A Bank Debate

Two readings of the Constitution in 1791

SS24.6.20b "Compare the arguments for and against the establishment of the National Bank as represented by differing interpretations of the Constitution."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline Hamilton's reasons for allowing a bank, circle Jefferson's reasons against it, and number their two different meanings of "necessary" to compare how they read the Constitution.

Could Congress Create a Bank?

1. In 1791, President George Washington faced a hard choice: should he sign a bill creating the First Bank of the United States? The new government needed a way to hold tax money, borrow money, and pay its debts. Alexander Hamilton, the treasury secretary, argued that a national bank could help with those jobs. Thomas Jefferson, the secretary of state, opposed the bill. Their dispute was not just about money. They disagreed about how to read the Constitution when it did not name a bank.

2. Hamilton pointed to powers the Constitution gave Congress, including collecting taxes and borrowing money. He argued that a bank would help Congress carry out those listed powers. The Constitution also let Congress make laws "necessary and proper" for using its powers. To Hamilton, "necessary" did not mean the only possible way. A bank was a useful way to do the government's work, and the Constitution did not ban it. He read the Constitution as allowing certain tools even when it did not name each tool.

3. Jefferson read the same Constitution more narrowly. He agreed that Congress could collect taxes and borrow money, but the document did not give Congress a power to create a bank. To him, a law was necessary only if Congress could not carry out a listed power without it. The government could collect taxes and borrow money without opening a national bank, he argued. Therefore, the bank bill went beyond Congress's powers. Washington chose Hamilton's reading and signed the bill, but the argument over federal power continued.

2 ANSWER WITH EVIDENCE

Use the passage

1. Both men accepted Congress's power to collect taxes and borrow money. How did they differ on whether those powers allowed Congress to create a bank?

2. How did Hamilton and Jefferson give different meanings to “necessary”?

3. Why did the Constitution's failure to name a bank matter more to Jefferson than to Hamilton?

4. How did Washington's decision favor one reading of the Constitution over the other?

3 YOUR TURN

Your own words

Congress proposes warehouses to store supplies for the army, but the Constitution gives Congress power to support armies without naming warehouses. In three or four sentences, explain how Hamilton and Jefferson might each judge the plan and why their readings differ.

A Bank Debate

PART 1 · READ AND MARK

Underline Hamilton's reasons for allowing a bank, circle Jefferson's reasons against it, and number their two different meanings of "necessary" to compare how they read the Constitution. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	Both men accepted Congress's power to collect taxes and borrow money. How did they differ on whether those powers allowed Congress to create a bank?	**Hamilton said a bank could help Congress use those powers. Jefferson said Congress could use them without a bank, so they did not allow Congress to create one.**
2	How did Hamilton and Jefferson give different meanings to "necessary"?	**Hamilton thought a useful way to carry out a listed power could be necessary. Jefferson thought it was necessary only if Congress could not carry out that power without it.**
3	Why did the Constitution's failure to name a bank matter more to Jefferson than to Hamilton?	**Jefferson saw the missing power to create a bank as a reason to oppose the bill. Hamilton thought Congress could use an unnamed tool to carry out its listed powers.**
4	How did Washington's decision favor one reading of the Constitution over the other?	**By signing the bill, Washington followed Hamilton's view that Congress could create the bank, rather than Jefferson's view that the bill went beyond Congress's powers.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Hamilton might support the warehouses because they could help Congress use its power to support armies, even though the Constitution does not name them. Jefferson might ask whether the army could be supplied without federal warehouses. If it could, he would likely argue that the warehouses go beyond Congress's powers because they are not truly necessary.

Accept answers that distinguish a useful means of carrying out a listed power from a means Jefferson would consider necessary only if the power could not be carried out without it. For Your Turn, students may reasonably conclude that Jefferson could support the warehouses if they establish why he would consider them necessary.