The American Government

• Republic - people elect representatives to make decisions for them.
• Democracy - people are allowed to vote

People vote AND elect representatives to make decisions for them = Democratic-Republic
George Washington’s Presidency
George Washington is elected!

The Election process at first
- Person with the most votes would be President
- Runner-up would be Vice-President

Critical thinking question...
Could this cause problems? How so?
• Washington’s actions would set a precedent (an example that is followed as though it is a law) for all other Presidents.

1. “Mr. President”
2. Cabinet
3. Presidents don’t go to Congress to debate laws
4. Only serving two terms
George Washington’s Cabinet

A **cabinet** is a group of people that gives advice to the president.

- **Secretary of War** - Henry Knox
- **Secretary of State** - (deals with foreign affairs) **Thomas Jefferson** (Democratic-Republican)
- **Secretary of the Treasury** - Alexander Hamilton (Federalist)
- **Attorney General** - (National Lawyer) **Edmond Randolph**

*Thomas Jefferson* - I am a Democratic-Republican!

*Alexander Hamilton* - I am a Federalist!
Challenges to the New Government

Domestic and Foreign Affairs
Domestic Issues

Domestic - at home, within the country
Examples: health care, laws, taxes

1. Setting up a court system
2. Banking System (creating a stable economic system)
3. Taxation
4. Defining the authority of the central government
Domestic Issue #1

Setting up a Court System
Setting Up the Courts!

The nation was new, so everything was being set up for the first time.

Congress passed the Federal Judiciary Act of 1789, which set up the federal court system.

The details:

• Supreme Court would have six members.
• Five judges and one Chief Justice (head judge/leader).
• John Jay appointed (chosen for a position) Chief Justice.
• Created lower, less powerful federal courts.
Look Up

Turn to page 171 in your Gray book and find Alexander Hamilton’s Financial Plan.

In your own thoughts, write it into the graphic organizer.
Alexander Hamilton's Economic Plan

• Alexander Hamilton was Secretary of the Treasury. So it was his job to advise George Washington on what to do about money.
• In 1790, he introduced his **Economic Plan** to Congress.

1. **Pay off all war debts (National and State) to establish nation’s credit**

2. **Whiskey Tax** - To raise money from Western farmers

3. **Protective Tariff** - High tariff-tax on imported foreign goods which would protect American industries from foreign competition

4. **Create a national bank** - Place to deposit taxes, provide a sound currency and to make loans to national government
Domestic Issue #2

Taxation
America had huge war debts we needed to pay

1789- National Debt was over $52 million dollars

America owed money to...
- Individuals (soldiers)
- Countries (France)

• How will other countries view America if we do not pay our debts?

• George Washington needed to figure out how to raise money to pay off these debts.
  - Protective Tariffs
  - Whiskey Tax
Protective Tariffs

• He wanted to place **protective Tariffs (a tax on goods from another country)** on imported goods.
  • Help to raise government revenues $$$
  • Encourage the development of American industries
  • Encourage citizens to buy “American”

How a Protective Tariff Works

*In America*
- American Made socks sell for $2.00 a pair
- British Made socks sell for $2.50 a pair

*In England*
- British Made socks sell for $1.75 a pair

When shipped to America, a .75 cents tariff is added to the price of British socks.
Protective Tariffs

Sectionalism begins... Conflicts between the North and South start to rise over economics!

North - Economy was based on Industry and Manufactured goods. They wanted to sell their goods! Tariff helped because it got people to buy American products.

South - Economy was based on Agriculture (cash crops). They needed to buy manufactured goods and wanted to buy them from Europe. Tariff hurt because it forced them to pay more for the goods they bought.
America needs this tariff! It will help our manufacturers by making sure people buy from them. Then they will employ more workers. This is good for America.

