

(Handwritten initials: KB)

Directions: Using pages 238 – 242, please complete the following activity.

1. What role did Alexander Hamilton play in George Washington's Presidency?

Secretary of the Treasury

2. Define **National Debt** (GLOSSARY) –

3. What are **Bonds**? (GLOSSARY)

4. Who/What are **Speculators**? (GLOSSARY)

5. Complete the following chart outlining Hamilton's Economic Plan:

What Did He Suggest?	How Would It Help?
Get rid of the debt	<ol style="list-style-type: none">a. Raise money to pay back the debt by replacing older war bonds sold during the American Revolution with the sale of high interest government bonds. (this would build investor confidence in the new nation)b. The National Government would take responsibility for the \$25 million state debts (this would free up state monet for business and trade)
Establish protective tariffs	<ol style="list-style-type: none">c. This would encourage Americans to purchase American-made goods, increase American manufacturing, & keep foreign goods more expensive
Stabilize the Banking System	<ol style="list-style-type: none">d. Establish a National Bank & a National Mint (This would be a SINGLE place to coin/print money for the nation)

6. Why did Thomas Jefferson oppose Hamilton's plan for the repaying of war bonds?

He thought it cheated bondholders who were forced to sell their bonds early at low prices because they needed money.

7. Why did some of the Southern states oppose the idea of the National Government paying off states' debts?

Many Southern states had already paid off their war debts

8. How did the location of the nation's capital help solve the debate over the debt?

A compromise was reached:

- ***the nation's capital would move from NYC to Philadelphia, PA for 10 years, then to its current, permanent location along the Potomac River (between VA & MD) – this would make Southern states happy***
- ***In exchange, the federal government would take on the responsibility of paying off most of the remaining states' war debts – in the long run, this would help increase business & trade among the states***

9. Who was Benjamin Banneker?

- ***Free African American born in Maryland***
- ***Appointed by T. Jefferson to help survey the lands that would become the District of Columbia***