

Hamilton and the Golden Line Protocol

Grade Levels: 9-12
Time Commitment: 50 Minutes
Subject(s): U.S. History, Civics

Overview: In 1791, Alexander Hamilton defended the constitutionality of a national bank against objections from Thomas Jefferson and James Madison. Using the Golden Line Protocol, students will discuss the concept of expressed vs implied powers, analyze Hamilton's arguments for a national bank, and form an opinion about instituting a national banking system.

Materials: • Student Handouts (Digital or Printed) • Optional: Smartboard or Projector
• Optional: Printer

Opener (15 Minutes):

1. Discuss the Golden Lines Protocol. Explain that it is a group discussion strategy where students select a line (or sentence) from a text that stands out to them.
 - a. The reasons may vary as to why the line was compelling to them
 - b. Next, students say why they chose the line and what it shows us about the meaning of the text
2. Introduce the historical context of the debate about a National Bank in 1791. Use the attached slides, if needed (Pages 11-22).
 - a. As a new nation, the United States in 1791 faced -
 - i. Massive Revolutionary War Debts
 - ii. Instability in its National Currency
 - iii. No Central depository for Federal Taxes or to Pay Its Bills
 - iv. Little International Credit
 - b. President George Washington's Cabinet offered different solutions
 - i. Proposed the Bank - Alexander Hamilton, Secretary of the Treasury
 - ii. Against it - Thomas Jefferson, Secretary of State, and Representative James Madison of Virginia
 - c. Key issue was the "correct" interpretation of the US Constitution - Loose Constructionism vs Strict Constructionism

Activity (30 Minutes):

1. Divide the class into 6 groups of students and assign the different sections of text to them (labeled "Group One," Group Two," etc) (Pages 4-9).
2. Tell groups to use the Golden Line Protocol as follows -
 - a. Students should choose the lines from the assigned color of the text that support Hamilton's National Bank ideas.
 - b. Students should then collaborate within their small group to explain why those particular lines support Hamilton's National Bank idea

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Activity (Continued):

3. In their small groups, students should share:
 - a. Their selected golden line(s) and their interpretations
 - b. What their lines reveal about Hamilton's view of federal power
4. Finally, students should capture their thoughts in the provided Graphic Organizer (Page 10)
5. Each group should present their chosen lines; all students should take notes in the Graphic Organizer (Page 10) as each group presents.
6. Finally, in a whole-group discussion, have the class discuss the following:
 - a. What themes emerged from your Golden Lines from Hamilton's opinion?
 - b. How does Hamilton justify the National banking system using the Constitution?
 - c. Do you agree with his interpretation of implied powers? Why or why not?

Closer (5 Minutes):

3. Students should complete the following Exit Ticket -
 - c. Using the sentence starter below, create a statement in 2-3 sentences using information learned in the activity. Refer to your graphic organizer as you formulate your response. Please answer in your own words and do not use quotes from the text.
 - iii. "Hamilton believed the federal government could create a national bank because..."

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Tips & Tricks for the Activity

- Post the Exit Ticket in your classroom management system (Google Classroom, Canvas, Blackboard, etc.) for students to respond to.
- You may want to place this after the American Revolution and in a unit about George Washington.
- In order to better understand the national problems in 1791, you can play a game like [BeWashington](#) as an introduction.

Extension Activity Ideas

- You can complete a similar activity using Jefferson's [*Opinion on the Constitutionality of the Bill for Establishing a National Bank 15 February 1791*](#).
 - With this, there's a possible whole-class discussion question: Do you agree more with Jefferson or Hamilton? Explain why.
 - After discussion, the class can vote whether Washington should sign the bill into law.
- Have students choose sides and hold a debate between those siding with Jefferson and those siding with Hamilton. This could be done in a Socratic seminar or in a typical debate format (with each side having five minutes to present their arguments).

Modified Activity Ideas

- If you have students who struggle to read or interpret historical documents, there are recordings of readings:
 - [Hamilton's Opinion](#)
 - [Jefferson's Opinion](#)
- Create groups of six students and assign each student a text color to analyze. As a group, they complete the Graphic Organizer. Then, individually, they can complete the exit ticket.

