



1 Washington's Presidency

TERMS & NAMES

inaugurate
Federal Judiciary Act
cabinet
tariff

MAIN IDEA

The president and the Congress began to set up the new government.

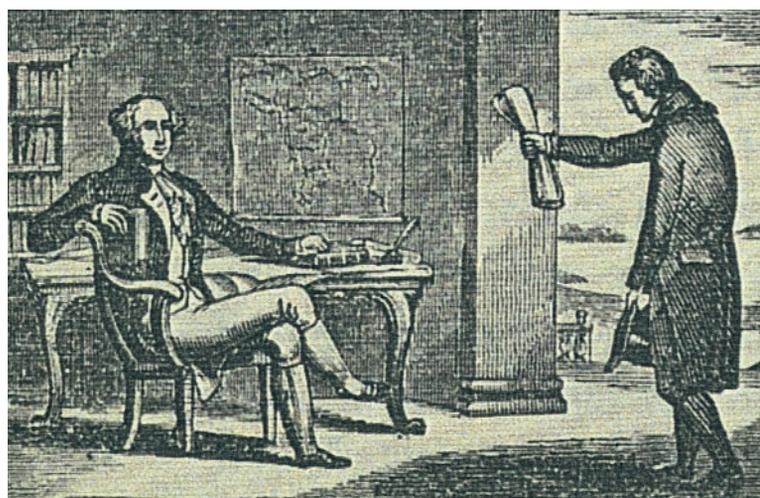
WHY IT MATTERS NOW

The strength of the U.S. today is due to the decisions of the Founders about how to organize the government.

ONE AMERICAN'S STORY

Charles Thomson had known George Washington for many years. Thomson had served as secretary of the Continental Congress when delegates from the colonies first met in Philadelphia in 1774.

Now, 15 years later, on April 14, 1789, he had a very different job to do. He had come to Mount Vernon in Virginia with a letter for George Washington. Washington knew the reason for the visit. Thomson's letter was to tell him that he had been elected the nation's first president. Before giving Washington the letter, Thomson made a short speech.



Charles Thomson delivers the letter to Washington announcing his election as president.

A VOICE FROM THE PAST

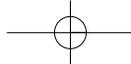
I have now Sir to inform you that . . . your patriotism and your readiness to sacrifice . . . private enjoyments to preserve the liberty and promote the happiness of your Country [convinced the Congress that you would accept] this important Office to which you are called not only by the unanimous votes of the Electors but by the voice of America.

Charles Thomson, quoted in Washington's Papers, Library of Congress

As you will read in this section, Washington accepted the honor and the burden of his new office. He guided the nation through its early years.

Washington Takes Office

Washington had been elected only a few months before. Each member of the electoral college had written down two names. The top vote-getter, Washington, became president. The runner-up, John Adams, became vice-president. Washington left Mount Vernon on April 16, 1789. He traveled north through Baltimore and Philadelphia to New York City, the nation's capital. On April 30 at Federal Hall, Washington was **inaugurated**, or sworn in, as president. John Adams of Massachusetts was his vice-president.



As the nation's first president, Washington faced a difficult task. He knew that all eyes would be on him. His every action as president would set a precedent—an example that would become standard practice. People argued over what to call him. Some, including John Adams, suggested “His Excellency” or “His Highness.” Others argued that such titles would suggest that he was a king. The debate tied up Congress for a month. Finally, “Mr. President” was agreed upon. Congress had to settle other differences about how the new government should be run.

Setting Up the Courts

The writers of the Constitution had left many matters to be decided by Congress. For example, the Constitution created a Supreme Court but left it to Congress to decide the number of justices. Leaders also argued about how much power the Supreme Court should have. One reason for disagreement was that the states already had their own courts. How would authority be divided between the state and federal courts?

To create a court system, Congress passed the **Federal Judiciary Act** of 1789. This act gave the Supreme Court six members: a chief justice, or judge, and five associate justices. Over time, that number has grown to nine. The act also provided for other lower, less powerful federal courts. Washington appointed John Jay, the prominent New York lawyer and diplomat, as chief justice.

