

Background

Alexander Hamilton was born on January 11, 1755 or 1757.

"Alexander Hamilton was born out of wedlock in the West Indies. He was an orphan by the time he was fourteen years old. As a young man he knew poverty. He had seen it. He had experienced it. And that really shaped his life."

O'Dell, Tom. Hamilton: One Shot to Broadway. Hamilton: One Shot to Broadway. www.amazon.com/Hamilton-Broadway-Lin-Manuel-Miranda/dp/B075XC911/ref=sr_1_1?ie=UTF8&qid=1526151641&sr=8-1&keywords=hamilton%3A+one+shot+to+broadway.



Birthplace of Alexander Hamilton. Photography. Britannica ImageQuest. Encyclopedia Britannica, 25 May 2016. quest.eb.com/search/139_1985960/1/139_1985960/cite. Accessed 23 May 2018.

At age eleven he started working as an accounting clerk at a mercantile in St. Croix.

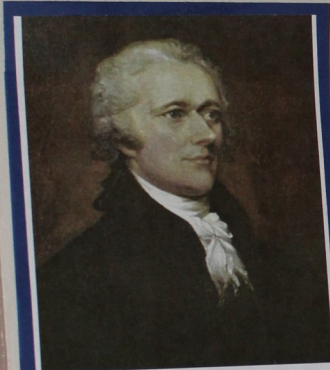
"He had to mind money, chart courses for ships, keep track of freight, and compute prices in an exotic blend of currencies, including Portuguese coins, Spanish pieces of eight, british pounds, Danish ducats, and Dutch stivers. If Hamilton seemed very knowing about business as a young adult, it can be partly traced to these formative years."

Chernow, Ron. Alexander Hamilton. Head of Zeus, 2017.

In 1772, he sailed to New York and enrolled in King's College.

"Alexander Hamilton started writing in support of the Revolution when he was just a young student. He was very active in the military, and he became a close confidant of George Washington. He was at the Constitutional Convention. He was instrumental in getting New York to ratify the Constitution."

O'Dell, Tom. Hamilton: One Shot to Broadway. Hamilton: One Shot to Broadway. www.amazon.com/Hamilton-Broadway-Lin-Manuel-Miranda/dp/B075XC911/ref=sr_1_1?ie=UTF8&qid=1526151641&sr=8-1&keywords=hamilton%3A+one+shot+to+broadway.



Hamilton, Alexander. Fine Art. Britannica ImageQuest. Encyclopedia Britannica, 25 May 2016. quest.eb.com/search/107_3364903/1/107_3364903/cite. Accessed 23 May 2018.

"In all posts, he (Hamilton) was one of the most outspoken advocates of a strong national government. He was the single most important figure in securing the adoption of the Constitution in New York State and, with Washington and Madison, was one of the most critical figures in the national campaign for the new federal frame of government."

O'Dell, Tom. Hamilton: One Shot to Broadway. Hamilton: One Shot to Broadway. www.amazon.com/Hamilton-Broadway-Lin-Manuel-Miranda/dp/B075XC911/ref=sr_1_1?ie=UTF8&qid=1526151641&sr=8-1&keywords=hamilton%3A+one+shot+to+broadway.

The war left America with a national debt of 54 million dollars and a 25 million dollar state debt.

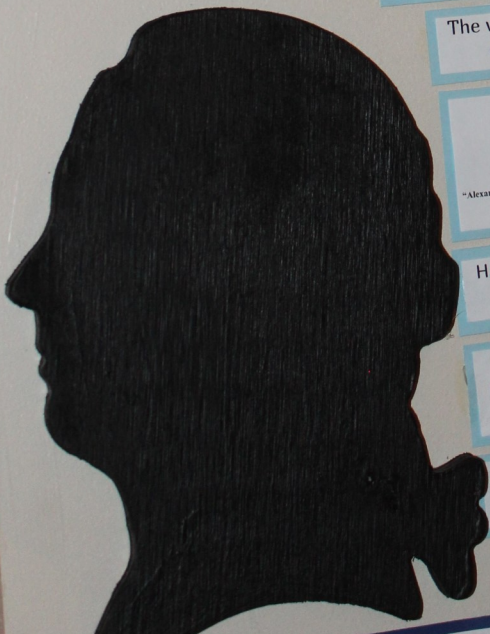
"In September 1789, Washington, the newly elected first President, tapped his former aide to be first Secretary of the Treasury."

