

The Presidency of George Washington (1789 – 1797)

1. Washington Wins the Presidency
 - A. George Washington was unanimously elected as President by the Electoral College in 1789
 - B. He took the oath of office on April 30, 1789
 - C. He established the cabinet.
 - i. Secretary of State Thomas Jefferson
 - ii. Secretary of the Treasury Alexander Hamilton
 - iii. Secretary of War Henry Knox

2. The Bill of Rights
 - A. James Madison wrote the Bill of Right
 - B. Got them passed by Congress in 1791

3. The Court is Established
 - A. Judiciary Act of 1789
 - i. Defined the Supreme Court
 - ii. A chief justice and five associates
 - iii. Established federal district and circuit courts
 - iv. Established the office of attorney general
 1. Attorney General Edmund Randolph
 - B. John Jay became the first Chief Justice.

4. Hamilton's Economic Plan
 - A. Federalist
 - B. Needed to build national pride & strengthen the federal government
 - C. Creates a series of Reports to Congress
 - D. Report on Manufacturing
 - i. Hamilton called for economic independence through industrialization
 - ii. Jefferson wanted an agrarian society
 - E. Report on Public Credit
 - i. US Debt = \$54 Million
 1. \$42 domestic
 2. \$12 foreign
 - ii. Hamilton wants to
 1. Strengthen Credit
 2. Defer payment of debt
 3. Entice upper class investment
 - iii. Fund the Debt
 1. Raise \$54 Million to honor the debt by selling securities (federal stock & western land)
 2. Sell western land to pay off \$12 million debt to Europe

3. Don't repay debt! Just pay interest to those holding bonds as investment; therefore burden on taxpayers is small amount of annual interest.
4. Never pay off debt.
5. Problem:
 - a. Favors the wealthy elite class.
 - b. 3/5's sold debt certificates at lower prices out of necessity
 - c. Wealthy bought them and now are prospering
 - d. Madison now opposes
- iv. Pay off State Debts
 1. Funded same as Federal Debt
 2. Failure of states to pay would undermine US credit overseas
 3. This would unite the states & strengthen central government
 4. States' citizens wouldn't have a tax burden of paying back loans
 5. Problem:
 - a. States in the south (except for SC) repaid 83% of their debt and thus opposed Hamilton's plan.
 - b. VA comes on board when Hamilton offers a deal.
 - c. The South then approves.
- v. Results
 1. Plan was great for US economic standing in the world
 2. Bonds sold for 10% above face value – interest was guaranteed
- F. Report on the National Bank
 - i. Create a National Bank of the USA
 - ii. Offer public shares totaling \$10 Million
 - iii. Treasury would own 1/5 stock
 - iv. Public would own 4/5 stock
 1. Could pay for 3/4 of stock price in government bonds.
 2. Bank would get part of the funded debt & use it to loan \$ and receive constant \$ through interest on bonds.
 - v. Regulate State Banks
 - vi. Passage Through Congress & Washington's support
 1. How do Federalists view the Constitution?
 2. How do Anti-Federalists view the Constitution?
 3. Is the Bank of the US constitutional?
- G. Other Economic Policies
 - i. Tariffs on imports & reduced duties on goods imported into the US on American ships.
 - ii. Subsidies for New England fishermen & whalers
 - iii. All steps to improve economy & US businesses
 - iv. Thus strengthening bank & businesses it has loaned \$ to

- H. Whiskey Rebellion – July 1794
 - i. Farmers in Western Penn. Couldn't sell crops
 - ii. Cut off by Appalachian Mts. & Spain controlled New Orleans
 - iii. Distilled corn & rye into liquor
 - iv. Reduced size of crops, enhancing its value & made transportation across Mts. Possible
 - v. Hamilton taxed whiskey 25%
 - vi. Erased farmers profit
 - vii. If you evaded tax, farmer had to go to Philly at own expense for trial
 - viii. Tax not evenly enforced in all areas.
 - ix. Farmers rioted & defied law, burned buildings called for secession
 - x. Washington – order militias from PA, MD, VA & NJ
 - xi. 13,000 troops squashed rebellion
 - xii. 150 arrested, 2 convicted treason (both pardoned)
 - xiii. Significance: Federal Law will be obeyed & violent protests won't be tolerated

5. The Emergence of Political Parties

- A. Political parties had not existed in America when Washington took office
- B. Personal feud between Thomas Jefferson and Alexander Hamilton developed into a full-blown and bitter political rivalry
- C. Jefferson and Madison
 - i. organized their opposition to the Hamiltonian program
 - ii. confined opposition to Congress
 - iii. this organized opposition grew
 - iv. the two-party system emerged
- D. Washington's first administration had ended in 1793
 - i. a formation of two political groups had ensued:
 - 1. Jeffersonian Democratic-Republicans
 - 2. Hamilton Federalists.