ReadingHistory

A. Making Inferences Why were people so concerned about how to address the president?

Vocabulary

judiciary: system of courts and judges

Now and then

THE PRESIDENT'S CABINET

The president's cabinet has more than tripled in size since it began with the secretaries of state, war, and treasury, and the attorney general. As the nation has faced new challenges, the government has added new departments. In 1977, concerns about oil shortages led to the creation of the Department of Energy. The Department of Veterans' Affairs was added in 1989. Today the cabinet (Clinton's cabinet shown below) includes the heads of 14 departments.

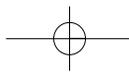
Washington's Cabinet

The Constitution also gave Congress the task of creating departments to help the president lead the nation. The president had the power to appoint the heads of these departments, who were to assist the president with the many issues and problems he had to face. These heads of departments became his **cabinet**.

The Congress created three departments. In his first major task as president, Washington chose talented people to run them. For secretary of war, he picked Henry Knox, a trusted general during the Revolution. It was Knox's job to oversee the nation's defenses. For secretary of state, Washington chose Thomas Jefferson. He had been serving as U.S. minister to France. The State Department oversaw relations between the

United States and other countries. Washington turned to the brilliant Alexander Hamilton to be the secretary of the treasury. Hamilton had to manage the government's money. The secretary's ties to the president began during the war when he had served as one of Washington's aides. To advise the





government on legal matters, Washington picked Edmund Randolph as attorney general.

These department heads and the attorney general made up Washington's cabinet. The Constitution made no mention of a cabinet. However, Washington began the practice of calling his department heads together to advise him.

Economic Problems

As secretary of the treasury, Alexander Hamilton faced the task of straightening out the nation's finances. First of all, the new government needed to pay its war debts. During the Revolution, the United States had borrowed millions of dollars from France, the Netherlands, and Spain. Within the United States, merchants and other private citizens had loaned money to the government. State governments also had wartime debts to pay back. By 1789, the national debt totaled more than \$52 million.

Most government leaders agreed that the nation must repay its debts to win the respect of both foreign nations and its own citizens. Hamilton saw that the new nation must assure other countries that it was responsible about money. These nations would do business with the United States if they saw that the country would pay its debts. If the nation failed to do so, no country would lend it money in the future.

Hamilton came up with a financial plan that reflected his belief in a strong central government. He thought the power of the national government should be stronger than that of the state governments. Hamilton also believed that government should encourage business and industry. He sought the support of the nation's wealthy merchants and manufacturers. He thought that the nation's prosperity depended on them. The government owed money to many of these rich men. By paying them back, Hamilton hoped to win their support for the new government.

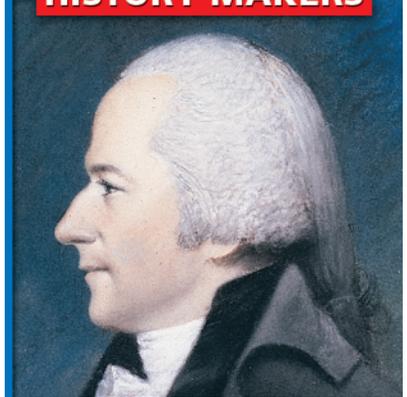
Hamilton's Financial Plan

In 1790, Hamilton presented his plan to Congress. He proposed three steps to improve the nation's finances.

1. paying off all war debts
2. raising government revenues
3. creating a national bank

Hamilton wanted the federal government to pay off the war debts of the states. However, sectional differences arose over repayment of state debts. Virginia, Georgia, and many other Southern states had already repaid their debts and did not like being asked to help Northern states pay theirs.

AMERICA'S HISTORY MAKERS



ALEXANDER HAMILTON

1755?–1804

Alexander Hamilton was born into poverty in the British West Indies. When he was ten years old, the young Alexander went to work as a clerk. He so impressed his employers that they helped to send him to school at King's College (now Columbia University) in New York.

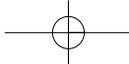
During the Revolutionary War, he became an aide to General Washington. Hamilton moved up quickly in the army and later in political life. Although of humble origins, Hamilton had little faith in the common people and put his trust in the wealthy and educated to govern.

Why is it odd that Hamilton distrusted the common people to govern?

