P\left(1 + \frac{r}{n}\right)^{nt}$$

A—Account total

P—Original deposit

r—Interest rate

n—Number of times interest applied per time period

t—Number of time periods

Try to find the answer to this question about compound interest:

Deisy opens a savings account and deposits $100. The account earns .20 percent interest, compounded monthly. How much will Deisy have if she never adds more to the account and keeps the account for five years?

Evaluating: Balancing Risk and Opportunity

Another responsibility of bank officers is making wise use of the money the community has invested with them. When they review a loan application, they will give a lower interest rate if they believe the applicant will pay back the whole loan on time. If they believe there is a chance of default, which means not paying back the entire loan, they may deny the application or charge a higher interest rate because they think it is a riskier investment.

The loan application will include a lot of information, but the most important sections show how much the applicant makes, what the applicant may owe on other debts, and what they own that the bank can foreclose on or take in case of default. The property and investments an applicant has are called assets. Debts and other obligations on a person's income are called liabilities. The list of these for an applicant is called a balance sheet. A loan officer will look at the balance sheet to determine if they should grant the loan and at what interest rate.

Pretend you are a loan officer and need to determine if you will grant a loan. If you grant the loan, you can pick an interest rate of 10 or 20 percent, depending on how risky you think the loan might be. Remember, you make money by loaning money, so you need to keep your interest rates low enough that people will still come to your bank. At the same time, you need to have high enough interest rates that you are covered on all your investments and don't run the risk of a bank failure.

Ricky's Balance Sheet
Ricky wants to open a frozen yogurt shop. He is asking for $100,000.

Ricky's Assets	**Ricky's Liabilities**
Savings account: $15,000	**Rent: $1,200 a month**
Motorcycle: $5,000	**Truck payment: $500 a month**
	Insurance: $200 a month
	Student loan: $150 a month

Ricky makes $60,000 a year, but he will need to quit his job in order to start the business.

Do you give Ricky the loan?

If no, why?

If yes, at what interest rate and why?

Maya wants to expand her hair salon, adding a spa. She applies for a loan of $75,000.

Maya's Assets	Maya's Liabilities
Cash on hand: $10,000	Mortgage for shop: $1,000 a month
Savings account: $7,000	Insurance: $100 a month
Personal home: $100,000	
Monthly income from salon: $3,500	

Do you give Maya the loan?

If no, why?

If yes, at what interest rate and why?

Russell wants to buy a boat for $35,000. He has taken out a loan from your bank previously to purchase what is now his rental property. He paid it back with no problems.

Russell's Assets	Russell's Liabilities
Cash on hand: $2,500	Mortgage for personal home: $2,000 a month
Savings account: $3,500	Car payment: $600 a month
Earnings from rental income: $700 a month	Insurance: $300 a month
Monthly income from surveying job: $4,500	

Do you give Russell the loan?

If no, why?

If yes, at what interest rate and why?

Glossary

ample: Enough.

assimilation: The process of becoming part of a culture different from one's original culture.

bankruptcy: A financial state where a person, business, or organization cannot pay their debts and is legally declared unable to meet their financial obligations.

bureaucratic: Describing a system or organization that is characterized by complicated rules, procedures, and red tape.

cartel: A group of producers that cooperate to manipulate markets and prices, usually outside of the law.

Columbian Exchange: The widespread exchange of goods, ideas, people, and diseases between the eastern and western hemispheres that occurred after Christopher Columbus's voyages.

commerce: Buying, selling, and trading within an economy.

commercial: Relating to buying, selling, or trading of goods or services.

communally: Sharing decision-making and resources.

compulsory: Required or mandatory; something that must be done or followed.

consumer goods: Products or items that are purchased and used by individuals or households for personal use.

corruption: Dishonest or illegal behavior, especially by people in positions of power, where they use their authority for personal gain.

default: Failing to make payments on time for a loan or other obligation.

defense-related: Relating to matters or activities connected with protecting a country or organization from threats or attacks.

delegate: The act of assigning or entrusting tasks, duties, or responsibilities to someone else.

depression: A long and severe period of economic downturn characterized by high unemployment, low production, and a decline in business activity.

discontentment: A feeling of unhappiness or dissatisfaction with one's current situation or circumstances.

discrimination: Unfair or unjust treatment of people based on their race, gender, religion, or other characteristics.

disenfranchised: To be deprived of the right to vote or have a voice in the political process.

dismantle: To take apart

dispossessed: To be deprived of land, property, or possessions, often due to force or legal action.

dissolution: The act or process of breaking apart or coming to an end, especially in the context of a group or organization.

diversity: The presence of a wide range of different people, cultures, or ideas within a particular group or society.

draft: A system in which individuals are selected or required to serve in the military.

drought: An extended period when there is little or no rainfall, leading to water scarcity and dry conditions.

Dust Bowl: A region in the central United States during the 1930s that experienced severe dust storms and agricultural damage due to drought and poor land management.

economy of scale: Reduction in the cost of producing a product, especially when caused by an increase in production.

efficient: Doing something in a way that achieves the desired results with minimal waste or effort.

emancipation: Liberation from enslavement.

embargo: An official ban or restriction on trade or commercial activity with a particular country or group.

encompassed: Surround and have or hold within.

encroachment: The act of gradually intruding or trespassing onto someone else's territory, space, or rights.

entrepreneurs: Individuals who start and manage their own businesses.

ethnic: Relating to a particular cultural or racial group.

exporters: People or businesses that sell goods or products to other countries.

extractive: Relating to the process of extracting natural resources from the earth, such as mining or drilling.