6. The Impact of the French Rebellion

- A. The French Revolution began in 1789
- B. It began peacefully but entered a violent phase when France declared war on Austria in 1792.
- C. Things get worse when:
 - i. King Louis XVI was beheaded in 1793
 - ii. the church was attacked
 - iii. the head-rolling Reign of Terror began
- D. The Federalists supported the revolution but that view suddenly changed with the Terror

7. Washington's Neutrality Proclamation

- A. Britain and France at war (again)
- B. Democratic-Republicans wanted to get into involved to fight for France

- C. The Federalists were opposed
- D. Washington issued the Neutrality Proclamation of 1793
 - i. stating the US was neutral in the Britain-France war
- E. Hamilton backed Washington

8. Conflicts with Britain post Revolution

- A. British had retained the frontier posts on U.S. soil
 - i. in defiance of the peace treaty of 1783
 - ii. UK did not want to abandon the valuable fur trade in the Great Lakes region
 - iii. British agents openly sold firearms to the Miami Confederacy
 - 1. an alliance of 8 Indian nations who terrorized Americans
- B. Jeffersonians felt that American should again fight Britain in defense of America's liberties
- C. The Federalists opposed this action because Hamilton's hopes for economic development depended on trade with Britain
- D. Jay's Treaty of 1794
 - i. A last attempt to avoid war
 - ii. Washington sent Chief Justice John Jay to London to negotiate
 - iii. Opposed by Democratic-Republicans
 - iv. Jay's Treaty:
 - 1. British promised to evacuate the chain of posts on U.S. soil
 - 2. pay for damages for the seizures of American ships
 - 3. Britain stopped short of pledging anything about future maritime seizures or about supplying arms to Indians
 - 4. Treaty also called for the US to continue to pay the debts owed to British merchants on pre-Revolutionary War accounts
- E. Pinckney's Treaty of 1795
 - i. Caused by Jay's Treaty
 - 1. Spain, which feared an Anglo-American alliance
 - 2. strikes a deal with the US
 - ii. Pinckney's Treaty
 - 1. Spain granted the Americans free navigation of the Mississippi River
 - 2. US gets large disputed territory north of Florida
- F. Washington Leaves Office in 1797
 - i. Serves 2 terms and sets precedent
 - ii. In his Farewell Address to the nation, Washington urged against permanent alliances

The Presidency of John Adams (1797 – 1801)

- 1. The Election of 1796
 - A. John Adams beat Thomas Jefferson
 - i. becomes the 2nd President in 1797

- ii. Jefferson becomes Vice President
 - B. Hamilton became the leader of the Federalist Party
 - i. known as the "High Federalists"
- 2. Unofficial Fighting with France
 - A. France was upset with Jay's Treaty
 - B. France started capturing American merchant ships
 - C. The XYZ Affair
 - i. President Adams sent John Marshall to France to negotiate in 1797
 - ii. Napoleon Bonaparte was the dictator of France
 - iii. US hoped to meet with Talleyrand, the French foreign minister
 - iv. Adams's envoy was secretly approached by 3 go-betweens
 - 1. Later referred to as X, Y, and Z
 - 2. Mme de Villette, Jean Conrad Hottinguer, Lucien Hauteral
 - v. XYZ demanded a bribe of \$250,000 just to talk to Talleyrand
 - vi. US angered by the intolerable terms
 - vii. Marshall and the envoy returned to the US
 - D. Results of XYZ Affair
 - i. US infuriated with the France
 - ii. High Federalists demand war
 - iii. America began preparations for war:
 - 1. the Navy Department was created
 - 2. the three-ship navy was expanded
 - 3. the United States Marine Corps was reestablished
 - E. Adams's Response
 - i. France did not want another enemy
 - ii. if the Americans sent another negotiator minister, he would be received with proper respect
 - iii. Convention of 1800
 - 1. Napoleon signed with American representative John Jay
 - 2. It annulled the peace treaty between France and America
 - 3. called for France to pay the damage claims of American shippers
- 3. The Alien & Sedition Acts
 - A. Federalist Congress passed a series of oppressive laws
 - i. aimed at "aliens" or foreigners who came to America and supported Jefferson.
 - ii. In order to decrease the number of pro-Jeffersonians,
 - B. These *Alien Laws*
 - i. raised the residence requirements for aliens who desired to become citizens from 5 years to 14 years
 - ii. Also stated that the President could deport or jail foreigners in times of peace or hostilities
 - C. The *Sedition Act*

- i. stated that anyone who impeded the policies of the government or falsely defamed its officials would be liable to a heavy fine and imprisonment
 - D. Response: The Virginia (Madison) and Kentucky (Jefferson) Resolutions
 - i. States had the right to nullify laws created by the government
 - ii. States Rights doctrines
 - iii. Virtually no other state followed these two states' resolutions
- 4. Federalists versus Democratic-Republicans
 - A. Hamilton Federalists
 - i. supported a strong central government
 - ii. believed that the government should support private enterprise, not interfere with it
 - iii. supported the British
 - B. Jeffersonian Anti-Federalists supported
 - i. a weak central government
 - ii. states' rights