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Reading: “Opinion on the Constitutionality of the National Bank”

Name: _____

Block: _____

Group One Reading

The Secretary of the Treasury having perused with attention the papers containing the opinions of the Secretary of State and Attorney General concerning the constitutionality of the bill for establishing a National Bank proceeds according to the order of the President to submit the reasons which have induced him to entertain a different opinion.

It will naturally have been anticipated that, in performing this task he would feel uncommon solicitude. Personal considerations alone arising from the reflection that the measure originated with him would be sufficient to produce it: The sense which he has manifested of the great importance of such an institution to the successful administration of the department under his particular care; and an expectation of serious ill consequences to result from a failure of the measure, do not permit him to be without anxiety on public accounts. But the chief solicitude arises from a firm persuasion, that principles of construction like those espoused by the Secretary of State and the Attorney General would be fatal to the just & indispensable authority of the United States.

In entering upon the argument it ought to be premised, that the objections of the Secretary of State and Attorney General are founded on a general denial of the authority of the United States to erect corporations. The latter indeed expressly admits, that if there be any thing in the bill which is not warranted by the constitution, it is the clause of incorporation.

Now it appears to the Secretary of the Treasury, that this general principle is inherent in the very definition of Government and essential to every step of the progress to be made by that of the United States; namely—that every power vested in a Government is in its nature sovereign, and includes by force of the term, a right to employ all the means requisite, and fairly applicable to the attainment of the ends of such power; and which are not precluded by restrictions & exceptions specified in the constitution; or not immoral, or not contrary to the essential ends of political society.

This principle in its application to Government in general would be admitted as an axiom. And it will be incumbent upon those, who may incline to deny it, to prove a distinction; and to shew that a rule which in the general system of things is essential to the preservation of the social order is inapplicable to the United States.

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Group Two Reading

The circumstances that the powers of sovereignty are in this country divided between the National and State Governments, does not afford the distinction required. It does not follow from this, that each of the portions of powers delegated to the one or to the other is not sovereign with regard to its proper objects. It will only follow from it, that each has sovereign power as to certain things, and not as to other things. To deny that the Government of the United States has sovereign power as to its declared purposes & trusts, because its power does not extend to all cases, would be equally to deny, that the State Governments have sovereign power in any case; because their power does not extend to every case. The tenth section of the first article of the constitution exhibits a long list of very important things which they may not do. And thus the United States would furnish the singular spectacle of a political society without sovereignty, or of a people governed without government.

If it would be necessary to bring proof to a proposition so clear as that which affirms that the powers of the federal government, as to its objects, are sovereign, there is a clause of its constitution which would be decisive. It is that which declares, that the constitution and the laws of the United States made in pursuance of it, and all treaties made or which shall be made under their authority shall be the supreme law of the land. The power which can create the Supreme law of the land, in any case, is doubtless sovereign as to such case.

This general & indisputable principle puts at once an end to the abstract question—Whether the United States have power to erect a corporation? that is to say, to give a legal or artificial capacity to one or more persons, distinct from the natural. For it is unquestionably incident to sovereign power to erect corporations, and consequently to that of the United States, in relation to the objects intrusted to the management of the government. The difference is this—where the authority of the government is general, it can create corporations in all cases; where it is confined to certain branches of legislation, it can create corporations only in those cases.

Here then as far as concerns the reasonings of the Secretary of State & the Attorney General, the affirmative of the constitutionality of the bill might be permitted to rest. It will occur to the President that the principle here advanced has been untouched by either of them.

For a more complete elucidation of the point nevertheless, the arguments which they have used against the power of the government to erect corporations, however foreign they are to the great & fundamental rule which has been stated, shall be particularly examined. And after shewing that they do not tend to impair its force, it shall also be shewn, that the power of incorporation incident to the government in certain cases, does fairly extend to the particular case which is the object of the bill.

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Group Three Reading

The first of these arguments is, that the foundation of the constitution is laid on this ground “that all powers not delegated to the United States by the Constitution nor prohibited to it by the States are reserved to the States or to the people”, whence it is meant to be inferred, that congress can in no case exercise any power not included in those enumerated in the constitution. And it is affirmed that the power of erecting a corporation is not included in any of the enumerated powers.

