






Alexander Hamilton and the First Bank

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Money Men

Handout 1: Currency Portraits

Portrait	Who am I?	Which note has my portrait?	U.S. President? Yes or No
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____

First Bank of the United States



How many banks were there in the United States in 1791?

First Bank Lesson

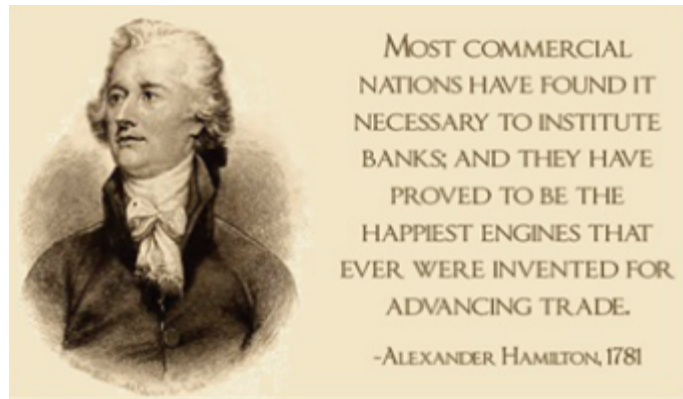
The Federal Reserve and You



Discussion Questions

- *How did the continental dollars become practically worthless?*
- *What are some functions of a modern central bank?*
- *What is a lender of last resort?*
- *In the street scene, why did the merchant say that the US needs a national bank?*
- *In the street scene, why did the farmer say that a national bank was a bad idea?*

First Bank in Business






- What functions did the 1st Bank perform for the US government? Individuals?
- How did it affect the economy?
- Why did the First Bank go out of business?



Hamilton versus Jefferson

- Why did Jefferson oppose the First Bank?
- What was Hamilton's argument for the First Bank?

Comparing Central Banks

	1791-1811	1816-1836	1913-Present
	First Bank of the United States	Second Bank of the United States	Federal Reserve System
			
Supervisory Duties	No	No	Yes
Monetary Policy	No, but it was large enough to affect credit conditions nationwide.	No, but it was large enough to affect credit conditions nationwide.	Yes, but in the early years, the Fed did not conduct monetary policy as we know it today.
Branches	Yes	Yes	Yes
20-Year Charter	Yes, but the charter was not renewed.	Yes, but the charter was not renewed.	Yes, the Fed originally had a 20-year charter, but the McFadden Act of 1927 gave the central bank permanency.
Issues Currency	Yes	Yes	Yes
Stockholders	Yes, 20% was held by government; 80% by the public.	Yes, 20% was held by government; 80% by the public.	Yes, but only member banks hold stock, not the public.
Stock	Shares were publicly traded and held by foreign and domestic investors.	Shares were publicly traded and held by foreign and domestic investors.	Federal Reserve System member banks and state-chartered member banks buy nontradable stock in their District Reserve Bank; stock pays a fixed dividend of 6%.
Commercial Bank Operations	Yes, it accepted deposits from and made loans to the public.	Yes, it accepted deposits from and made loans to the public.	No, the Fed is a "bankers' bank"; it makes loans only to banks and holds their deposits called reserves.
Competition with State Banks	Yes	Yes	None
Services to Federal	The bank served as the federal government's fiscal agent, received its deposits, held its deposits, and made	The bank served as the federal government's fiscal agent, received its deposits, held its deposits, and made	The Fed serves as the federal government's fiscal agent, receives its deposits, holds its deposits, and makes

Cabinet Battle #1



Cabinet Battle #1

Christopher Jackson, Daveed Diggs,
Lin-Manuel Miranda,
Okieriete Onaodowan

Hamilton

Questions??

