

# Washington's Presidency



# The Cabinet

The Constitution allowed the President to appoint officials in charge of executive departments, so Washington appointed Thomas Jefferson to be Secretary of State, Alexander Hamilton to be Secretary of the Treasury, and John Knox as Secretary of War.

The cabinet became an advisory board for the president.

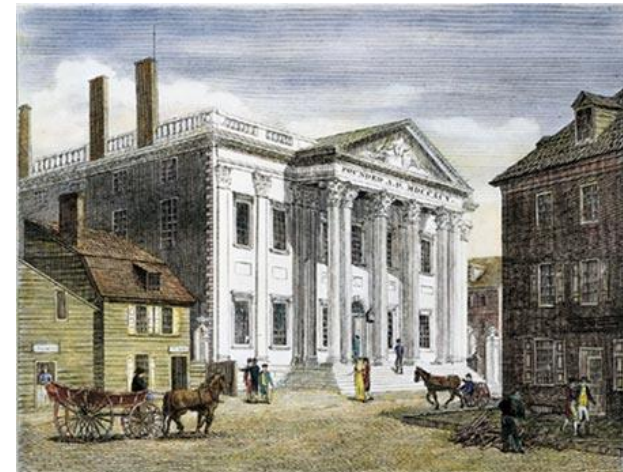
The cabinet was one of the important precedents set in Washington's presidency.



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# Hamilton's Economic Policy

Alexander Hamilton served as the nation's first Secretary of the Treasury under President George Washington. One of Hamilton's biggest challenges during this time was the large national debt accumulated during the Revolution. In 1790, Hamilton called on Congress to assume (buy up) the national and state debts by issuing new bonds to investors which the U.S. government would then repay with interest. He also pushed Congress to create the Bank of the United States and to place a protective tariff (tax) on certain imported items in order to raise revenue for the new U.S. government.



# Hamilton's Economic Policy



## The Problem!

The large national debt accumulated during the Revolution.

## The Solution!—"Hamilton's Economic Plan"

### Repay the Debt

Hamilton called on Congress to assume (buy up) the national and state debts by issuing new bonds to investors which the U.S. government would then repay with interest.

### Protective Tariff

(tax) on certain imported items in order to raise revenue for the new U.S. government.

### National Bank

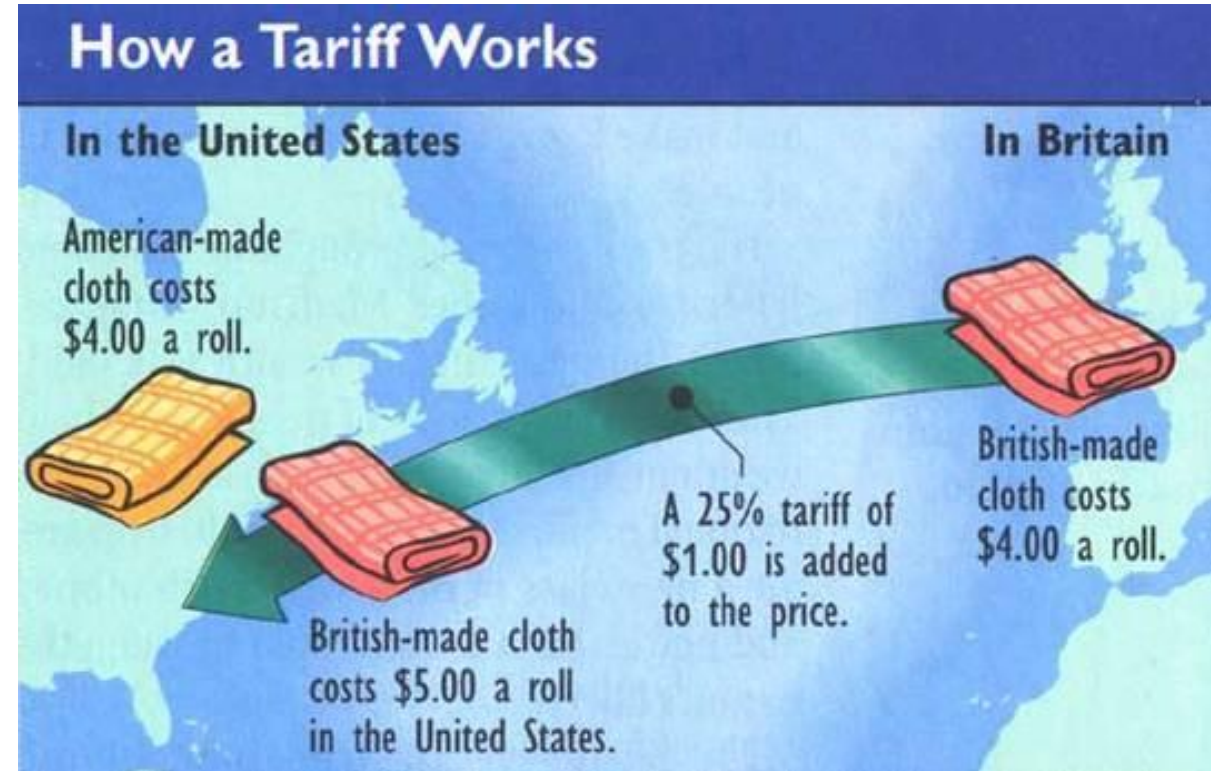
Bank for the U.S which would be a place to deposit taxes, provide a sound currency, and make loans to the national government.

