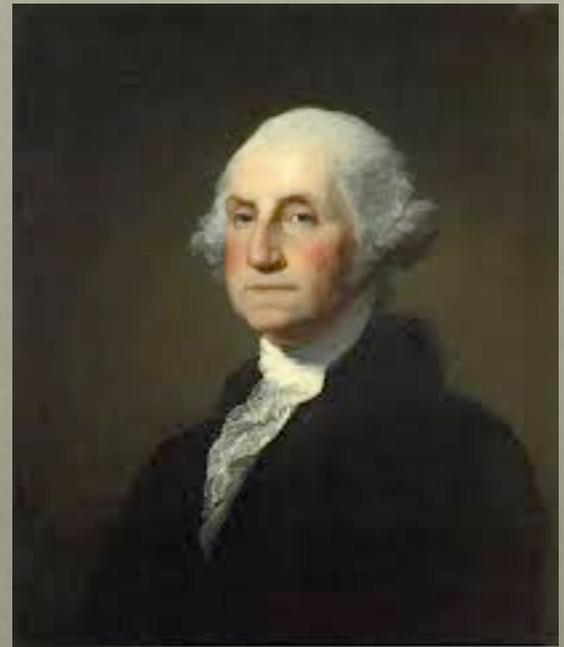


WASHINGTON AS PRESIDENT



1789-1797



PRECEDENT

- What is a precedent?
 - Action or decision that serves as an example
- When Washington began his first term he had many firsts:
 - Pick a title (Mr. President)
 - Create policies and procedures for new government
 - Meetings with department head (cabinet)
 - Create and set-up parts of new government
 - Nominate people to newly created positions
 - Establish foreign policy
 - Settle domestic/internal conflicts



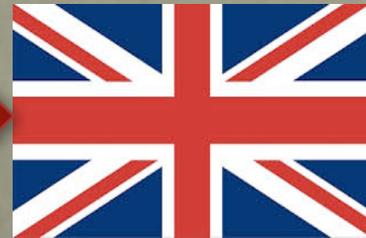
JUDICIARY ACT OF 1789



- How to set up courts
 - 3 levels → district/appeals court federal courts
- Pres./Senate pick & approve
- Defined the powers of the federal courts
- Created first federal court system and courts related to state courts decided how it would work
- Washington nominated candidates for first federal judgeships including the first Supreme Court judges

FRENCH REVOLUTION & NEUTRALITY PROCLAMATION

- People of France rebelled against their king and started
 - Britain/France were fighting
 - France wanted U.S. to help them
 - Washington said to stay neutral
- Some Americans supported French Revolution, others
 - U.S. should not get involved with other countries or with others problems
- A few years later France and Britain went to war (again)
- Washington decided to remain neutral and not take sides with any European country at war; first foreign policy of new country



JAY'S TREATY

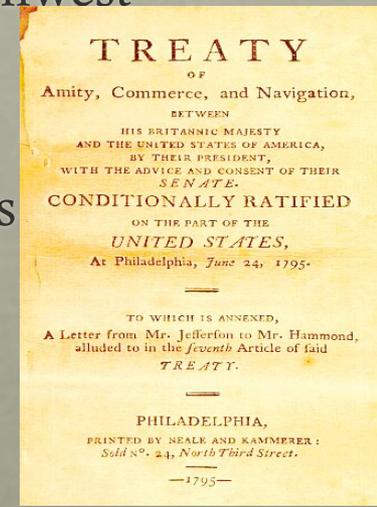
- C • Issues between Britain and U.S. → ships/left over from the Rev. War
- B War
- er • Jay got compromise but not liked
- C • Agree to treaties that may not be popular. If it is best for the country, willing to compromise
- B
- US had to pay debts owed to British
- Treaty was unpopular by many including Washington
- First time had to agree to something that was unpopular for the good of the country

se again

Indies & British officers were
ht US settlers in northwest

avoid war again

ips & leave NW forts



PINCKNEY'S TREATY

- Port of New Orleans controlled by Spain → right to use
 - Favorable treaty that helped U.S. trade
- S & Florida so
trade

Businesses & economy hurt

- Compromise is good → if patient to get what you want
 - Work with other countries for a clear agreement
- US right to use

- Patience was rewarded and got a good compromise for the treaty



CONFLICT IN NORTHWEST TERRITORY

- Native Americans (aided by British) fought US settlers
m... y lands
 - Native Amer. Fought U.S. settlers coming into lands
 - Treaty where U.S. took over most lands, Native American got cash/goods
- U... cked Native American to
- Na... y were outmatched and as... of Greenville giving US lar... treaty
 - U.S. settlers could easily take over Native American lands by force and get them to sign a treaty
- First time US used military force against Native Americans and agreed to a treaty