"Alexander Hamilton The Man Who Made America." Alexander Hamilton. Timeline. Intro | The New York Historical Society. The New York Historical Society. www.alexanderhamiltonexhibition.org/timeline/index.html.

Hamilton released the first part of his plan on January 14, 1790.

Hamilton's job was to resolve America's debt. So he researched thoroughly, and during 1790, he created a two-part plan in order to do so.

However, when Hamilton released this proposal, conflict arose.



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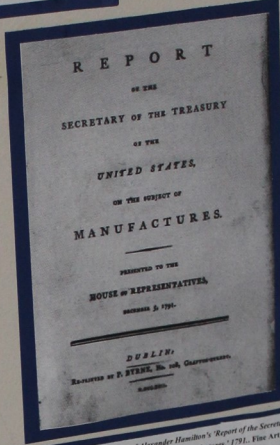
However, when Hamilton released this proposal, conflict arose.

Part One: Conflict and Compromise

"Hamilton submitted to Congress a proposal calling for the repayment of foreign and domestic debts through the issuing of new federal loans. He also recommended that the state debts incurred during the Revolutionary War be assumed by the national government."

Jefferson, Thomas, and Andrew M. Allison. *The Real Thomas Jefferson*. National Center for Constitutional Studies, 2009.

"Hamilton's report was opposed on most grounds by House leader James Madison, soon joined by Sec of State Thomas Jefferson.... Madison proposed instead to pay the current holders only the purchase price for their certificates, and pay the remainder to the original veteran holders. Madison also opposed federal assumption of state debt as some states (notably, Madison's own Virginia) had already paid off most of theirs."



HAMILTON, TITLE PAGE, 1791. -- Title page of Alexander Hamilton's 'Report of the Secretary of the Treasury of the United States on the Subject of Manufactures,' 1791. Fine Arts, Britannica ImageQuest, Encyclopedia Britannica, 25 May 2016. [quest.cb.com/search/140_160692/1140_160692.cite](http://www.encyclopedia.com/search/140_160692/1140_160692.cite). Accessed 13 Feb 2018.

GEORGE WASHINGTON - (1732-1799) Know, Thomas Jefferson, Ed Britannica ImageQuest, Enc quest.cb.com/search/140_161

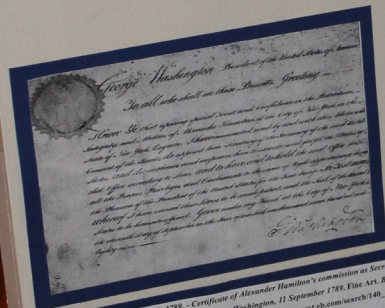
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Kanefield, Teri. *THE MAKING OF AMERICA For Young Readers*, 2017.

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HAMILTON, CERTIFICATE, 1789. - Certificate of Alexander Hamilton's commission as Secretary of the Treasury, signed by President George Washington, 11 September 1789. Fine Arts, Britannica ImageQuest, Encyclopedia Britannica, 25 May 2016. [quest.cb.com/search/140_1608937/1140_1608937.cite](http://www.encyclopedia.com/search/140_1608937/1140_1608937.cite). Accessed 13 Feb 2018.

"Some of the northern states resisted, even though many of them were more heavily in debt, because they saw turning over their debt as the first step toward weakening themselves by empowering the central government. The southern states resisted pooling all the debt even more fiercely. They'd been less ravaged by the war and believed that pooling debt meant all states would share the burden equally. They didn't want to pay for debts incurred outside their state."

Kanefield, Teri. *THE MAKING OF AMERICA ALEXANDER HAMILTON*. Abraham Books For Young Readers, 2017.

"Other aspects of Hamilton's plan generated fierce opposition as well, including the idea of selling securities which prompted accusations that Hamilton was catering to the moneyed, merchant classes, looking for ways to help his New York city friends become wealthier."

Kanefield, Teri. *THE MAKING OF AMERICA ALEXANDER HAMILTON*. Abraham Books For Young Readers, 2017.

Hamilton desperately tried to eliminate this conflict, and prove that the assumption plan would be effective. However, his attempts were ineffective.

"On April 12, 1790, the house voted down Hamilton's assumption plan, thirty-one to twenty-nine, and two weeks later voted to discontinue all debate on this issue. By early June, it looked as if the assumption plan was heading for oblivion. So Hamilton began to search for compromise that would salvage linchpin of his economic program."

