

# Launching the Nation



**(1789-1800)**



# 1. Washington Takes Office



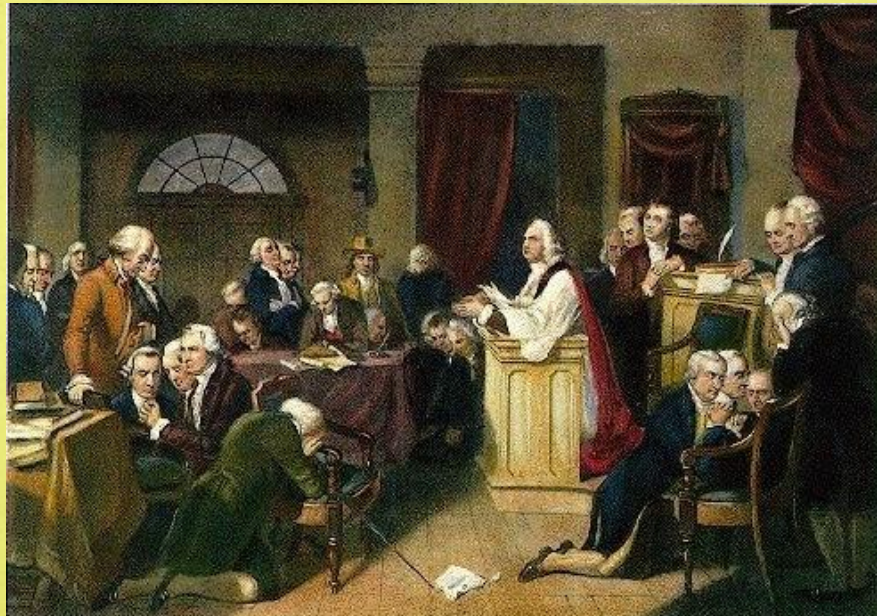
To most Americans, George Washington was a great hero. As president, Washington faced difficult tasks both home and abroad. They knew the odds of creating a successful Republic was against him. Washington was the first President of the new nation many people, especially the British thought would fail.

# Organizing the New Government

President Washington  
George Washington took the oath of office as President on April 30, 1789. Americans looked at Washington to make the new government work. At first Washington had to set an example for future generations. Washington had to show precedent as the new President. A precedent is an act or decision that sets an example for others to follow.

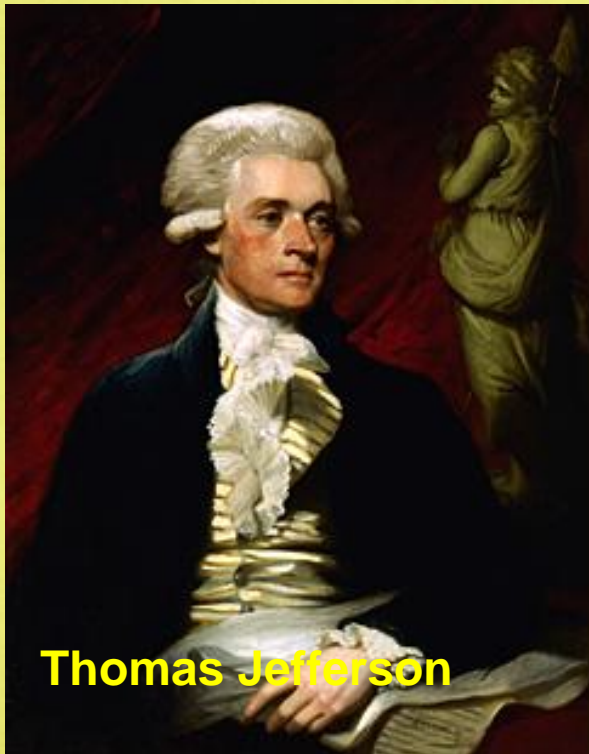


During his two terms in office Washington set many precedents. In 1796, he decided not to run for a third term. His refusal to seek a third term set a precedent others followed until 1940. The Constitution said little of how the Executive Branch of government should be organized. When the first Congress met in 1789, it created five executive departments. They were the departments of the State, Treasury, and War and the offices of the General and the Postmaster General.

