

Module 4: Creating a New Nation - 1788 to the 1840s

Topic 1 Content: First Bank of the United States Notes

First Bank of the United States

First Bank of the United States



Select either the *Arguments For* or *Arguments Against* the creation of a national bank to begin.

Arguments For

Arguments Against

The debate over the creation of a national bank caused certain Federalist leaders to begin creating a new national political party. Select either the arguments for or arguments against the creation of a national bank to begin.

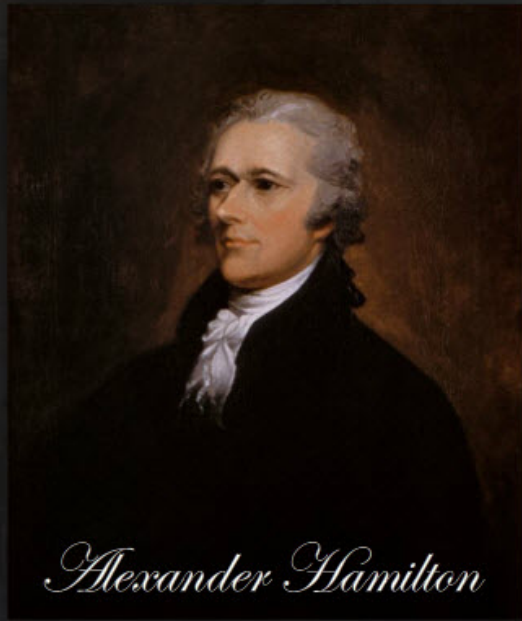
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Arguments For

Arguments for the First Bank of the United States

Secretary of the Treasury Alexander Hamilton proposed legislation to create the Bank of the United States.



Alexander Hamilton

Alexander Hamilton, who was serving as President Washington's Secretary of the Treasury, proposed legislation to create the Bank of the United States. Hamilton wanted to create the bank so the new Federal Government could use it to pay off debts from the Revolutionary War and to support the construction of public improvements like roads and canals. He also saw it as a way to strengthen the role of the Federal Government. Click the arrow to return to the introduction and learn about the opposition to this argument.

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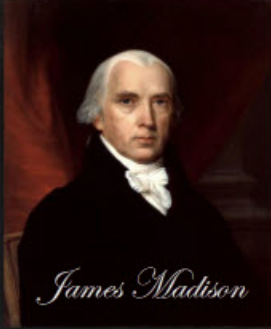
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Arguments Against

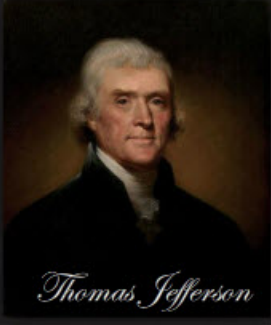
Arguments against the First Bank of the United States

Virginians Madison and Jefferson led the opposition to creation of a national bank.

They felt the creation of the bank was unconstitutional.



James Madison



Thomas Jefferson

James Madison, a Virginia Congressman, and Thomas Jefferson, who was serving as President Washington's Secretary of State, led the opposition to the bank's creation. They and their supporters believed the creation of a national bank was unconstitutional. They felt that the bank would mostly benefit northern merchants and exclude farmers of the South. Madison and Jefferson saw the bank as another way in which the power of the Federal Government would be increased at the expense of the states' power. Click the arrow to return to the introduction and learn about the opposition to this argument.

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The Decision

First Bank of the United States

February 25,
1791

The Bank Bill of 1791 passed and was celebrated by those who favored a stronger Federal Government.

The passing of the bill motivated Madison and Jefferson to create the Democratic-Republicans.

Replay **Exit**

The Bank Bill of 1791 passed through Congress, and on February 25, 1791 President George Washington signed it into law after hearing arguments from both Thomas Jefferson and Alexander Hamilton. Those who had supported a stronger role for the Federal Government had won. This victory motivated Madison and Jefferson to begin creating a national political party, the Democratic-Republicans, to counter the strength of the Federalists.