Chernow, Ron. *Alexander Hamilton*. Doubt of Doubt, 2017.

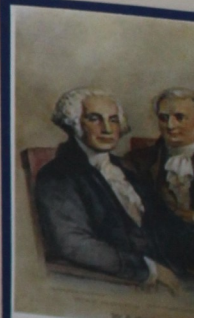
"When Jefferson arrived, Hamilton was furiously lobbying Congress to accept his financial proposals, trying to persuade people to support him, offering bargains and intellectual arguments. He succeeded in convincing the states to pool their debt only after reaching a compromise with Jefferson: The new government would move the nation's capital to a southern site on the banks of the Potomac adjacent to Virginia."

Kanefield, Teri. *THE MAKING OF AMERICA ALEXANDER HAMILTON*. Abraham Books For Young Readers, 2017.

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GEORGE WASHINGTON - (1732-1799) Fine Arts, Britannica ImageQuest, Encyclopedia Britannica, 25 May 2016. [quest.cb.com/search/140_161000/1140_161000.cite](http://www.encyclopedia.com/search/140_161000/1140_161000.cite)

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Thesis

Alexander Hamilton, the first Secretary of the Treasury, after years of conflict, created America's first financial system and laid the foundation for our current financial system.

Compromising with opponents, he helped shape America's financial institution by establishing both good credit and the first national bank and by resolving America's debt from the Revolutionary War. Hamilton's actions directly led to America's prosperity because his initiatives broke the manufacturing hold that Great Britain had on our nation's economy.

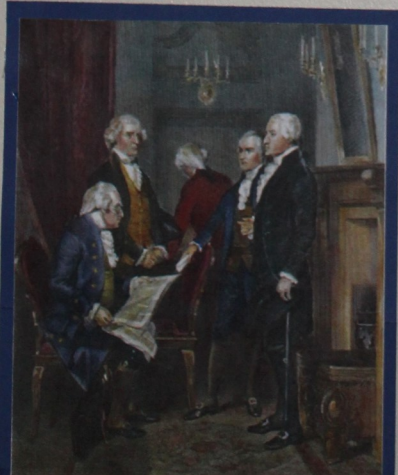
Part Two: Conflict And Compromise

On December 13, 1790, Hamilton released the second part of his plan.

"Hamilton proposed the creation of a 'Bank of the United States'...The bank, wrote Hamilton, was to be established 'under a private, not a public, direction--under the guidance of individual interest, not of public policy.'"

Alison, Andrew M., et al. The Real Thomas Jefferson. National Center for Constitutional Studies, 2009.

In his second document, Hamilton explained the need for a national bank, and how it would help America maintain good financial credit. This report also caused much conflict, mainly with Thomas Jefferson, James Madison, and southern states.

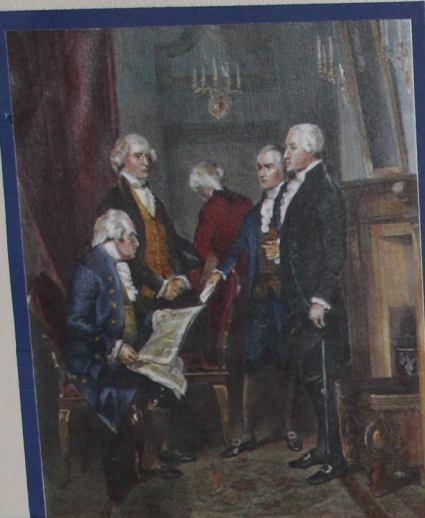


"Among those Southern opponents was James Madison, who worried that the Bank's placement in Philadelphia, the nation's temporary capital, might thwart the decision to put the permanent seat of government further south on the banks of the Potomac River."

"Establishing a National Bank." PBS, Public Broadcasting Service. www.pbs.org/wgbh/americansexperience/features/establishing-national-bank/

"Hamilton tried to explain that funded debt -- meaning debt in the form of securities -- along with a central bank would allow the government to have a source of money other than taxes. He promised that the bank would be carefully regulated so it would operate as a tool for the public good."

Kanefield, Teri. THE MAKING OF AMERICA: ALEXANDER HAMILTON. Abraham Books For Young Readers, 2017.