Reading History

B. Making

Inferences Why might merchants and manufacturers support a strong central government?



Hamilton asked Thomas Jefferson of Virginia to help him gain Southern support. They reached a compromise. In exchange for Southern support of the plan, Northerners agreed to place the new nation's capital in the South. The location chosen was on the Potomac River between Virginia and Maryland.

The secretary of the treasury favored tariffs. A **tariff** is a tax on imported goods. It serves two purposes: raising money for the government and encouraging the growth of American industry. The government placed the highest tariffs on foreign goods—such as shoes and textiles—that Americans bought in great quantities. This ensured a steady flow of income to the government. In addition, since tariffs made foreign goods more expensive, they encouraged people to buy American goods.

Hamilton also called for the creation of a national bank. Such a bank would meet many needs. It would give the government a safe place to keep

Economics *in* History

How Banks Work

Why did Hamilton want to create a national bank? He believed that such a bank could help the economy of the new nation. It would create a partnership between the federal government and American business.

Let's say you deposited money into a bank account. Then you went back another day to withdraw some of the money. What happened in the meantime? Did the money just sit in the bank until you wanted it back? No—the bank used your money, and in doing so, helped fuel economic growth. In this way, money flows in a circular path from people like you into the general economy and back to you again. In the process, money can create goods and services, jobs, and profits, as the diagram explains.



CONNECT TO HISTORY

1. Analyzing Points of View

Do you think that the people who feared a strong central government supported Hamilton's idea of a national bank? Why or why not?

S See Skillbuilder Handbook, page R9.

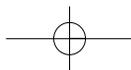
CONNECT TO TODAY

2. Making Inferences

How do banks make money?

For more about banking . . .





Vocabulary

currency: money

money. It would also make loans to businesses and government. Most important, it would issue bank notes—paper money that could be used as currency. Overall, Hamilton’s plan would strengthen the central government. However, this worried Jefferson and Madison.



Two of the first U.S. coins, 1792

Interpreting the Constitution

Jefferson and Madison believed that the Constitution discouraged the concentration of power in the federal government. The Constitution’s writers had tried to make the document general enough so that it would be flexible. As a result, disagreements sometimes arose over the document’s meaning.

The debate over Hamilton’s plan for a national bank exposed differences about how to interpret the Constitution. Madison and Jefferson argued that the Constitution did not give the government the power to set up a bank. They believed in the strict construction—narrow or strict interpretation—of the Constitution. They stated that the government has only those powers that the Constitution clearly says it has. Therefore, since the Constitution does not mention a national bank, the government cannot create one.

Hamilton disagreed. He favored a loose construction—broad or flexible interpretation—of the Constitution. Pointing to the elastic clause in the document, he argued that the bank was “necessary and proper” to carry out the government’s duties. (See *The Living Constitution*, page 238.) According to this view, when the Constitution grants a power to Congress, it also grants Congress the “necessary and proper” means to carry out that power. Jefferson and Hamilton argued their positions to Washington. Hamilton won, and the Bank of the United States was set up in 1791. The president, meanwhile, was dealing with other challenges at home and abroad, which you will read about in Section 2.

Reading History

C. Contrasting

What is the main difference between strict and loose interpretations of the Constitution?

Section 1 Assessment

1. Terms & Names

Explain the significance of:

- inaugurate
- Federal Judiciary Act
- cabinet
- tariff

2. Taking Notes

In a chart, list members of Washington’s cabinet and their responsibilities.

Cabinet member	Responsibilities

Which cabinet member had the greatest responsibilities? Explain.

3. Main Ideas

- What was the purpose of Washington’s cabinet?
- What economic problems did the new government face?
- How did Hamilton’s financial plan attempt to solve the nation’s economic problems?

4. Critical Thinking

Contrasting How did Hamilton and Jefferson differ in their interpretation of the Constitution?

THINK ABOUT

- views on the national bank
- views on the role of government

ACTIVITY OPTIONS

LANGUAGE ARTS

ART

Imagine you oppose or support Hamilton’s plan for the nation’s finances. Write a **letter to the editor** or draw a **political cartoon** expressing your opinion.