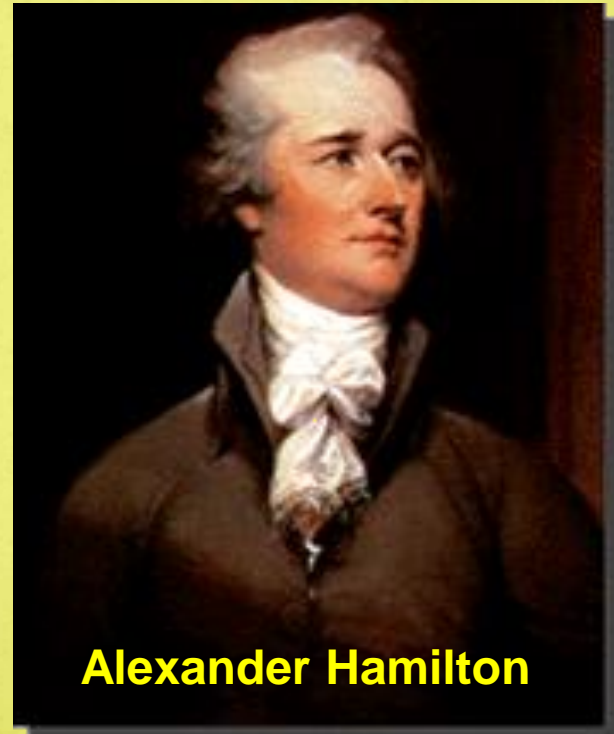


Washington chose leaders for these departments. He appointed Thomas Jefferson as the Secretary of State and Alexander Hamilton as the Secretary of the Treasury.

All of these department heads made up the President's Cabinet. Members of the President's Cabinet gave him advice and directed his departments.



Thomas Jefferson



Alexander Hamilton



The Constitution called for a Supreme Court. Congress had to organize the federal court system. In 1789, Congress passed the Judiciary Act. It called for the Supreme Court to have one Chief Justice and five Associate Justices. The Act also set up courts throughout the country.

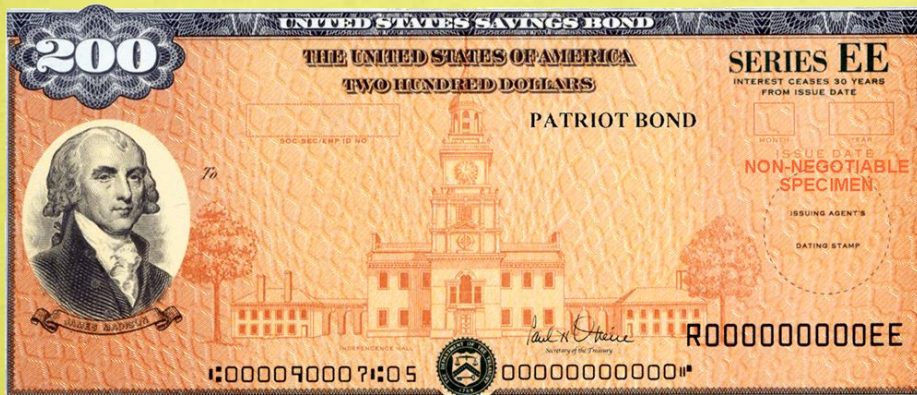
## Hamilton and the National Debt

Alexander Hamilton was in charge of the country's treasury (or money.) He ran into many problems. The most important problem was the large government debt.





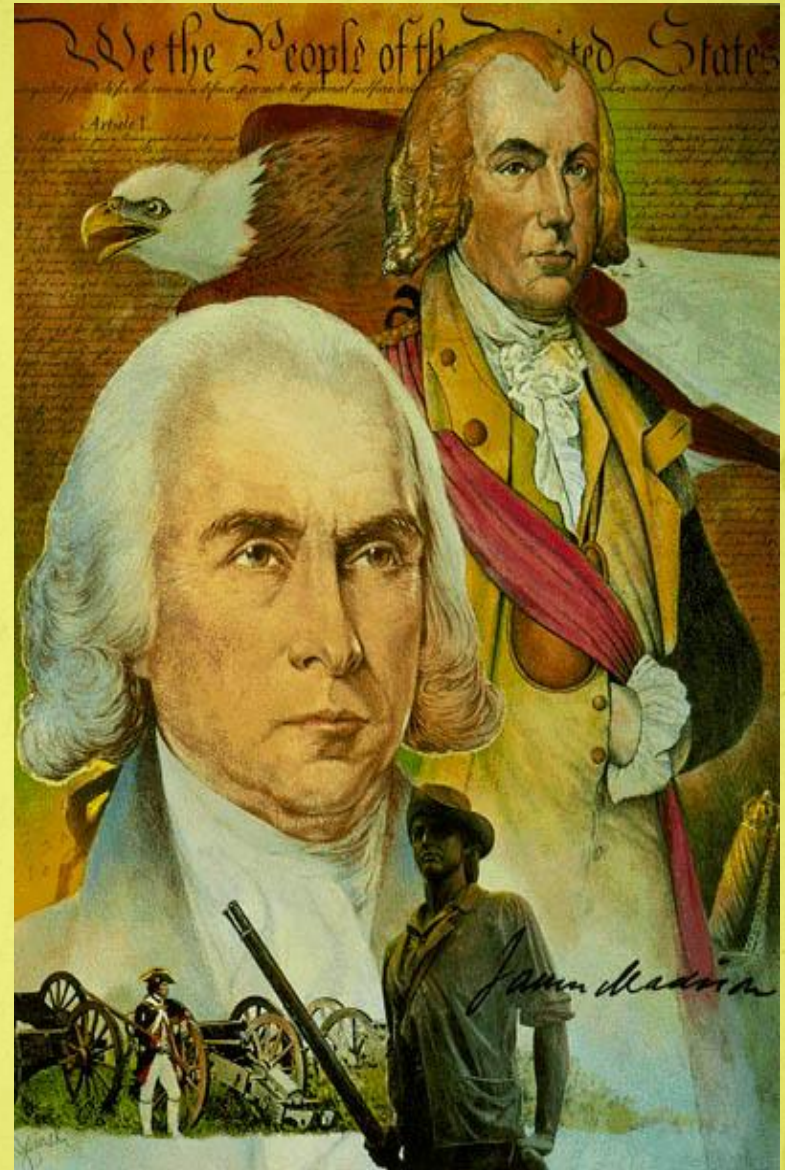
The United States was in debt because the new government borrowed money to pay for the revolution. They had to pay for soldiers and buy supplies. The total sum of the money a government owes is called the *national debt*. The United States also borrowed money by issuing *bonds*. A bond is a certificate that promises to repay the money loaned plus interest on a certain date. You can still buy bonds today.