GEORGE WASHINGTON—(1732-1799). First President of the United States. George Washington and his Cabinet. Left to right: Henry Knox, Thomas Jefferson, Edmund Randolph, Alexander Hamilton, and Washington. Color engraving, 19th century. Fine Art, Britannica ImageQuest, Encyclopedia Britannica, 25 May 2016. quest.eb.com/search/149_1635047/149_1635047/cite. Accessed 23 May 2018.

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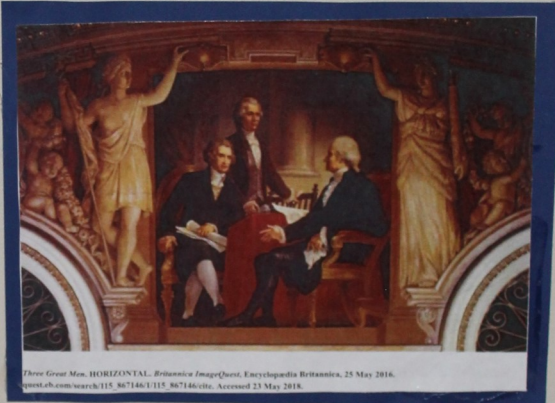
"He explained that such a bank would serve as a nursery for wealth. Hamilton's suggestion was greeted with joy from America's mercantile class, but triggered fear in others."

Kanefield, Teri. THE MAKING OF AMERICA ALEXANDER HAMILTON. Abraham Books For Young Readers, 2017.

"To Jefferson, by enriching the central government, Hamilton was demolishing liberty, robbing states of their independence, and undermining the main pillar of democracy -- that the people should govern themselves. Hamilton, on the other hand, envisioned America taking its place among the leading empires of the world -- and required money and a bank."

Kanefield, Teri. THE MAKING OF AMERICA ALEXANDER HAMILTON. Abraham Books For Young Readers, 2017.

While there were other issues that opponents to the bill had with the Bank, the most pressing one was whether or not it was constitutional.



Three Great Men. HORIZONTAL. Britannica ImageQuest, Encyclopedia Britannica, 25 May 2016. quest.eb.com/search/115_867146/115_867146/cite. Accessed 23 May 2018.

"Hamilton argued that because a bank would 'promote the general welfare,' the Constitution fully empowered the legislative and executive branches to establish a bank. Hamilton's argument -- that the 'necessary and proper' and 'general welfare' clauses allowed for a federal bank-- struck Jefferson as making things up, reading into the Constitution things that weren't there and were never intended."

Kanefield, Teri. THE MAKING OF AMERICA ALEXANDER HAMILTON. Abraham Books For Young Readers, 2017.

"I consider the foundation of the Constitution as laid on the ground: that 'all powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states or to the people.' ...The Incorporation of a bank, and the powers assumed by this bill, have not, in my opinion, been delegated to the United States by the Constitution. They are not among the powers specially enumerated.... It has been urged that a bank will give great facility or convenience in the collection of taxes. Suppose this were true; yet the Constitution allows only the means which are 'necessary,' not those which are merely 'convenient,' for effecting the enumerated powers."
-Thomas Jefferson

Allison, Andrew M., et al. The Real Thomas Jefferson. National Center for Constitutional Studies, 2009.



GEORGE WASHINGTON—(1732-1799). First President of the United States. Washington and his Cabinet. Left to right: George Washington, Henry Knox, Alexander Hamilton, Thomas Jefferson and Edmund Randolph. Lithograph, 1876, by Currier & Ives. Fine Art, Britannica ImageQuest, Encyclopedia Britannica, 25 May 2016. quest.eb.com/search/149_1635047/149_1635047/cite. Accessed 23 May 2018.

"James Madison vigorously fought Hamilton's bill in the House of Representatives, but it passed both houses of Congress and was submitted for the President's signature in February 1791."

Allison, Andrew M., et al. The Real Thomas Jefferson. National Center for Constitutional Studies, 2009.

"Persuaded by Hamilton's arguments, on February 25 Washington signed the Bank bill into law."

"Alexander Hamilton's 'Credibility.'" PBS, Public Broadcasting Service. www.pbs.org/wgbh/americalexperience/features/alexander-hamiltons-credibility/.

"Washington was not sure what to do. Like Jefferson, he was concerned about the constitutionality of the Bank. Washington decided to look at both sides of the issue. He asked three people to write what they thought about the constitutionality of the Bank: Alexander Hamilton, Thomas Jefferson, and Edmund Randolph. As expected, Hamilton wrote in favor of the Bank, Jefferson wrote against the Bank, Randolph wrote two essays, one against the Bank, and one which did not take a clear position one way or the other."

