Chapter 8

Launching a New Nation 1789-1800

Washington Takes Office

SECTION 1

•	April 1789	the	
	capital at the time		
•	Inauguration		
			_)
•	Country was divided on many issues		
•	GW's example would set a precedent		
			_)

- The Executive Branch
 - The Constitution did little to describe exec. branch
 - 1789- executive branch was a little over 75 post offices, a few clerks, and 672 soldiers
 - Congress first passed laws to set up 3 departments in exec. branch-
 - each headed by a ______ appointed by president
 - president also appointed

issues to aid on legal

•	New	Appo	intees

 Department of Treasury- 	- founding father,
economic genius	
 Department of State- writing of the Declaration of Ind 	lependence
Department of Warformer general	_
Attorney General-	
Washington regularly met with the known as	these leaders- became -

- Establishing the Judiciary
 - Court of 6 justices
 - under Supreme Court was 3 circuit courts and 13 district courts
 - federal courts mostly courts of
 _____ from the states (aka appellate court)
 - first Chief Justice- _____ (NY)

The Nation's First Economic Crisis

_	Government s	still \$52	million i	n debt from	Revolution	ary
	War alone					•

•	mostly in bonds (
)

- Americans and foreigners had invested in bonds
- how would government pay it back?
- complicated- many original buyers had sold them to speculators
 (_________) for less than what they were worth
 - many thought it unfair that speculators would make money back when others had lost
- another issue- whether federal government should pay
- government had no money (GW had to pay for his own move to NYC)

Hamilton's Financial Plan

• T	hre 1.	e Parts: federal government would
	2.	The US government would charter a
	3.	federal government would impose a
 Paying the Debt 		
	_	AHam believed paying debts in full would
	_	south hated idea of federal government (many had
		already paid their debts)
	_	south only agreed to support debt payment plan if

Hamilton's Financial Plan

- A National Bank
 - debate wasn't so much about bank, but

 - strict interpretation vs loose interpretation (Article I
 Section 8- "
 - still a debate today
 - 1791- Congress approved and passed national bank

Hamilton's Financial Plan

A High Tariff

— a tariff () had two
pros-	for gov't and
	from
foreign companies	

- did not pass- blocked by South
 - argued a tariff would only benefit north where most industry was, South would end up just paying more

The Whiskey Rebellion

- many back country farmers made extra \$\$\$ by turning extra corn into whiskey
 - hated tax- compared it to Sugar Act and other British taxes
- 1794-_____
 - angry farmers burned home of tax collector and marched through Pittsburgh- became known as
- GW acted quickly- set 13k troops to Pittsburgh- rebels scattered
 - he later pardoned all leaders of rebellion