

Hamilton's Opponents Overall, Hamilton's plan was to strengthen the national government. Opponents of a national bank, including Jefferson and Madison, claimed that the bank would encourage an unhealthy partnership between the government and wealthy business interests. This angered Jefferson in particular. Those against the bank also argued that, since the Constitution does not mention a national bank, the government cannot create a national bank. They believed in the narrow or "strict" interpretation of the Constitution.

These differences began the debate among those who favored a "strict" interpretation of the Constitution, one in which the federal government has very limited powers, and a "loose" interpretation, which favors greater federal powers. Jefferson favored a strict interpretation, and Hamilton favored a broad or loose interpretation of the Constitution.

Hamilton's group used the so-called "Elastic Clause" of the Constitution (Article 1, Section 8, Number 18) to argue their case. This clause gives Congress the authority to do whatever is "necessary and proper" to carry out its specific powers, such as regulating commerce.

Washington backed Hamilton, and the Bank of the United States was established in 1791. Washington mostly tried to remain above the conflict between Hamilton and Jefferson and to encourage them to work together despite their basic differences. However, the formation of the two political factions, based on Hamilton's and Jefferson's opposing philosophies, laid the foundation for the American political factions that followed.

 **CATEGORIZE** List Hamilton's solutions for the nation's finances.



Section Assessment



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TERMS & NAMES

1. Explain the importance of
 - Federal Judiciary Act
 - attorney general
 - John Jay
 - cabinet

USING YOUR READING NOTES

2. **Categorize** Complete the diagram you started at the beginning of the section.

Cabinet Member	Responsibilities
Hamilton	managed the nation's money
Jefferson	oversaw foreign relations

KEY IDEAS

3. What was the purpose of Washington's cabinet?
4. What were the three steps proposed by Hamilton for helping the nation's finances?

CRITICAL THINKING

5. **Compare and Contrast** How did Hamilton and Jefferson differ in their interpretation of the Constitution?
6. **Make Inferences** Why might merchants and manufacturers support a strong central government?
7. **Connect to Today** What organizational decisions made by the first Congress are still in effect today?
8. **Writing Letter** Imagine it's the 1790s. Write a letter to the editor that either supports or opposes Hamilton's plan for a national bank.