### Whiskey Tax

Tax on whiskey to raise money from Western farmers.

# Protective Tariff

Part of Hamilton's economic policy, it was to be a high tariff (tax) on imported foreign goods. This would protect American industries from foreign competition.



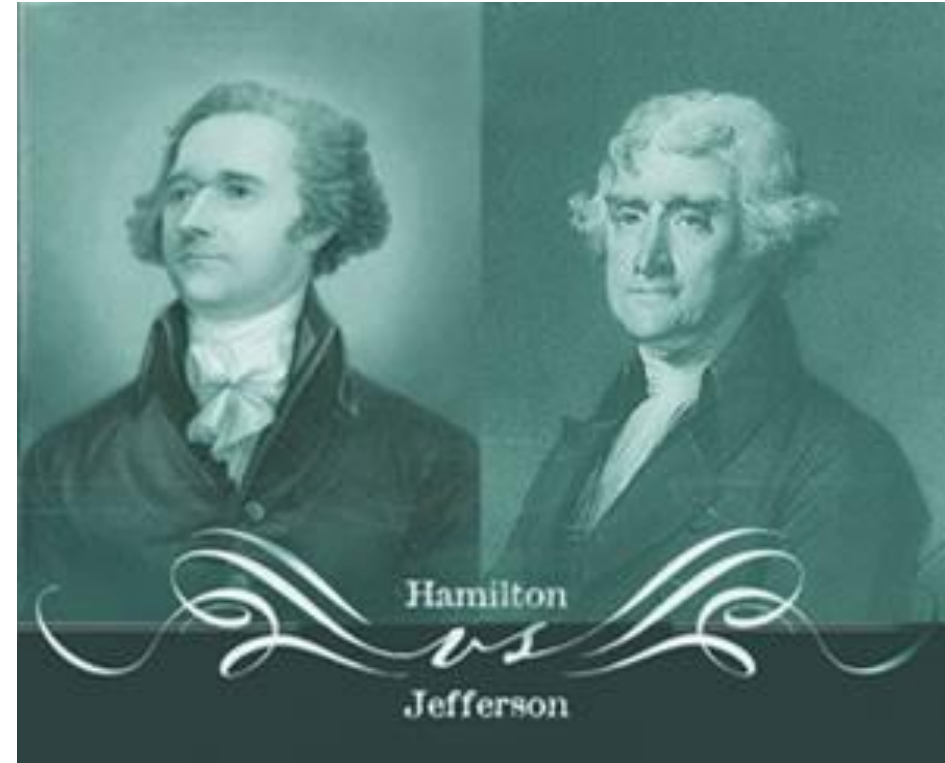
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# Rise of Political Parties

Hamilton's plan was strongly opposed by Thomas Jefferson and James Madison. They, and their followers, felt that the Constitution did not give the federal government the authority to create a national bank.