The main proposition here laid down, in its true signification is not to be questioned. It is nothing more than a consequence of this republican maxim, that all government is a delegation of power. But how much is delegated in each case, is a question of fact to be made out by fair reasoning & construction upon the particular provisions of the constitution—taking as guides the general principles & general ends of government.

It is not denied, that there are implied, as well as express powers, and that the former are as effectually delegated as the latter. And for the sake of accuracy it shall be mentioned, that there is another class of powers, which may be properly denominated resulting powers. It will not be doubted that if the United States should make a conquest of any of the territories of its neighbours, they would possess sovereign jurisdiction over the conquered territory. This would rather be a result from the whole mass of the powers of the government & from the nature of political society, than a consequence of either of the powers specially enumerated.

But be this as it may, it furnishes a striking illustration of the general doctrine contended for. It shews an extensive case, in which a power of erecting corporations is either implied in, or would result from some or all of the powers, vested in the National Government. The jurisdiction acquired over such conquered territory would certainly be competent to every species of legislation.

To return—It is conceded, that implied powers are to be considered as delegated equally with express ones.

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Name: _____

Block: _____

Reading: “Opinion on the Constitutionality of the National Bank”

Group Four Reading

Then it follows, that as a power of erecting a corporation may as well be implied as any other thing; it may as well be employed as an instrument or mean of carrying into execution any of the specified powers, as any other instrument or mean whatever. The only question must be, in this as in every other case, whether the mean to be employed, or in this instance the corporation to be erected, has a natural relation to any of the acknowledged objects or lawful ends of the government. Thus a corporation may not be erected by congress, for superintending the police of the city of Philadelphia because they are not authorised to regulate the police of that city; but one may be erected in relation to the collection of the taxes, or to the trade with foreign countries, or to the trade between the States, or with the Indian Tribes, because it is the province of the federal government to regulate those objects & because it is incident to a general sovereign or legislative power to regulate a thing, to employ all the means which relate to its regulation to the best & greatest advantage.

A strange fallacy seems to have crept into the manner of thinking & reasoning upon the subject. Imagination appears to have been unusually busy concerning it. An incorporation seems to have been regarded as some great, independent, substantive thing—as a political end of peculiar magnitude & moment; whereas it is truly to be considered as a quality, capacity, or mean to an end. Thus a mercantile company is formed with a certain capital for the purpose of carrying on a particular branch of business. Here the business to be prosecuted is the end; the association in order to form the requisite capital is the primary mean. Suppose that an incorporation were added to this; it would only be to add a new quality to that association; to give it an artificial capacity by which it would be enabled to prosecute the business with more safety & convenience.

To this mode of reasoning respecting the right of employing all the means requisite to the execution of the specified powers of the Government, it is objected that none but necessary & proper means are to be employed, & the Secretary of State maintains, that no means are to be considered as necessary, but those without which the grant of the power would be nugatory. Nay so far does he go in his restrictive interpretation of the word, as even to make the case of necessity which shall warrant the constitutional exercise of the power to depend on casual & temporary circumstances, an idea which alone refutes the construction. The expediency of exercising a particular power, at a particular time, must indeed depend on circumstances; but the constitutional right of exercising it must be uniform & invariable—the same today, as tomorrow.

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Name: _____

Block: _____

Reading: “Opinion on the Constitutionality of the National Bank”

Group Five Reading

It is essential to the being of the National government, that so erroneous a conception of the meaning of the word necessary, should be exploded.

It is certain, that neither the grammatical, nor popular sense of the term requires that construction. According to both, necessary often means no more than needful, requisite, incidental, useful, or conducive to. It is a common mode of expression to say, that it is necessary for a government or a person to do this or that thing, when nothing more is intended or understood, than that the interests of the government or person require, or will be promoted, by the doing of this or that thing. The imagination can be at no loss for exemplifications of the use of the word in this sense.

And it is the true one in which it is to be understood as used in the constitution. The whole turn of the clause containing it, indicates, that it was the intent of the convention, by that clause to give a liberal latitude to the exercise of the specified powers. The expressions have peculiar comprehensiveness. They are—“to make all laws, necessary & proper for carrying into execution the foregoing powers & all other powers vested by the constitution in the government of the United States, or in any department or officer thereof.” To understand the word as the Secretary of State does, would be to depart from its obvious & popular sense, and to give it a restrictive operation; an idea never before entertained. It would be to give it the same force as if the word absolutely or indispensably had been prefixed to it.