WHISKEY REBELLION

- Congress passed tax on whiskey to raise money to pay federal debt
 - Tax put on whiskey that upset farmers in Penn. → rebelled
- Farmers in western Pennsylvania rebelled because whiskey was easier to transport than alcohol
 - Washington responded by sending in troops to squash rebellion as aimed at them
- Protests were peaceful at first then fighting broke out
 - Washington wouldn't put up with rebellions over legal laws congress created
- Washington's army defeated the rebels, rebels fled, rebellion ended
- First time country had rebellion and government was strong enough to stop it (Shays Rebellion)



WASHINGTON'S FAREWELL ADDRESS

Washington's Advice/Warnings

Debt

- Avoid debt because future generations will have to pay for it

States

- if the states work together they will have greater strength, resources, security and peace with other countries

Democracy

- for democracy to work effectively, people need to be educated

Constitution

- if there is a problem with the Constitution, correct it with an amendment

Political Parties

- forming political parties, especially based on geography, will harm the U.S.

Foreign Affairs/Alliances

- we should be peaceful with all nations and treat them fairly
- we should not get involved with other nations
- it is our policy to avoid permanent alliances because we can't count on total loyalty
- by staying neutral you are maintaining peace/friendship with other nations

Political Parties

Political parties: groups of people who share the same political views who try to elect members to positions in the government.

Federalists

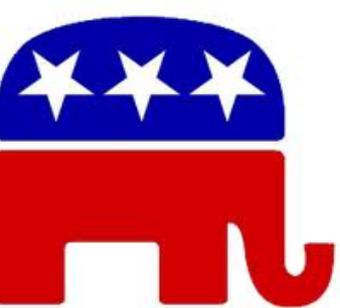
- | |
|---|
| • Led by Alexander Hamilton |
| • Supported by merchants & manufacturers |
| • Wealthy and well educated should lead nation |
| • Strong central government |
| • Emphasis on manufacturing, shipping, industry & trade |
| • Loose interpretation of Constitution |
| • Favored national bank |
| • Favored protective tariff |
| • Pro-British |

Political Parties

Political parties: groups of people who share the same political views who try to elect members to positions in the government.

Democratic-Republicans

- | |
|---|
| • Led by Thomas Jefferson |
| • Supported by small farmers & crafts workers |
| • Common people should have power |
| • strong state government |
| • Emphasis on agriculture |
| • strict interpretation of Constitution |
| • opposed national bank |
| • opposed protective tariff |
| • Pro-French |



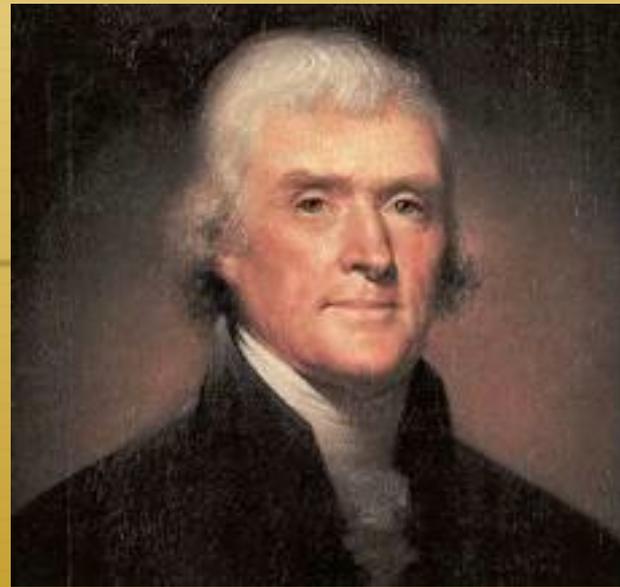
Current Day Political Parties



Democratic Donkey & Republican Elephant

- Donkey
 - First associated with Andrew Jackson's 1828 presidential campaign
 - Opponents called him a donkey
 - He decided to use the image.
 - Thomas Nast used the Democratic Donkey in newspapers cartoons and made the symbol famous
- Elephant
 - Nast invented the elephant
 - Nast drew a donkey clothed in lion's skin, scaring away all the animals in the zoo. One of those animals, the elephant, was labeled "The Republican Vote".
 - That's all it took for the elephant to become associated with the Republican Party.

Hamilton vs. Jefferson



Hamilton vs. Jefferson

Personal Background

Hamilton

- West Indies/Caribbean
- Wrote essay got him sent to NY for education
- Small, slim and handsome
- Used ability, ambition, charm
- Personal assistant to WA in Rev. War
- Married wealthy

Jefferson

- born VA, gifted w/ talents and a good student, very curious
- tall, lanky, and handsome
- rich, family → tobacco planter used slaves
- politician → not good at speeches, better w/ the pen



Hamilton vs. Jefferson

View of Human Nature

Hamilton

- People basically selfish
- Distrusted system that gave too much power to common man

Jefferson

- informed citizens could make good decisions
- good sense of men
- faith in goodness and wisdom of people who worked soil

