**CALL TO FREEDOM**

**CHAPTER 10 LAUNCHING THE NATION**

**SECTION 2 HAMILTON AND NATIONAL FINANCES**

***BEFORE YOU READ….***

Answer these questions to see how much you might already know about this topic

TRUE FALSE

 \_\_\_ \_\_\_ 1. America owed quite a bit of money to the people of the country

 \_\_\_ \_\_\_ 2. America owed quite a bit of money to foreign nations

 \_\_\_ \_\_\_ 3. Northern states had more money after the war than Southern states

 \_\_\_ \_\_\_\_ 4. Jefferson did not want to pay off the debts that states owed

 \_\_\_ \_\_\_ 5. Hamilton did not believe in the wisdom of the common people

Below is a diagram of our nation’s capital



Why do you think they chose this location for their new capital city?

READ PAGES 304-309 IN YOUR TEXTBOOK AND ANSWER THE QUESTIONS

***Settling the Debt***

**VOCABULARY**

**DOMESTIC**: HOME. INSIDE THE UNITED STATES

**BONDS**: PROMISES TO REPAY MONEY

**SPECULATORS**: PEOPLE WHO TAKE RISKS TO MAKE MONEY

***Main idea: What domestic problem did Alexander Hamilton face and how did he plan to solve it?***

1. *What was the “national debt?”*
2. *About how much money did the US owe to foreign lenders?*
3. *About how much money did the US owe to US citizens?*
4. *What were “bonds?”*
5. *Why did the US sell bonds?*
6. *What did “speculators” do?*
7. *What did Hamilton fear other countries would think if the US did not pay its debts?*
8. *Why did Thomas Jefferson oppose the Hamilton’s idea of paying off speculators who were holding the bonds?*

***The States Debts***

***Main idea: What compromise did Hamilton and Jefferson reach to allow Congress to repay state debts***

1. *How much money did the states owe for Revolutionary War expenses?*
2. *Why did Hamilton want to pay for the state’s debts? (2 reasons)*

*1.*

*2.*

1. *Why did Southern States disagree with these Hamilton’s idea of paying off state debts?*
2. *What did Hamilton do to convince Southern states to go along with his idea about paying the debts? (hint: capitol city)*
3. *Where was the new capitol going to be built?*
4. *After moving from New York, what city was chosen as the temporary capitol?*

***Hamilton versus Jefferson***

**VOCABULARY**

**PROTECTIVE TARIFF**: A TAX PLACED ON FOREIGN GOODS WHICH MAKES AMERICAN BUSINESSES MORE ATTRACTIVE TO BUYERS BECAUSE FOREIGN GOODS ARE NOW MORE EXPENSIVE

***Main idea: Compare and Contrast Hamilton’s and Jefferson’s ideas about government, the economy, and the protective tariff***

1. *What was the main issue that divided Hamilton and Jefferson?*
2. *What did Hamilton think about the judgement of the common people?*
3. *What was Jefferson’s belief about the common man?*
4. *What does a tariff do?*
5. *Explain how did Hamilton think tariffs would protect American manufacturing:*
6. *Where did Jefferson (what jobs) feel was the strength of the United States?*

***The Debate Over the Bank***

**VOCABULARY**

**CHARTER**: PERMISSION TO CREATE

***Main idea: How did Hamilton interpret the Constitution during the bank debate and what problems did he face with this argument?***

1. *What were 2 reasons why Hamilton wanted a national bank (what was the purpose of that bank)?*

*1.*

*2.*

1. *Why did he want to build a national mint?*
2. *What did Hamilton feel about state banks?*
3. *Where in the Constitution did Hamilton find the power to create the national bank?*
4. *Why is this called the “elastic” clause of the Constitution?*
5. *Explain the term “loose constructionist:”*
6. *Explain the term “strict constructionist:”*