Such a construction would beget endless uncertainty & embarrassment. The cases must be palpable & extreme in which it could be pronounced with certainty, that a measure was absolutely necessary, or one without which the exercise of a given power would be nugatory. There are few measures of any government, which would stand so severe a test. To insist upon it, would be to make the criterion of the exercise of any implied power a case of extreme necessity; which is rather a rule to justify the overleaping of the bounds of constitutional authority, than to govern the ordinary exercise of it.

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Group Six Reading

It may be truly said of every government, as well as of that of the United States, that it has only a right, to pass such laws as are necessary & proper to accomplish the objects intrusted to it.

For no government has a right to do merely what it pleases. Hence by a process of reasoning similar to that of the Secretary of State, it might be proved, that neither of the State governments has a right to incorporate a bank. It might be shewn, that all the public business of the State, could be performed without a bank, and inferring thence that it was unnecessary it might be argued that it could not be done, because it is against the rule which has been just mentioned. A like mode of reasoning would prove, that there was no power to incorporate the Inhabitants of a town, with a view to a more perfect police: For it is certain, that an incorporation may be dispensed with, though it is better to have one. It is to be remembered, that there is no express power in any State constitution to erect corporations.

The *degree* in which a measure is necessary, can never be a test of the legal right to adopt it. That must ever be a matter of opinion; and can only be a test of expediency. The relation between the measure and the end, between the nature of the mean employed towards the execution of a power and the object of that power, must be the criterion of constitutionality not the more or less of necessity or utility.

The practice of the government is against the rule of construction advocated by the Secretary of State. Of this the act concerning light houses, beacons, buoys & public piers, is a decisive example. This doubtless must be referred to the power of regulating trade, and is fairly relative to it. But it cannot be affirmed, that the exercise of that power, in this instance, was strictly necessary; or that the power itself would be nugatory without that of regulating establishments of this nature.

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Graphic Organizer

Name: _____

Block: _____

INSTRUCTIONS:

Read and annotate your group's assigned portion of the text. Then, in your small groups, select 2-3 "Golden Lines" (important themes within the text) and list them on the organizer below.

After everyone is done, each group will present their lines to the class and explain why those lines were selected.

As groups are presenting, fill out the rest of this graphic organizer.

Section (Group Number)	Golden Lines (2-3)	Explanation of Importance

Examining Hamilton's 1791 Bank Opinion

Independence...Now What?

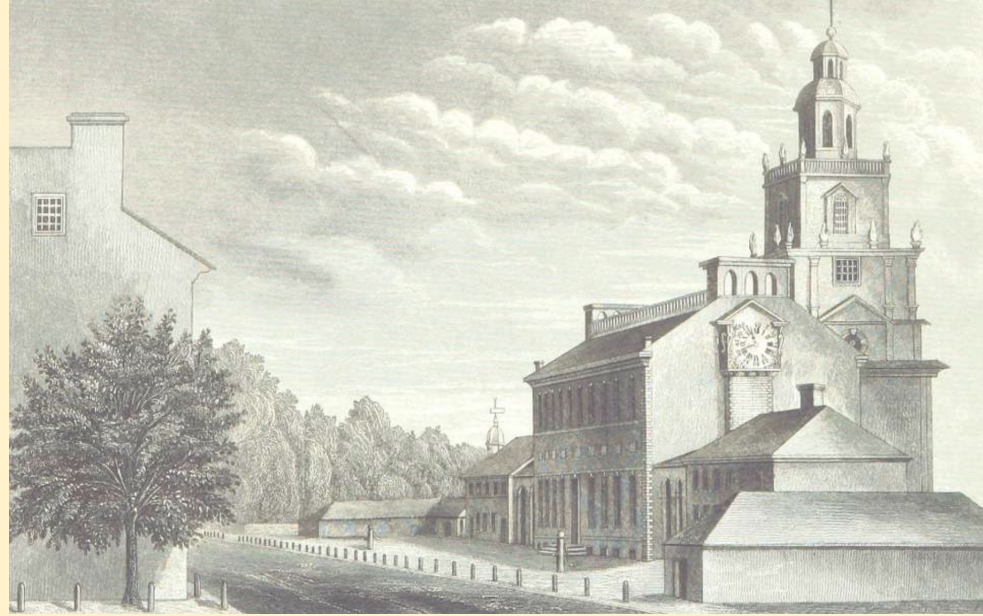
- The United States won independence from England and now faced the difficult task of creating a government and restoring the economy.
- After the Articles of Confederation failed, the country formed a new government under the U.S. Constitution in 1787. This new federal government faced several economic issues:
 - Re-establishing commerce and industry
 - Paying war debt to us citizens and foreign countries
 - Restoring the value of the national currency
 - Lowering inflation

An Economic Solution?

