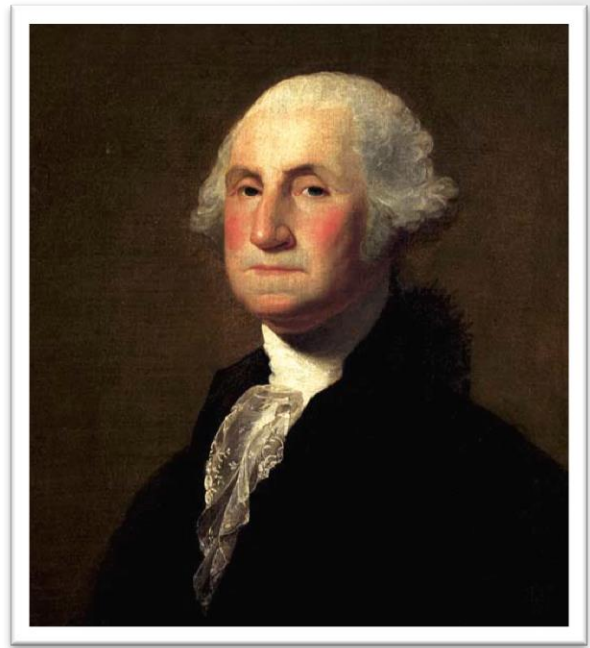


# Launching a New Nation

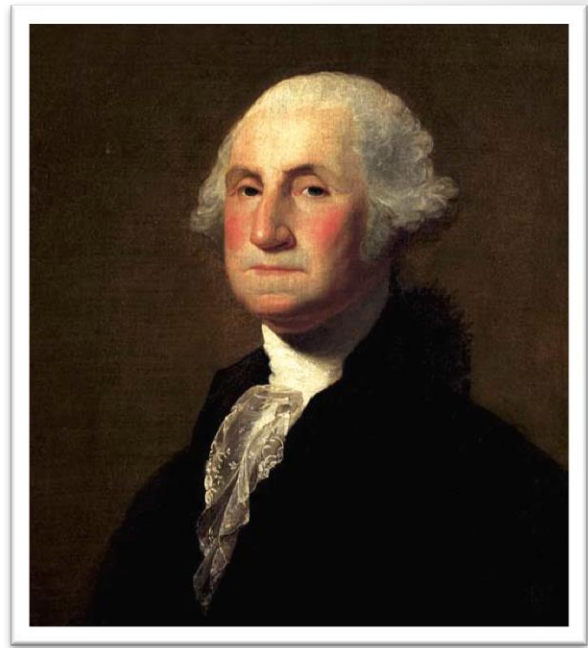
1789 - 1800

# George Washington



- 3 – Words about Washington
- 2 – Questions about Washington
- 1 – Famous fact about GW

# George Washington



- April 1789
- 57 years old
- Inauguration – People lined the street to see Washington pass on his way from Virginia to New York City (8 days)
- Capital – New York City
- Set precedent – An example to be followed by others in the future

# First President

- First job of President & Congress – build a working government
- Washington sets up his departments. Choose 4 well known men
  - Mixing Federalists & Antifederalists
  - **Secretary of Treasury – Alexander Hamilton** (Federalist)
  - **Secretary of State – Thomas Jefferson** (Antifederalist)
    - Already an ambassador to France
  - **Secretary of War – Henry Knox**
    - One of Washington's generals in the Revolution
  - **Attorney General – Edmund Randolph** (Antifederalist)
    - A prominent Virginia trained in law

# PROBLEMS

DEBT – Revolution created \$54 million debt

- BONDS – a certificate issued by a government
  - For a specific amount of money
  - Gov't promises to pay back
  - Example - buy \$50 bond for \$20. Hope U.S. eventually pays the whole \$50. Profit of \$30
- TWO ISSUES –
  - Who should get paid back?
  - Should national government pay state debts (25 million)?
- Paper money worthless / Can't get foreign credit

# Hamilton's Financial Plan

## Financial Plan had Three Parts

### 1. **U.S. gov't will fully pay back (assume) all U.S. *and* State war debts**

- prove U.S. would honor its debts - so people willing to invest in future
- Southerners oppose plan to pay state debts - had already paid off their debt
- Compromise - Southerners will support plan to pay state debt if new capital city built in South

### 2. **Will start a National Bank for gov't funds**

### 3. **Place a high tax on imported goods**

- **TARIFFS** - raised money for federal government
- Protected U.S. manufactures by making foreign goods more expensive
- Problem - Southerners pay as they export then import, but Northern businesses did not experience this problem

# PROBLEMS

## HANDLING PROTESTS – Whiskey Rebellion

- **To raise money a tax was placed on all whiskey made and sold in U.S.**
- **Backcountry farmers made corn into whiskey for some cash**
- **1794 – Rebelled when try to collect tax**
  - burn down home of tax collector
  - angry mob marches toward Pittsburg, growing along the way
- **Washington sees as challenge to federal authority**
  - sends 13,000 troops HE LEADS THEM
  - farmers scatter
  - Washington pardons leaders

**Sets precedence - Armed rebellion not acceptable in a republic**

# PROBLEMS

## HANDLING NATIVE AMERICAN RESISTANCE

- Native Americans wanted to keep their land
  - attacked settlements
  - joined together
- American gov't had tried to buy land from Natives
  - success in Tennessee and Kentucky
  - won't sell north of Ohio
- Washington sent troops to stop attacks on settlements
  - Natives led by Little Turtle of the Miamis and Blue Jacket of the Shawnee defeat U.S troops twice!
- Rev War hero Anthony Wayne takes over and has major victory at Battle of Fallen Timbers
- Treaty of Grenville - Natives give up what is now state of Ohio and area around Detroit



# PROBLEMS

## ADDRESSING FOREIGN POLICY

- France and Britain not getting along
- French Revolution – Reign of Terror
- 1793 – France and Britain at war
  - Washington wants to be neutral - not favor either side
  - Hamilton urges president to stay friendly with Britain
- U.S. wants to trade with both sides
  - Both feel like trade with their enemy benefits their enemy
  - Both start stopping American ships trading with the other side and seizing cargo bound for enemy
- British impresses sailors
  - impressments – seizing sailors and forcing them to serve in British navy
- Jay's Treaty

# Jay or Jay's Treaty

## Negotiated by John Jay

- U.S. agrees to pay debts owed to British merchants
- Britain agrees
  - Pay for ships it had seized
  - Withdraw troops from Northwest Territories
  - Stop arming Natives
- Britain refuses to
  - Recognize ability of U.S. to trade with its enemy France
  - To stop impressment of U.S. sailors
- Led to the formation of the “First Party System” in the U.S.
  - Federalist favored Britain
  - Jeffersonian Republicans favored France

# Washington Steps Down

- Farewell Address - a letter published in 1796
- Two major points
  - Warns against political divisions at home - no political parties
  - Warns against becoming “entangled” in European disputes and wars
    - “Steer clear of permanent alliances”
- Washington stepping down is significant
  - Establishes 2 terms / 8 years
  - Stepping down allowing someone else to become president
  - No uprising, rebellion, death, etc.