Schlesinger, Walter. "The Debate over the Bank." World History 489-499 BC. www.khanacademy.org/a/constitution-constitution.html.

Both parts of Hamilton's plan were met with conflict, and in both cases, he was able to overcome that conflict. The first with a compromise, and the second with the power of his words.

Short-Term

Hamilton's assumption plan was still causing conflict months after it had already been instated.

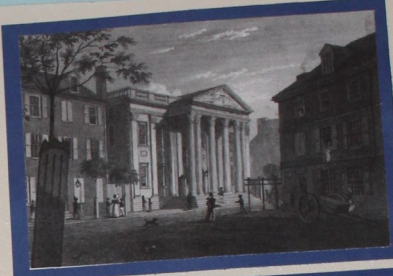
"Buried in Hamilton's *Report Relative to a Provision for the Support of Public Credit* was a proposal for a new tax. He knew the people wouldn't like it. In an agricultural society in which most families met all their own needs, people saw little point in sending money to a distant government. He waited until the end of 1790 to ask Congress to impose the whiskey tax. Not surprisingly, there was vehement anger. Southern states warned that they would simply ignore the tax. Others called a federal tax an act of war on the citizens."

Allison, Andrew M., et al. *The Real Thomas Jefferson*. National Center for Constitutional Studies, 2009.

Because of the anger against the tax, an uprising started in the western Pennsylvania.

"The roots of the uprising (The Whiskey Rebellion) lay in Hamilton's excise on distilled liquor. Passed in early March 1791, the excise imposed a modest tax of seven and a half cents per gallon on distilled whiskey and rum. Hamilton proposed the tax to help defray the costs of funding and assumption."

Stahoff, Darren. *Hamilton, Adams, Jefferson: the Politics of Enlightenment and the American Founding*. Hill and Wang, 2005.



First Bank Of The United States. Photographer: Britannica ImageQuest, Encyclopedia Britannica, 25 May 2016. quest.ab.com/search/115_2838104/1/115_2838104:cite-4 Accessed 13 Feb 2018.

"The whiskey tax that inspired the rebellion remained in effect until 1802. Under the leadership of President Thomas Jefferson and the Republican Party (which, like many citizens, opposed Hamilton's Federalist tax policies), the tax was repealed after continuing to be almost impossible to collect."

History.com Staff. "Whiskey Rebellion." *History.com*, A&E Television Networks, 2017. www.history.com/topics/whiskey-rebellion

"Hamilton's plan worked, in large part because the American economy kicked into high gear in the 1790s. Another war between France and England helped increase America's share of the world market; trade in the West Indies that had been stunted by the Revolutionary War was revived; and industry, particularly in the North, began to develop. America, the new kid on the block, now had some change in its pockets."

Wiegand, Steve. "America's First Financial Plan." *Dummies*. www.dummies.com/education/history/american-history/americas-first-financial-plan/

Hamilton's two-part plan allowed the new nation to make a name for itself, and grab hold of a strong financial footing. After bitter conflict, this plan moved parties toward compromise.

"Hamilton's plea for the bank had a continuing life in American history, partly from the influence it exerted upon Chief Justice John Marshall. When Daniel Webster made oral arguments for the Second Bank of the United States in the landmark case of *McCulloch v. Maryland* in 1819, he quoted Hamilton's 1791 memo to Washington on the necessary-and-proper clause. In words that distinctly echoed Hamilton's, Marshall said that necessary didn't mean indispensable so much as appropriate."

Chernow, Ron. *Alexander Hamilton. Head of Zeus*, 2017.

"He lived, in theory and practice, every syllable of the Constitution. For that reason, historian Clinton Rossiter insisted that Hamilton's 'works and words have been more consequential than those of any other American in shaping the Constitution under which we live.' "

Chernow, Ron. *Alexander Hamilton. Head of Zeus*, 2017.

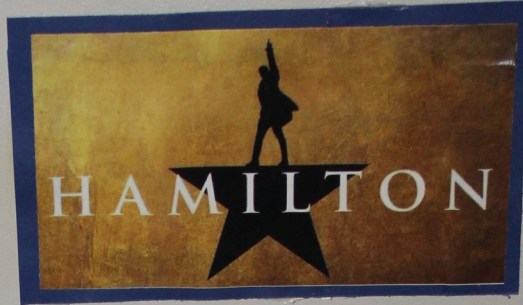


However, seven years after Hamilton died, the charter for the bank ended. The Bank, not having any defenders, was turned down, and its charter was not renewed.