- Alexander Hamilton, the First Secretary of the Treasury, proposed to Congress the creation of a National Bank in December 1790
- His plan was based on charter of the Bank of England
- Hamilton argued the American bank would:
 - Issue paper money (also called Banknotes or Currency)
 - Provide a safe place to keep public funds
 - Offer banking facilities for commercial transactions
 - Act as the government's fiscal agent to -
 - Collect tax revenues
 - Pay the government's debts

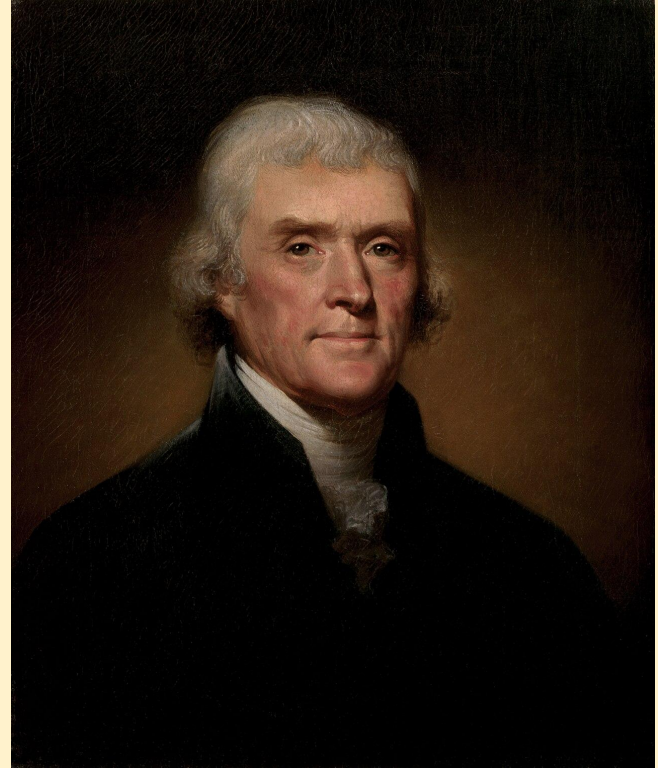
Bank Bill of 1791

- Congress passed it in February 1791
- President Washington asked cabinet members to provide opinions on the constitutionality of the bill before signing it
- Thomas Jefferson (Secretary of State) strongly opposed the bank