This tariff will hurt us in the South! We buy many of our goods from Europe. Putting taxes on those goods make us pay more for them. It’s not fair to force us to buy goods from America that we don’t want.
The Whiskey Rebellion

• The first national tax was the **whiskey tax, a tax on whiskey.** *(Sin Tax)*

• Farmers from Pennsylvania to Georgia were upset about a new tax on whiskey. Many of these angry feelings towards taxes were left over from the Revolutionary war.

  • *Remember having some taxes is a right you give up, in order to receive things from the government, like protection and order. (Social Contract Theory; John Locke)*

• Farmers used Whiskey to pay bills, to trade for other goods, and it was easier to haul than bushels of wheat.
The Whiskey Rebellion

• Angry farmers staged a rebellion
  • Beat up tax collectors
  • Tarred and Feathered tax collectors
  • Threatened an armed attack on Pittsburgh

*This was very similar to Shay’s Rebellion, which showed that the Articles of Confederation was too WEAK!

• Washington wanted to show the people that this government would stand strong. So, he sent the army to crush the rebellion.

• Washington proved that the president could make people follow the laws.
Domestic Issue 
#3

Creating a National Bank
Why did Alexander Hamilton want to set up a National Bank?

- Wanted a bank that would print a national currency and take care of war debt
- Would be a place national government could get loans
- Hamilton argued that the bank was necessary and that it is allowed under Article I of the Constitution
Jefferson argued that the bank does not fall under Article I’s “Necessary & Proper” clause

Madison & Anti-Federalists also led opposition, saying that it was unconstitutional

Northern reps voted 33-1 for bank; Southern reps voted 19-6 against it

This led to the question: Should there be a strict or broad interpretation of the Constitution?

Why did Thomas Jefferson oppose the National Bank?
Hamilton won the argument

George Washington sets up the National Bank

Lasting Effect – Political divide begins to separate the country

What was President Washington’s decision about the National Bank?
Domestic Issue #4

Defining the Authority of the Central Government
Learning from the past...

Shay’s Rebellion: Shay’s and others were being forced off their farms because they couldn’t pay the taxes. They began attacking banks and law offices.

Made people realize the Articles of Confederation were weak. Called for fixing the Articles.

We threw out the Articles and wrote the Constitution—New government.

The Whiskey Rebellion: Farmers began rebelling because they didn’t want to pay the Whiskey tax.

Washington had the power to send troops to put down the rebellion.

Washington proved that the new central gov. was strong enough to lead the country.
You have agreed to abide by this government so you must obey the laws the government sets or we will send you to jail.
Foreign Concerns

Foreign - from another place, country. Issues between us and another country. Examples: War, trade, and world peace.

1. Neutrality
2. Pinckney's Treaty
Foreign Concern #1
Neutrality
The French Revolution

• Like America, many other European nations had revolutions due to their tyrannical governments.

France started a revolution to get rid of their king but ended up killing anyone who got in the way of the new government. Women, children, old people.

England declared war on France. The war placed the U.S. in an awkward position

*France had helped us during our Revolution, but we still needed Britain as a trading partner.*

Washington issued **Declaration of Neutrality** in April 1793.

• We would not help either one. We would do business with both

This point of view on foreign affairs is called **Neutrality**.
Pinckney’s Treaty

• 1795 This was a treaty America made with Spain

1. Americans could travel and ship goods on the Mississippi River
2. Americans could deposit (store goods) at the port of New Orleans without paying custom duties (taxes on imports).
3. Spain also accepted Florida as the U.S. southern boundary.

Pinckney’s Treaty was a success!
George Washington’s Legacy
The Farewell Address

At the end of his second term, Washington gives a speech about what he sees in America’s future.

He stresses two important things:

#1. Forming Political Parties
He Said: America shouldn’t have political parties
Why? He feared it would cause sectionalism (anger between groups) & political factions (divisions, fighting)

#2. Forming Alliances with Foreign Nations
He Said: America should avoid making alliances with other countries
Why? We could be forced to fight in their wars