**Alexander Hamilton developed a plan to repay all of the debts. He wanted to buy up all the old bonds issued before 1789. Then he planned to sell new bonds to pay off the old debts. When the economy improved, he would pay off the old bonds.**

**Many people opposed his plan, including bankers and investors. James Madison was against Hamilton's plan.**

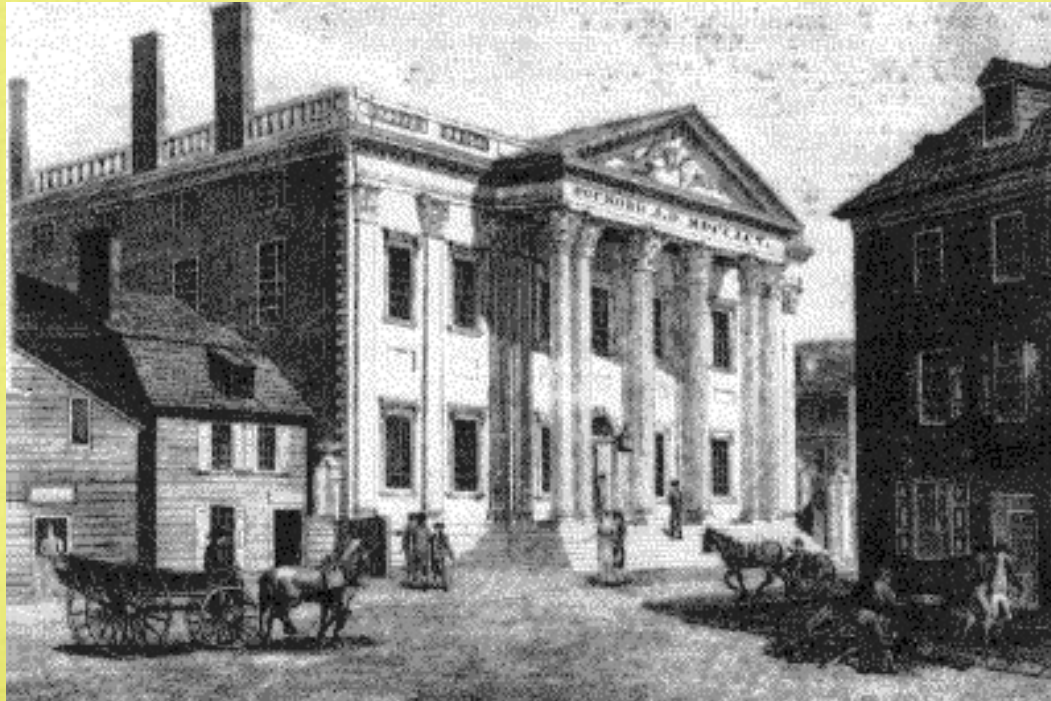


**Hamilton agreed to compromise to settle the nation's debt. He agreed to move the capital to New York to the South, if the southerners supported full payment of the bonds. In 1790, the delegates accepted this compromise and moved the capital in between Maryland and Virginia. They called the new capital, The District of Columbia. Today the capital is called Washington, D.C.**



# Strengthening the Economy

After solving the national debt, Hamilton took steps to build the nation's economy. Hamilton called upon Congress to set up a national bank. In 1791, congress set up the *Bank of the United States*. The government deposited the money it collected on taxes in the bank. In turn, they printed up paper money. The bank also made loans to farmers to help them expand. Hamilton wanted to discourage foreign goods being brought into the country so he placed a tax, or *tariff* on all goods brought into the United States.