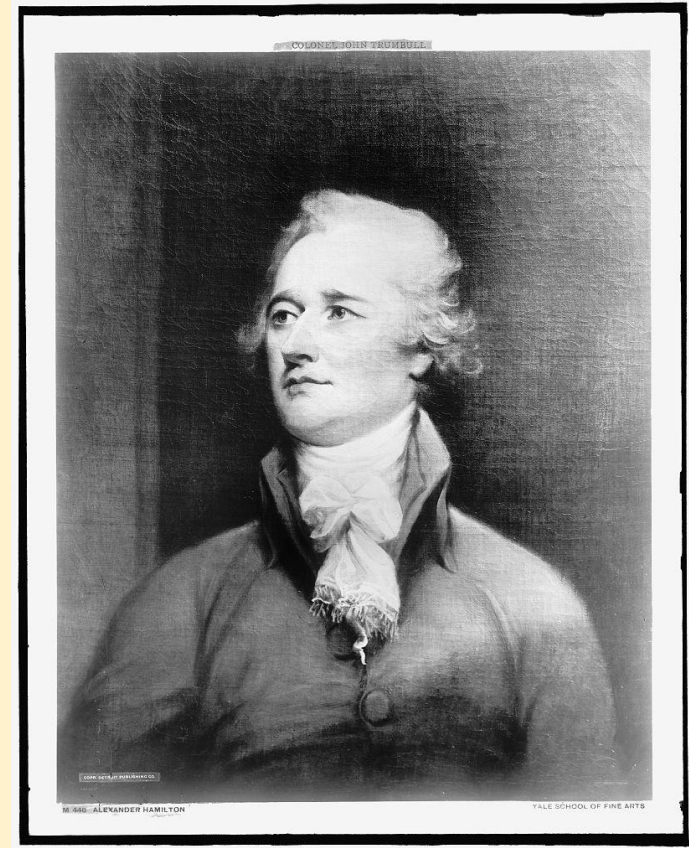
Jefferson's Points

- The US Constitution did not grant the government power to establish a corporation (i.e. a National Bank)
- The national bank could create a financial monopoly & undermine state banks
- They would adopt policies favoring financiers & merchants over plantation owners and family farmers



Hamilton's Counter

- Alexander Hamilton wrote his own opinion encouraging Washington to sign the bill
- He countered the Anti-Bank opinions of:
 - Thomas Jefferson
 - Edmund Randolph - Attorney General
 - James Madison - Author of the Constitution



A Matter of Interpretation

Strict Constructionism

- Interpretation holding that laws and the U.S. Constitution must be applied exactly as written.
- Restricts the power of the government by relying on the literal text, rejecting modern context, societal evolution, or judges' personal values to determine meaning.

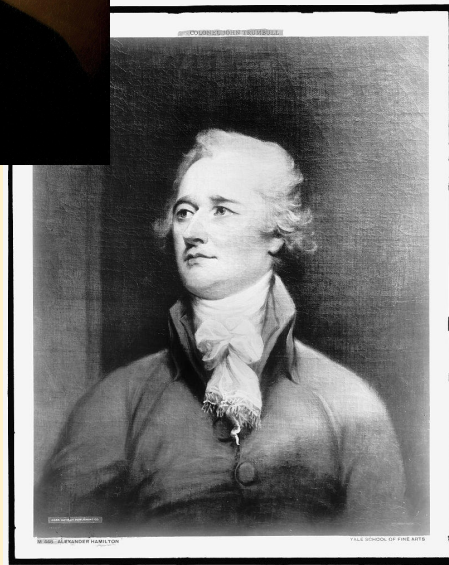
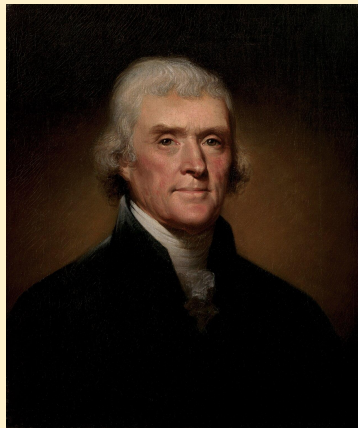
Loose Constructionism

- Interpreting the Constitution with flexibility since the document is a "living" text designed to evolve.
- Looks at the underlying spirit, historical context, and changing societal needs to extract a more modern meaning.

Examining Hamilton's Opinion

We'll use Golden Lines Protocol:

- You'll select a line or sentence that stands out
- Reasons may vary why the line was compelling - that's okay!
- Next, you'll justify why you chose the line **and** what it shows about the meaning of the text



You have been divided into groups...

Using the Golden Lines Protocol, groups will -

- Choose the Golden Lines that supports Hamilton's national bank ideas from their assigned text
- Collaborate to explain why those particular lines support Hamilton's national bank Idea
- Capture thoughts in the provided graphic organizer
 - (Everyone will fill this out, even though the group is collaborating together!)

Small Group Share

1. Your golden line(s) and your interpretations
2. What your lines reveal about Hamilton's view of federal power



Class Discussion

- What themes emerged from your Golden Lines from Hamilton's opinion?
- How does Hamilton justify the national banking system using the Constitution?
- Do you agree with his interpretation of implied powers? Why or why not?

Exit Ticket

Using the sentence starter below, create a statement in 2-3 sentences using information learned in the activity.

Hamilton believed the federal government could create a national bank because...

- Refer to your graphic organizer as you formulate your response.
- Please answer in your own words and do not use quotes from the text.

This Lesson Plan was:

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