

## Sec 2: Hamilton & National Finance

Name: \_\_\_\_\_

Date: \_\_\_\_\_ Period: \_\_\_\_\_

### HAMILTON'S ECONOMIC PLAN

- Hamilton wanted to \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- He proposed that the government take on the entire debt of the \_\_\_\_\_ and the \_\_\_\_\_
- His plan was to pay off old debt by borrowing new money at a lower interest rate.

### **ECONOMIC PROBLEMS:**

- The debt fell into 3 categories
- \_\_\_\_\_: Owed \$11.7 million (mostly to France)
- \_\_\_\_\_: Owed \$40.4 million (Bonds)
- \_\_\_\_\_: Owed \$25 million (food, weapons, etc.)

### **Hamilton's 3 Point Plan**

1. \_\_\_\_\_: Pay foreign debt first.  
Gradually pay off bonds. Pay state debt
2. \_\_\_\_\_: Raising protective tariffs would increase prices of foreign products, causing Americans to buy more US goods
3. \_\_\_\_\_ create a national bank and a national mint

## Sec 2: Hamilton & National Finance

Tuesday, November 27, 2012  
9:40 PM

### NATIONAL DEBT

- \_\_\_\_\_ could not agree on how to pay the debt to American citizens
- Bonds were issued during the war, and promised to be repaid in a given amount of time
- BONDS: \_\_\_\_\_  
\_\_\_\_\_
- Speculators \_\_\_\_\_
- Hamilton wanted to pay off the bonds at the original price, making speculators rich
- \_\_\_\_\_, unfair to original bondholders

### States' Debts

- States owed \$ \_\_\_\_\_
- Hamilton suggests federal govt. pays \$21.5 million.
- \_\_\_\_\_  
\_\_\_\_\_
- \_\_\_\_\_ states had little debt and \_\_\_\_\_ Hamilton's plan

### Moving the Capital

- Jefferson and Madison urged the \_\_\_\_\_ States to compromise
- For acceptance of the plan, the \_\_\_\_\_ of the United States would be permanently moved from New York to a site on the \_\_\_\_\_
- If left in New York or Philadelphia, \_\_\_\_\_ might be in the North

## Sec 2: Hamilton & National Finance

Tuesday, November 27, 2012  
9:42 PM

### Jefferson opposes Hamilton

#### HAMILTON'S VIEWS

- \_\_\_\_\_
- Wanted a \_\_\_\_\_ between the "mass of people" and wealthier citizens.
- \_\_\_\_\_
- Wanted higher tariffs on foreign goods to protect American manufacturers.

#### JEFFERSON'S VIEWS

- \_\_\_\_\_
- Believed in the right of "the people" to rule the country.
- \_\_\_\_\_
- Wanted \_\_\_\_\_ to keep costs low for goods farmers bought.

### Hamilton's Plan for a National Bank

- \_\_\_\_\_
- Government has \_\_\_\_\_ to keep its money
- Make \_\_\_\_\_ to gvt & businesses
- National mint to make \_\_\_\_\_
- Washington signed the bill to create the bank for a term of 20 years
- States were charged with creating \_\_\_\_\_

## Sec 2: Hamilton & National Finance

Tuesday, November 27, 2012  
9:43 PM

### Jefferson Opposes the Bank

- Jefferson and Madison believed Hamilton's plan gave \_\_\_\_\_
- They thought the bank was \_\_\_\_\_
- Hamilton brought up the \_\_\_\_\_ - congress can make all laws which shall be necessary and proper to govern the nation

### Loose vs. Strict Interpretation

- Hamilton believed in Loose Construction
- Loose Construction: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- Jefferson believed in Strict Construction
- Strict Construction: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### Bank of the US created

- \_\_\_\_\_ and \_\_\_\_\_ approved the charter for the bank
- The bank helped \_\_\_\_\_ the US economy