The First  
Bank of  
the United  
States

# The Whiskey Tax

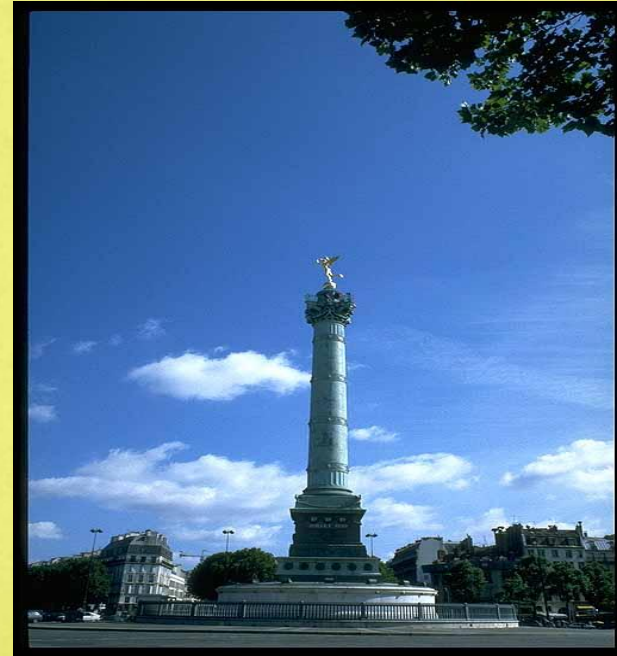
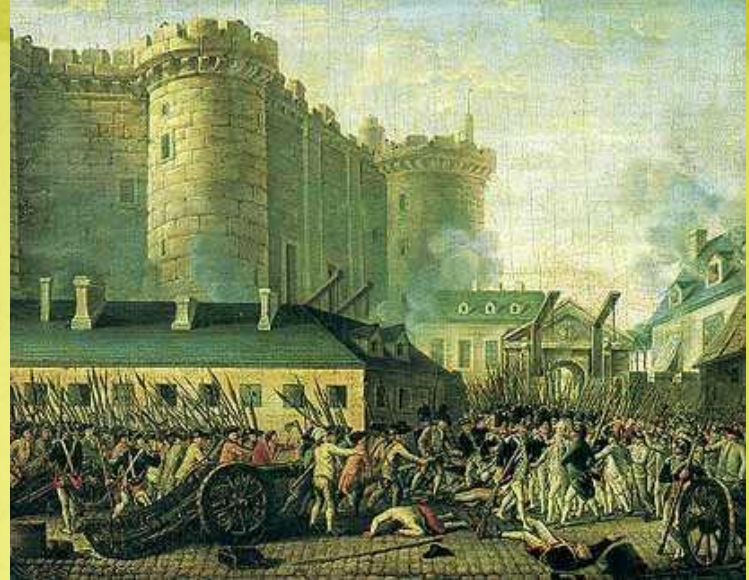
New taxes created tensions in the country. In 1791, Congress taxed all liquor made in the United States. Backcountry farmers grew corn to sell to the liquor makers. This made them very angry.

When the tax collectors came to Pennsylvania to enforce the new law they faced angry farmers. If the farmers refused to pay the Whiskey tax, they had to appear in court. They forced to pay the taxes or they were placed in jail. Many people rebelled against the government for the Whiskey Tax. Mobs of people got together and marched against the Whiskey Tax. This became known as the Whiskey Rebellion. The Presidents quick military response proved that the new government would act firmly in a time of crisis.



## 2. Creating a Foreign Policy

Late in 1789, French Ships arrived with terrible news. On July 14, a mob in Paris, France, had destroyed the Bastille, a huge fort that was used as a prison. The attack on the prison was the start of the French Revolution. Like the Americans the French fought for their independence. The fought for liberty and equality.





# The Guillotine

A guillotine was used to kill citizens that opposed the King.

# Upheaval in France

The Americans supported the French Revolution. They knew what it was a struggle for liberty. France was Americans first ally in their war against Great Britain. The violence in France divided Americans. Thomas Jefferson condemned the killings by the king of France. He felt the French people had the right to use violence to win freedom and liberty. John Adams disagreed; he felt the French could not create a democracy, He said:  
*“Than a snowball can exist in the streets of Philadelphia under a burning sun.”*



# A Policy of Neutrality

In April 1793, Washington issues the Neutrality Proclamation. It stated that the United States would not support either side in the war. This treaty did not go over well. Many colonists still wanted to trade with the British and French countries. The British captured more than 250 American ships trading in the French West Indies. General Washington did not fight back because he knew our country was too weak to fight. He did not support the French because our country had a weak army. President Washington sent the secretary of the State, John Jay to work out a deal to free American ships. He did work out a deal, but the Americans had to pay back for many damages to the British in order to get the American ships back. This agreement was called the Jay's Treaty.





