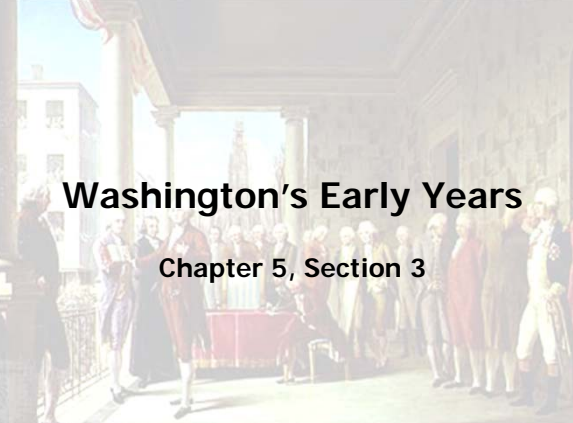



Washington's Early Years

Chapter 5, Section 3



Inauguration of New Gov't

- Began operation in 1789
- Capital
 - New York City → 1st tem. capital
 - Federal Hall = 1st capitol
 - Philadelphia → became temp. capital in 1790
 - Washington, D.C. → became permanent capital in 1800



Inauguration of New Gov't

- George Washington
 - Elected as 1st president
 - Unanimously




- John Adams
 - Elected as 1st vice president

George Washington

- Had not wanted to become president
 - But elected unanimously
 - Agreed to help unite the Union
- Set many precedents being the 1st pres.
 - Examples to be followed by others
- Created a cabinet
 - Advisors to the pres.
 - Since Washington knew his limitations
 - Made up of heads of the exec. depts.
 - Members of the 1st Cabinet
 - Th. Jefferson → Sec. of State (Dept. of State)
 - Alex. Hamilton → Sec. of the Treasury (Dept. of the Treasury)
 - Henry Knox → Sec. of War (Dept. of War)
 - Edmund Randolph → Attorney General (Dept. of Justice)



Hamilton's Financial Plan

- Made in his Report on Public Credit
- War Bonds
 - Had been issued during the Am. Revolution
 - To be repaid at face value to present holder
 - To help restore the nation's credit in case the gov't would need to borrow money in the future
- Speculators
 - Found out about the plan
 - Started to buy bonds for a pittance from the "rightful" holders
 - Who were happy to be getting something finally after the gov't had failed to reimburse the bonds themselves
 - Caused a major controversy
 - Jefferson and Madison thought the original owners were being cheated.
 - ◊ But how would the original bond holder be identified?
 - Hamilton thought it was okay to pay the speculators full value.
 - ◊ After all, if the gov't needed to borrow again, to whom would they likely turn?

Hamilton's Financial Plan

- Assumption
 - Plan for nat'l gov't to assume debt of the states
 - Most of whom incurred the debt b/c of Am. Revolution
 - Opposed by the S. states
 - They had already repaid most of the most.
 - 4/5 of nat'l debt owed by N. states
 - Finally agreed to in a compromise btw. Hamilton and Jefferson
 - Jefferson → agreed to assumption
 - Hamilton → agreed to temp. move capital to Philly until it could be permanently relocated to Washington, D.C., along the Potomac R.
- Protective tariff
 - Tax on imported goods
 - To help stimulate Am. industry
- Excise tax on whiskey
 - Tax on the manufacture, purchase, or sale of a good or service
- Est. of a nat'l bank

Federalists vs. Republicans

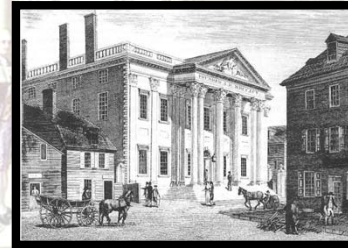
- Federalists
 - Supporters of Hamilton
 - Originally known as Hamiltonians
 - Sought to make the U.S. a major economic power
 - Based on business, industry, and trade
 - Believed a strong nat'l gov't was needed
 - Believed gov't was to maintain order & prevent chaos
 - The masses were ignorant, irrational, and guided by instinct.
 - Gov't needed to be remote from people's emotions.
 - Fearful of the common people having the right to vote.
 - Sought to develop closer relations w/ Britain
 - Major economic power of the day

Federalists vs. Republicans

- Republicans
 - Supporters of Jefferson
 - Originally known as Jeffersonians
 - Believed the nation should be based on farmers
 - Who was more free than an independent farmer?
 - Fearful of a strong nat'l gov't
 - Believed gov't was to protect man's natural rights
 - Believed gov't needed to be limited
 - Believed gov't should be responsive to the people
 - So supported the common person's right to vote
 - Sought to develop closer relations w/ France
 - They had helped support the U.S. during the Am. Revolution.
 - They were undergoing their own revolution based on the ideals of the Am. Revolution.

Bank of the United States

- Proposed by Hamilton
- Finally divided Federalists and Republicans
 - Over strict vs. broad construction



Strict vs. Broad Construction

- Strict (Narrow) Construction
 - Believed only in the expressed powers
 - Those powers specifically stated in the Const.
 - Supported the 10th Amendment
 - Reserves for the states any power not given to the nat'l gov't or denied to the states in the Const.
 - Supported by Jefferson
 - The Const. did not give Congress power to est. a nat'l bank.
- Broad (Loose) Construction
 - Believed in the implied powers as well as the expressed
 - "Necessary and Proper" Clause
 - A.k.a., elastic clause
 - Provides basis for implied powers
 - Gives Congress all power "necessary and proper" to fulfill expressed powers
 - Supported by Hamilton
 - The nat'l bank was helping to fulfill two expressed powers of Congress.
 - To collect taxes
 - To coin money

French Revolution

- Began in 1789
 - Just a few months after Washington's inauguration
 - W/ the arrest of Louis XVI
- Spread to a general European war in 1792
 - B/c other nations sought to stop the "lawlessness" from spreading
 - Led to the Reign of Terror in 1793
 - Began w/ Louis XVI and Marie Antoinette being beheaded
- Further divided the Federalists and Republicans
 - Jefferson supported the French.
 - They had helped finance and fight the Revolution.
 - They were fighting for the same ideals as the Am. Revolution.
 - Hamilton opposed the French Revolution.
 - B/c it would jeopardize relations w/ Britain
 - Which the nation's economy was heavily dependent upon
- Washington wished to remain neutral.
 - Issued the Neutrality Proclamation in 1793

"Citizen" Charles Edmond Genêt



- French minister to the U.S.
- Tried to gain support for the Revolution
 - Fired up the American people
 - Gave Am. ships the right to attack English shipping
 - Privateers
 - Alienated even the Republicans
- Ultimately declared persona non grata
 - An unwelcome person; used to describe a recalled ambassador

Whiskey Rebellion

- Broke out in S.W. Penn. in 1794
- Protested the excise tax on whiskey
 - 7¢ per gallon
 - Hurt W. farmers the most
 - Hard to get bulky corn to the market
 - So corn was distilled into whiskey
- Began w/ the tarring and feathering of tax collectors
- Was easily smashed by Washington
 - Washington summoned several state militias.
 - And accompanied them part way as commander-in-chief
 - The "Whiskey Boys" dispersed by the time the army arrived.
 - Cost 3 yrs. revenue from the excise tax to suppress.

