

# The debate over the Assumption Plan and the Bank of the United States: Why did Jefferson disagree with Hamilton?

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What are the components of a successful economy? How does an economic system deal with debt?

AP 12<sup>th</sup> Grade Economics or Government

Standards: AP Macroeconomics I, II, III, IV

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## Time Needed:

This will vary with the expertise of your student population. My AP Seniors will be assigned the lesson on a Friday and given that weekend and the next week to work on it in class (2 regular and 2 block class periods) and then present formally to the class the subsequent week (1 regular class periods). My students will all have taken AP U.S. History prior to my class.

## Overview:

Students will evaluate Jefferson's ideas about how the early economic system of the United States should function and assess the viability of his ideas about how debt should be handled against the contrast of Hamilton's Assumption Plan and plan for creating a Bank of the United States while interpreting the constitutionality of Hamilton's ideas.

**SWBAT:** analyze and evaluate primary source documents; determine how a successful economic system operates; make predictions and infer outcomes using evidence and critical-thinking and look at the practical application of certain Constitutional clauses as they relate to economics.

**At the end of the lesson, students will know:**

- How the American economy functions
- The components of a successful economic system
- Thomas Jefferson's ideas about debt and government involvement in the economy
- The contents of Hamilton's Assumption Plan
- The contents of Hamilton's plan for a Bank of the United States
- The partial extent of the flexibility of the Constitution

**STEPS:** (students will be given the four essential questions to answer over the weekend prior to this warm-up)

1. Warm-up Questions: (discussion will last one regular 45-minute class period) – Monday
  1. What do you know about our current economic system?
  2. What was Hamilton's economic plan?
  3. What was Jefferson's ideal economic system?
  4. Why do we study Jefferson and Hamilton?
2. Students will be given excerpts from Hamilton and Jefferson's papers, and the Constitution to annotate individually during the next class period (45 min) – Tuesday
3. Wednesday/Thursday:
  2. Students will be assigned groups of 4 and come together to compare annotations and discuss (2.5-hour block)
  3. Student groups will create an argument that answers these questions using evidence from their sources (students will have these essential questions to review and research over the first weekend before the warm-up questions):
    1. Jefferson thought that a federal bank was unconstitutional, Was It? Using the text of the Constitution, determine the answer.
    2. Jefferson thought that America would be an agrarian nation and that debt was something that a virtuous man paid off quickly. He also believed that debt would corrupt and that earning money from debt (usury) was not virtuous. Could the U.S. have survived and thrived without an economic structure? How would Jefferson's ideal economic system have worked? Would it have prevented the corruption of virtuous men?
- Hamilton thought that a bank was necessary for the survival of the new nation, that the national debt load should be shouldered by the federal government, and that both were constitutional. Was he correct? What would the American economy look like without Hamilton's plan as a foundation? Did it cause corruption?
4. A deal was struck involving both of these men, Madison, and Washington in order to get the Hamilton Plan through Congress. What was that deal and why is it important?
5. During the next class period, 45 min – Friday, student groups will visit another group and argue their case expecting a full critique of how well they answered the four questions. They will have 7 minutes to present their argument. Evaluating groups will check for:
  1. Logic
  2. Use of evidence
  3. Critical thinking

#### 4. Solid argument

Groups will not be critiqued by the same group that they critique.

5. Over the weekend, groups will amend, refine, overhaul, or just polish their argument in preparation for their class presentation the next Monday, again, in 7 minutes. (using a time limit compels them to be concise instead of just filling up time with unrelated or superfluous information)

#### **MATERIALS:**

Hamilton's Papers:

<https://founders.archives.gov/?q=assumption%20plan%20Author%3A%22Hamilton%2C%20Alexander%22&s=1111311111&sa=&r=7&sr=>

<https://founders.archives.gov/?q=assumption%20plan%20Author%3A%22Hamilton%2C%20Alexander%22&s=1111311111&sa=&r=5&sr=>

Jefferson's Papers:

[https://founders.archives.gov/?q=economic%20Author%3A%22Jefferson%2C%20Thomas%22&s=1111311111&r=8#document\\_page](https://founders.archives.gov/?q=economic%20Author%3A%22Jefferson%2C%20Thomas%22&s=1111311111&r=8#document_page)

Constitution:

<https://www.archives.gov/founding-docs/constitution-transcript>

#### **ASSESSMENTS:**

Formative: group critique

Students must successfully answer each point of the four questions

5 points will be given for each successful completion of question requirements

20 points possible; no partial points will be given

Summative: class presentation

Students will be given a copy of the presentation rubric and I will grade them during their presentation

Partial points can be assigned, as the rubric indicates

#### **NOTES/ACCOMMODATIONS:**

You may have to adjust the number of class periods used depending upon the size of your classes (mine

are small) and/or the level of expertise of your students (mine are all AP college-bound), or due to your curriculum (mine is AP). For on-level students, make the excerpts short and specific. The first class warm-up is for scaffolding and also it is a great time to frontload any unfamiliar vocabulary. It's the time for you to determine what they need your help with before you turn them loose. This lesson will make some of them uncomfortable because the emphasis is on them and what they can do, but it's a good intro to Economics and a good review of some Government principles.

You can take two days on the scaffolding and frontloading, if your students need it and you can make the entire process an in-class activity, simply preface with a lecture and discussion and then do the annotations as a class. Skip the final presentation and have groups grade one another with the rubric.

I always assign a reflection as an exit ticket. If you do this, decide what you want to assess. Some examples:

- What new idea did you learn?
- What new perspective do you now have?
- What was the most compelling fact you will remember?
- How would you change the assignment, if you could?

You can give students the option to present in a SHORT Power Point format, but I prefer to allow them to use 7 slides with a visual that correlates with what they are discussing. It keeps them from reading the slides and they can put a 60 second timer on each slide to keep them at 7 minutes. A visual helps them and the class focus.