## War in the West

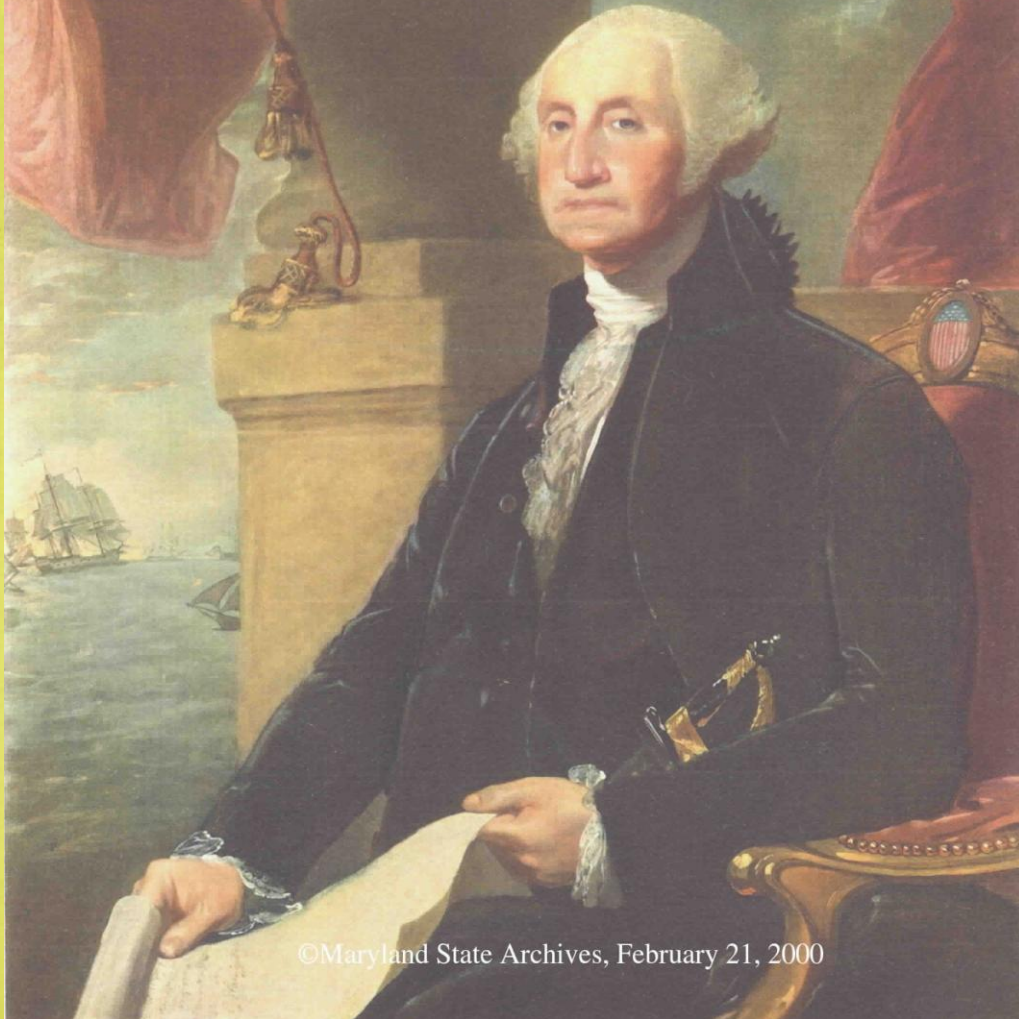


In the 1790's many white settlers moved out west to the Northwest Territory. The settlers ignored the treaties the United States signed with the Indians. They simply took over the Indian lands. The Indians responded by attacking the settlers. The settlers killed the Indians in response to the Indian attacks. The violence soon spread. In 1791, the Indians drove the settlers out of the territory by using muskets or guns supplied from the British. It was not until 1795 that the Americans were able to defeat the Indians and make them sign the Treaty of Greenville. In the treaty the Indians gave up the land we call Ohio today and they would receive \$20,000.00

# George Washington's Farewell Address

September 17, 1796

*from the Maryland Session Laws, 1796*



©Maryland State Archives, February 21, 2000

## Washington Retires

By 1796, George Washington gave his Farewell Address. He announced it that he would retire. He urged that the United States not to get involved with other world affairs (or remain neutral.) He also called upon Americans not to start political parties.

## The Rise of Political Parties

In 1789, when Washington took office there was no political party. By the time he retired there were two political parties competing for power.