I ♥ MY
SELF +
THATS
ALL THAT
MATTERS



Hamilton vs. Jefferson

Best Form of Government

Hamilton

- country ruled by educated, wealthy, public-spirited (had time, education & background to run wisely)
- trusted to make decisions for general good
- strong national government → unite states/keep order
- loose interpretation of Constitution

Jefferson

- democracy
- government rules the least
- small government w/ limited powers
- strong state governments = closer to the people/ keep national government getting too powerful
- strict interpretation of Constitution



Hamilton vs. Jefferson

Ideal Economy

Hamilton

- expand economy by promoting business, manufacturing, trade
- wanted to repay debts quickly
- establish national bank to collect taxes, print \$, make loans

Jefferson

- future lay w/ farm folk
- economy based on agriculture
- didn't like bank, don't make as many loans to farmers



Hamilton vs. Jefferson

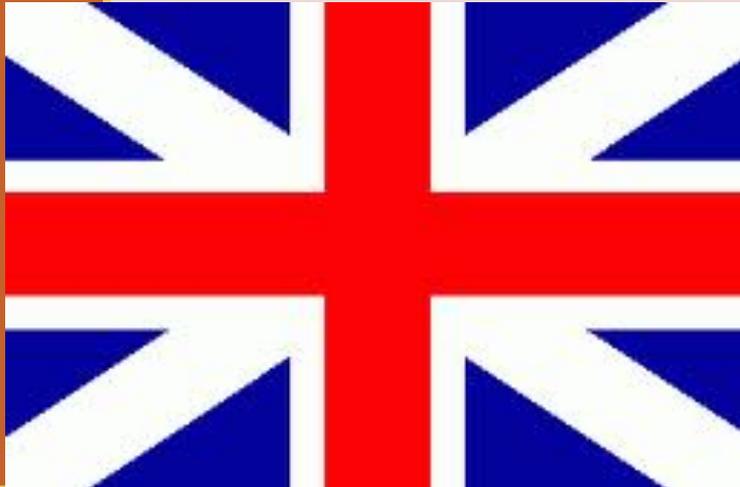
Relations with Britain and France

Hamilton

- leaned towards Britain = shipping/trade
- orderly Britain vs. revolutionary France
- wanted US to be like Britain

Jefferson

- supported France, even during bloody revolution
- believed in revolution's ideals





ECONOMICS

National Finances in Simple
Terms

State & National Debt

State Debt

- All money owed by individual states

National Debt

- All money owed by federal government for the whole country
- States & Federal government borrowed money to pay for Revolutionary War
- Paid for war by selling bonds

Bonds

- Certificate that promises to repay money loaned plus interest by a certain date
- Sold to investors for money loaned or to farmers/businesses for good or services provided
- If bond was sold to speculator the seller would only get part of the money, if they held on to it they would get all of it + interest

Speculators

- People who bought bonds from owners cheap
- Hope will get full value of bond later
- Usually purchased from desperate people who needed the money NOW and could not wait for bond to mature

Compound Interest Example: \$100 with 5% interest over 5 years

Year 1:

$$\$100 \times 5\% = \$5$$

$$\$100 + \$5 = \$105$$

Year 2:

$$\$105 \times 5\% = \$5.25$$

$$\$105 + \$5.25 = \$110.25$$

Year 3:

$$\$110.25 \times 5\% = \$5.51$$

$$\$110.25 + \$5.51 = \$115.76$$

Year 4:

$$\$115.76 \times 5\% = \$5.79$$

$$\$115.76 + \$5.79 = \$121.55$$

Year 5:

$$\$121.55 \times 5\% = \$6.08$$

$$\$121.55 + \$6.08 = \mathbf{\$127.63}$$

Interest

Amount of extra money you get
to let a bank or person borrow
your money

Based on a percentage and a
length of time

Simple Interest Example: \$100 with 5% interest over 5 years

Year 1:

$$\$100 \times 5\% = \$5$$

Year 2:

$$\$100 \times 5\% = \$5$$

Year 3:

$$\$100 \times 5\% = \$5$$

Year 4:

$$\$100 \times 5\% = \$5$$

Year 5:

$$\$100 \times 5\% = \$5$$

Total: \$125

Banks: State & National

- Bank: institution that holds money & lends money to people or groups

State Banks

- Loans and money used for individual states

National Bank

- Loans and money used for the whole country
- National bank gets money from taxes
- Prints money to pay bills
- Gives loans to farmers/business
- People make money & pay more taxes

Tariffs & Protective Tariff

Tariff

- Tax on goods brought into a country to be sold

Protective Tariff

- HIGH tax on goods brought into a country
- Tax is designed to help protect American businesses selling same item
- Sometimes only helps one section/region of country

Excise Tax

- Tax on production or sale of a specific product
- Usually to help raise funds for the state or country
- Can help or make people upset
- Example: Whiskey tax that started Whiskey Rebellion