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no quick renewal; although Congress allowed certain nationally chartered banks during the Civil War, the modern Federal Reserve system did not come into being until 1914."

"Alexander Hamilton Chronology." PBS, Public Broadcasting Service, www.pbs.org/wgbh/americalexperience/features/alexander-hamilton-chronology/.



"Hamilton." Broadway.com, www.broadway.com/shows/hamilton-broadway/story/

Long-Term

Hamilton's arguments for the National Bank have been quoted for a long time, including in World War II.



First Bank of The United States, upload.wikimedia.org/wikipedia/commons/thumb/8/8d/FirstBankofUS_crop.jpg/120px-FirstBankofUS_crop.jpg

"Henry Cabot Lodge later referred to the doctrine of implied powers enunciated by Hamilton as 'the most formidable weapon in the armory of the Constitution...capable of conferring on the federal government powers to almost any extent.'"

Chernow, Ron. Alexander Hamilton. Head of Zeus, 2017.

Alexander Hamilton's role as Secretary of the Treasury has left a huge impact on the financial basis of America. His plan created a stable backbone for the growing nation, and left a huge impact on the financial system we have today.

"So I would suggest that his significance is the financial institution and the economy that we have is all based on his principles, and really his alone."

O'Dell, Tom. Hamilton: One Shot to Broadway. Hamilton: One Shot to Broadway, www.amazon.com/Hamilton-Broadway-1-by-Matt-Murphy/dp/B07FXN7121/ref=*_1_1?pf_rd_p=1526151641&pf_rd_r=1&keywords=hamilton%2A+one+shot+to+broadway

"This country almost didn't come together. That there were thirteen independent colonies that had different economies, different world views, and that men from those colonies that came together to put this country together represented those views that were often in conflict with each other. And there were no guarantees that they were going to succeed in creating the United States, The United States of America. But 'Hamilton' shows that in the end they rose above intractable disagreement, hatred for each other, to create a country."

O'Dell, Tom. Hamilton: One Shot to Broadway. Hamilton: One Shot to Broadway, www.amazon.com/Hamilton-Broadway-1-by-Matt-Murphy/dp/B07FXN7121/ref=*_1_1?pf_rd_p=1526151641&pf_rd_r=1&keywords=hamilton%2A+one+shot+to+broadway

Hamilton's plan for a national bank was essential for unity and prosperity for a young nation, our nation survived.

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WASHINGTON AND HIS CABINET.

GEORGE WASHINGTON - (1732-1799), first President of the United States. Washington and his Cabinet left in 1793 to establish the first national bank. Alexander Hamilton, Thomas Jefferson, and Edmund Randolph (Attorney General) were the main figures in the debate. The Bank was established on February 25, 1791.

"Persuaded by Hamilton's arguments, on February 25 Washington signed the Bank bill into law."
Both parts of Hamilton's plan were met with conflict, and in both cases, he was able to overcome that conflict. The first with a compromise, and the second with the power of his words.

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Jefferson, Thomas, and Andrew M. Allison. *The Real Thomas Jefferson*. National Center for Constitutional Studies, 2009.

"On the evening of June 20, 1790 they reached an accord: in exchange for Hamilton supporting the Potomac site, Madison would no longer block assumption in Congress and indeed would deliver crucial Virginia votes for the measure."
"The Dinner Table Bargain, June 1790." PBS, Public Broadcasting Service. www.pbs.org/web/americasexperience/features/hamilton-dinner-table-bargain-june-1790.

"Final version of the second report on the further provision necessary for establishing public credit (report on a national bank) Treasury Department December 13th, 1790."
"Treasury's Golden Thread: A History of the Second Report on the National Bank." Treasury Department. <https://www.treasury.gov/press-releases/Pages/20180805>.

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"Hamilton's Timeline - Alexander Hamilton's Impact on the Early Republic." Google Sites. <https://sites.google.com/site/alexanderhamiltonsresearch/2011/hamiltons-timeline>.



"This country almost didn't come together. Thirteen independent colonies that had different, world views, and that men from different parts of the country had different views that were often in conflict with each other were able to put this country together. Hamilton shows that in the end they rose above each other to create a united and prosperous nation." <https://www.youtube.com/watch?v=1790-02-25>