## A Distrust of Political Parties

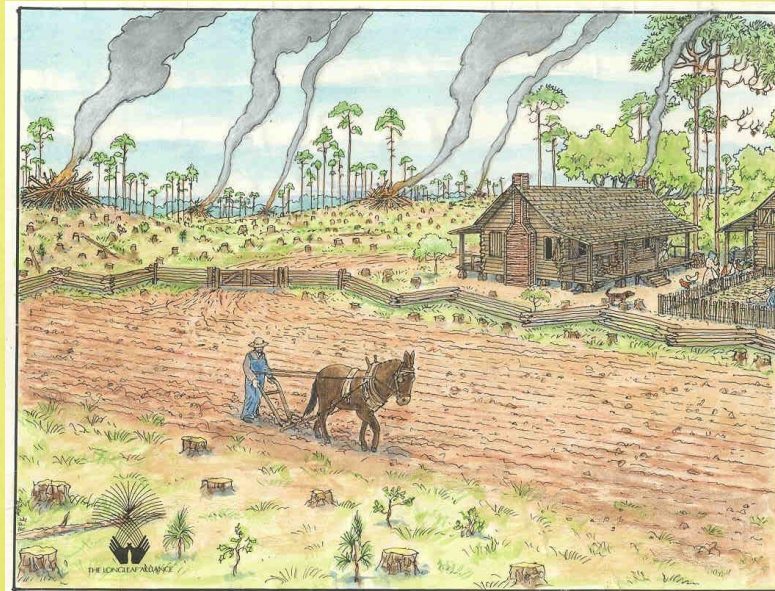
Most people thought political parties were useless. It did not work in Great Britain, why would it work in the United States? Many people thought people only wanted political parties for they're own personal interest.



*Alexander Hamilton* and *Thomas Jefferson* each had different views on the United States. Here are their views:

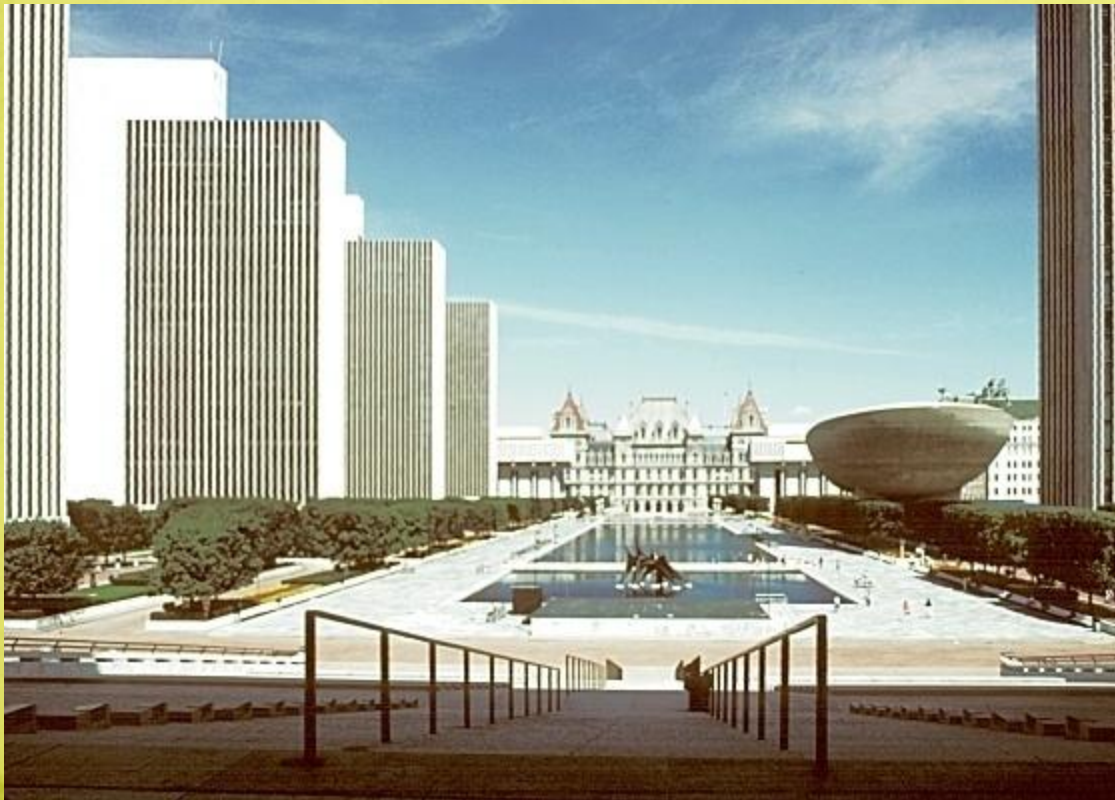
*Manufacturing of farming?*

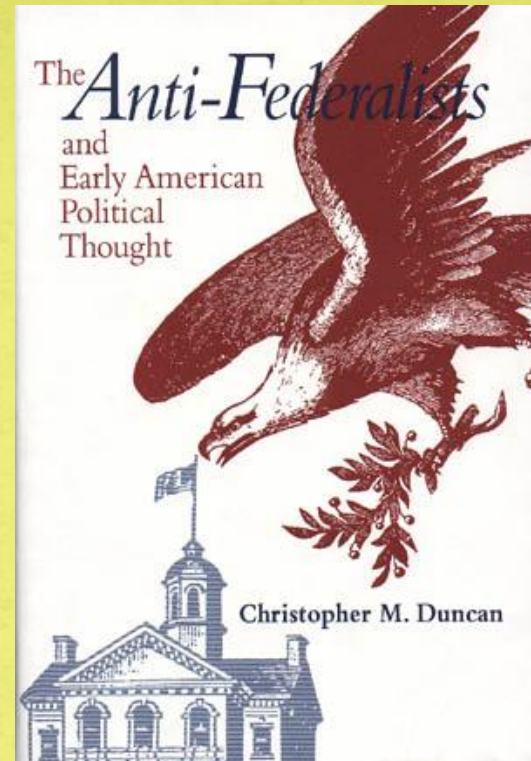
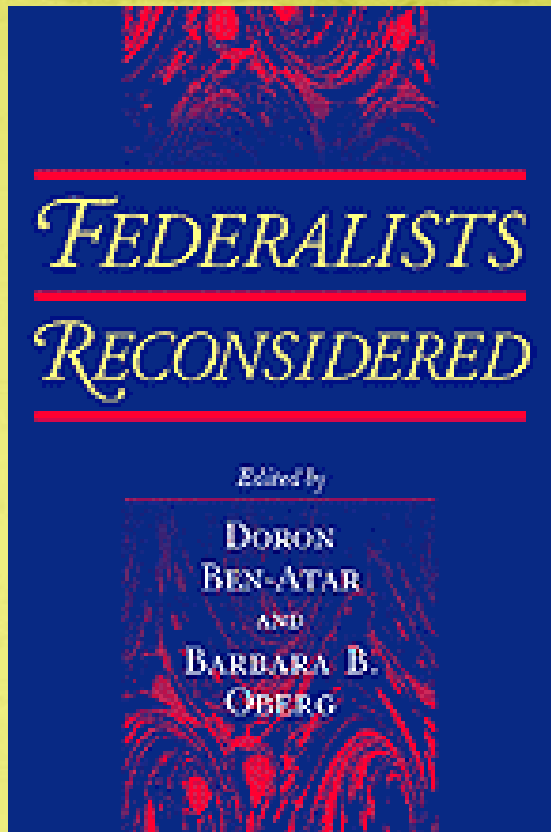
Hamilton favored manufacturing and trade. Jefferson supported that farming was the “backbone” of American society.



# Federal or State Government?

Hamilton wanted federal government to have more power than the state governments. Jefferson thought the opposite. Jefferson felt that the federal government might take over powers that the Constitution gave to the states.





Soon the Jefferson supporters called themselves, Democratic Republicans. They often shortened their name to Republicans. These people were farmers, craft-workers and some wealthy planters. Hamilton and his supporters were called Federalists because they wanted a strong Federal government. The Federalists supporters were for merchants and manufacturing in cities such as Boston and New York.

## Slim Victory



People began to take sides in deciding whom they supported in the election of 1796. The Republicans supported Thomas Jefferson for president and the Federalists supported John Adams for President. Under the Constitution, the person with the highest number of electoral votes became President. The person with the 2nd highest votes became Vice-President. In this election, John Adams became the President and Thomas Jefferson became the Vice-President. Now the President and Vice-President were from different sides and had different political views. In March of 1797, Adams took the office as President.



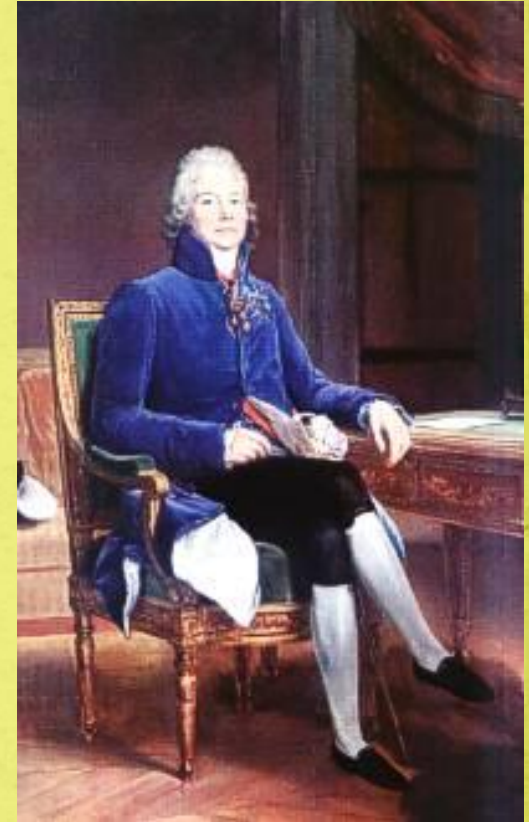
### 3. The Second President

#### The XYZ Affair

The French people objected to the Jay's Treaty between the United States and Britain. In 1797, French ships began to seize American ships in the West Indies. *American called for War!*