Farmer's Alliance: An organized group of farmers in the late 19th century that sought to address the economic challenges and advocate for the interests of farmers.

fluctuate: To change or vary continuously, often in an unpredictable way.

guerrilla: A member of an irregular military force engaging in surprise attacks, ambushes, and hit-and-run tactics.

hoarding: Keeping a large quantity of a product and refusing to sell.

immunity: Protection or resistance against a particular disease or infection.

impeachments: The process of charging a public official with misconduct and bringing them to trial to determine if they should be removed from office.

Indigenous: Native or originating from a particular region or country.

inevitability: Certain to happen.

infrastructure: The basic physical structures and facilities needed for the operation of a society, such as roads, bridges, water systems, and power grids.

Jim Crow laws: Segregation laws enacted in the southern United States that enforced racial discrimination and denied equal rights to African Americans.

layoffs: The termination or suspension of employment for a group of workers due to business-related reasons, such as downsizing or economic downturns.

liabilities: Financial obligations or debts that a person, business, or organization owes.

liquefied natural gas: Natural gas cooled and condensed into liquid form for ease of storage and transportation.

literacy tests: Examinations or assessments designed to determine a person's reading and writing skills, historically often used as a way to disenfranchise certain groups from voting.

manufactured: Produced or made in large quantities using machinery and standardized processes.

mythological: Relating to myths or traditional stories that explain natural phenomena, cultural beliefs, or historical events.

nomadic: Describing a lifestyle or group that regularly moves from place to place, typically without a permanent home.

nonmigratory: Referring to species or individuals that do not migrate or move from one location to another.

Oklahoma Enabling Act of 1906: An act that allowed the people of Oklahoma and Indian Territories to elect representatives to a state constitutional convention and bid for statehood.

oppression: The exercise of authority or power in a cruel or unjust manner, leading to the prolonged mistreatment or subjugation of individuals or groups.

overextended: To go beyond one's limits or resources, often incurring excessive debt or commitments.

overproduction: The production of more goods, products, or resources than can be sold or consumed, leading to surplus and economic imbalances.

overreliance: Excessive dependence or reliance on something, often to the point of neglecting other options or resources.

persecuted: Subjected to harassment, discrimination, or unfair treatment, often due to one's race, religion, or political beliefs.

persistent: Continuing or enduring for a long time, often despite challenges or obstacles.

petroleum: A thick, flammable, dark-colored liquid found beneath the earth's surface that is used as a fuel source to power vehicles and generate energy.

phenomenon: A remarkable or exceptional event or occurrence that can be observed or experienced.

posse: A group of individuals who are assembled or organized for a specific purpose, often to pursue or capture someone who is wanted by the authorities.

primary: First or most important in time, order, or importance.

Progressive: A reform movement in the United States during the late 19th and early 20th centuries that sought to address social, political, and economic issues through government intervention and the promotion of positive change.

quell: To suppress or put an end to something, usually by force or intimidation.

recruitment: The process of actively seeking and enlisting individuals to join a group, organization, or cause.

refugees: People forced to flee their homes or country due to persecution, war, or natural disasters.

revenue failures: The inability of a government to pay its obligations.

revitalize: To renew or restore vitality, energy, or strength to something.

secondary: Second in order, importance, or significance.

sector: A specific part or area of an economy or society, often characterized by common activities or interests.

segregation: The enforced separation of different racial, ethnic, or social groups, particularly in public facilities, institutions, or residential areas.

self-sustaining: Capable of maintaining or supporting oneself or itself without external assistance.

sharecroppers: Farmers who work on someone else's land and give a portion of their crops as rent or payment for the use of the land.

Shawnee Demands: A list of policies that organized farmers and workers demanded be included in the Oklahoma state constitution.

stagflation: A unique economic trend in which an economy is growing slowly and has high unemployment but also high prices. Usually, high inflation is a result of a rapidly growing economy.

socialism: An economic and political system in which the means of production, distribution, and exchange are owned or regulated by the community as a whole.

soil conservation: The practice of preventing soil erosion, degradation, and depletion to maintain soil fertility and productivity.

stimulate: To encourage or promote activity, growth, or development.

strike: A work stoppage or protest by a group of workers who refuse to continue working until certain demands or conditions are met.

subsidies: Financial assistance from the government given to producers of goods and services.

surplus: An excess or abundance of something, often referring to a quantity or amount beyond what is needed or used.

technological: The application of scientific knowledge for practical purposes.

tenant farmers: Farmers who rent or lease land from a landowner in exchange for a share of the crops or monetary payment.

tribal sovereignty: The self-governing authority and power held by American Indian tribes over their people and land.

unions: Organizations formed by workers to protect their rights, improve working conditions, and negotiate with employers for better wages and benefits.

unprecedented: An event that has never happened before.

urban: Relating to a city or characteristic of city life.

urbanization: The process of the growth and expansion of cities, including the increase in population and the development of urban areas.

vigilante: An individual or group of citizens who take the law into their own hands, often outside the legal system, to enforce justice or pursue their own beliefs.

welfare: Assistance provided by the government or private organizations to individuals or families in need, such as financial support, healthcare, or social services.

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