Supporters of Hamilton's plan included John Adams and George Washington. The supporters felt that the Elastic Clause of the Constitution did give the government the authority to create a national bank.

This disagreement led to the formation of America's first political parties (associations that try to elect their members to government offices so that they will pass laws favorable to their ideas).



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# Whiskey Rebellion

In 1794, Pennsylvania farmers took up arms in rebellion against tax collectors because they were angry about taxes on whiskey. Part of the farmers' income came from selling whiskey distilled from corn. President George Washington put on his old military uniform and with Alexander Hamilton led 13,000 federal militia troops to put down the rebellion. When the farmers heard about this, they fled.

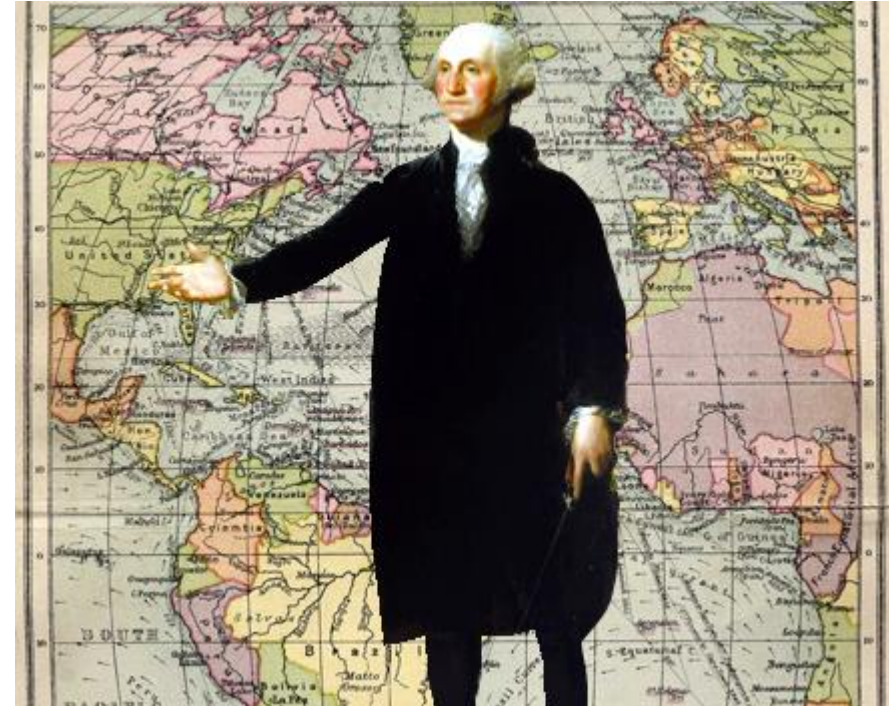
Many Americans saw the Whiskey Rebellion as a test of the government's strength under the new Constitution. The federal government proved that it would be able to face a crisis and that it would not tolerate violent uprisings



# Proclamation of Neutrality

Washington believed America should not get involved in foreign conflicts. This excerpt from his Proclamation of Neutrality outlines this position:

“It appears that a state of war exists between Austria, Prussia, Sardinia, Great Britain, and the Netherland on the one part, and France on the other. The duty and interest of the United States require that they should adopt a conduct friendly and impartial toward the [warring] powers. I have thought fit to declare the position of the United States to observe a conduct towards those powers respectfully; and warn our citizens to avoid all acts which may in any manner tend to [go against] this position.”





# Farewell Address

Foreign policy is the way that one country chooses to deal with other countries. George Washington had to deal with many foreign policy issues during his presidency, including increasing conflicts in Europe. He issued the Neutrality Proclamation in 1793 which made it clear that America would not take sides in the war between Britain and France.

In 1796 Washington left office after two terms and issued a Farewell Address with two warnings for Americans. First, he strongly advised the country to stay out of foreign conflicts and remain neutral. Second, he warned of the dangers of political parties and the division they would create within the country.