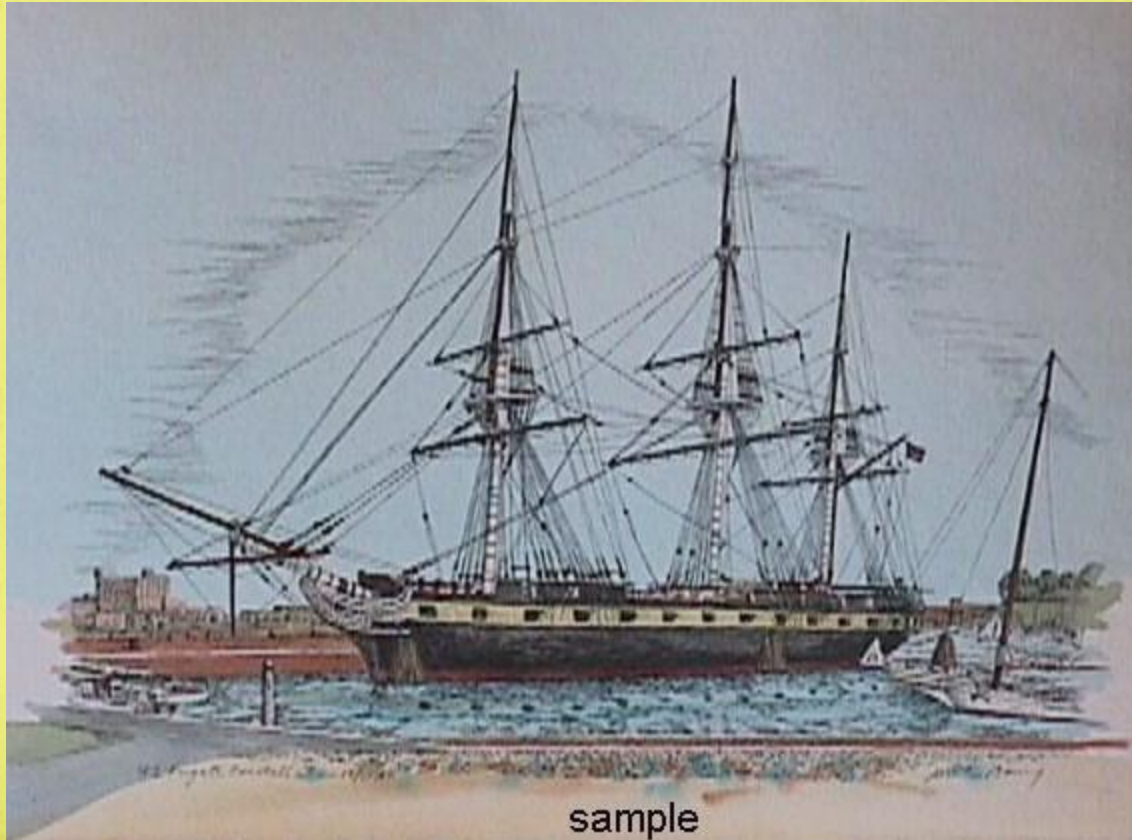
The French foreign minister, Charles Maurice de Talleyrand would not deal directly with the Americans so he sent three secret agents to offer the Americans a deal. The French said, "You must pay money before we can begin the talks." He wanted \$250,000 for himself and a loan of 10 million for France. "This was a bribe!" Replied the American diplomats.

Congress did not want to reveal the names of the three agents, so they were referred to as X, Y and Z.





Soon the Americans heard about the XYZ Affair in 1798. They were outraged. They refused to pay a bribe to France. Despite growing pressures, Adams refused to ask Congress to declare war. However, Adams did strengthen the Navy by building frigates the fastest sailing ships with many guns.



# Alien and Sedition Acts

During the crisis with France the Federalists passed through several laws known as the Alien and Sedition Acts. The Alien Act allowed the President to expel any alien, or foreigner thought to be dangerous to the country. Under the Sedition Act, anyone stirring up a rebellion against the government could be fined or jailed. Kentucky and Virginia passed the Kentucky and Virginia resolutions which stated that each state had an equal right to judge for itself whether a law was constitutional.

## The Election of 1800

By 1800, the war with France faded. As the election approached Thomas Jefferson and Adam Burr ran for the office of the President. The vote was a deadlock, or tie. But when the Electoral College voted, Jefferson won the election. Under the Constitution, the House of Representatives decides the election in the case of a tie vote. Thomas Jefferson was the new President of the United States.



The End