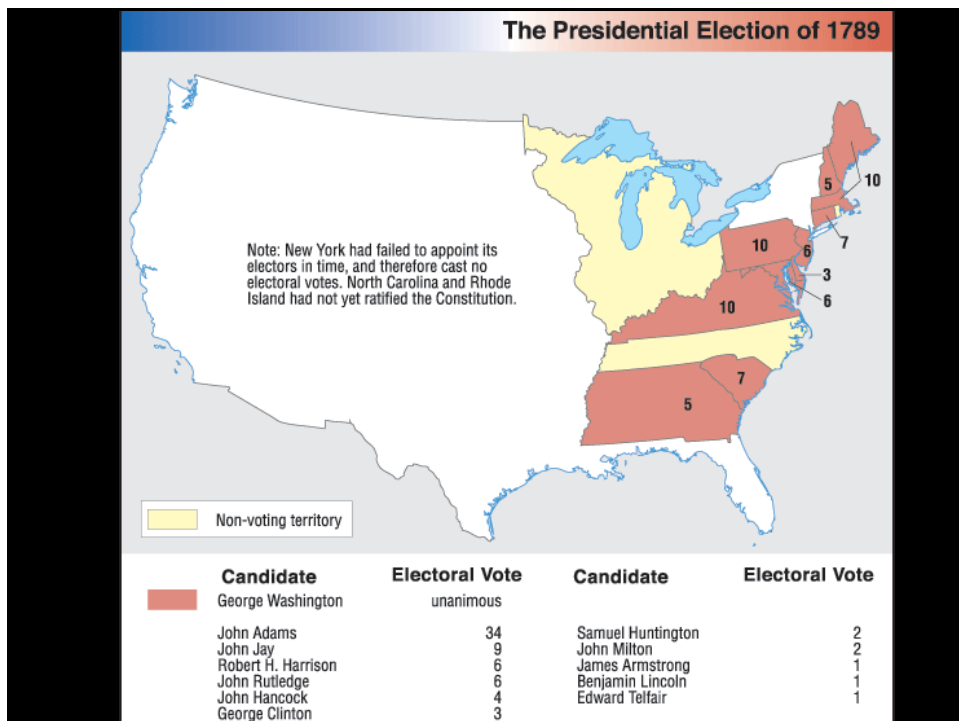


## Unit 2B Part 1: Washington and the First Two Political Parties

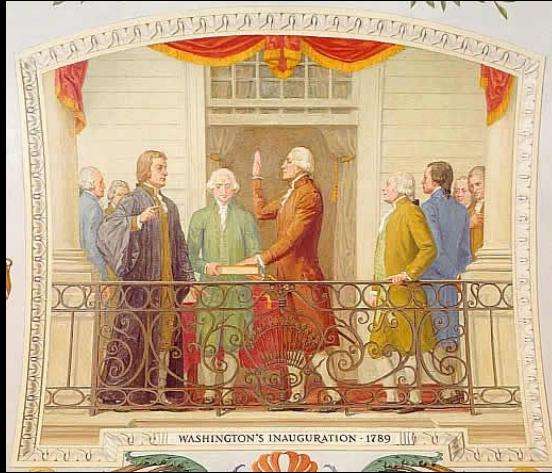


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- Congress wasted 3 weeks debating what to call the president.
  - Senate recommended: **“His Highness, the President of the United States and Protector of the Rights of the Same.”**
  - Washington preferred **“His Mightiness”**
  - Others wanted **“His Elective Highness”** or **“His Excellency”**
  - No one could agree, so Washington was just called Mr. President



3

## Judiciary Act of 1789

- Set up Judicial Branch
  - Supreme Court with 5 associate justices and 1 chief justice
  - Federal Court system
  - Cases could be appealed from states to federal courts



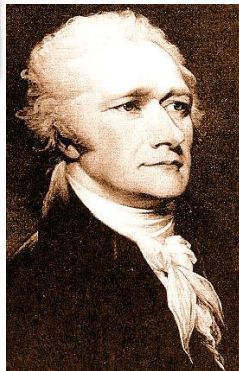
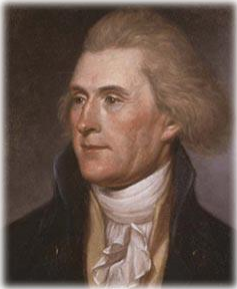
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## Washington's Administration



- Washington establishes his first precedent by forming a cabinet of advisors.
  - Like officers in the Continental Army

5



## First Cabinet

- Secretary of State
  - Thomas Jefferson
  - Manages foreign affairs
- Secretary of Treasury
  - Alexander Hamilton
  - Manages finances
- Vice President
  - John Adams
  - Replacement; also breaks ties in Senate

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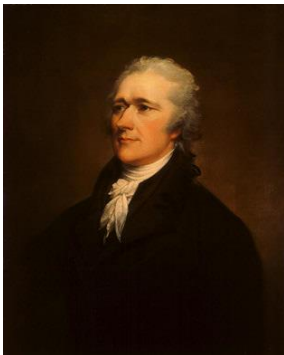
## Jefferson vs. Hamilton



- VA planter, well educated, born into wealth
- Despised British (many planters owed debts to British, and they had taken some of his slaves during Revolution)
- Venerated common man, simple life, and enlightenment values, but lived in a mansion with fine French furniture, wine & hundreds of books
- Ambassador to France during Confederation era, uncertain about Constitution
- Owned hundreds of slaves, kept one as a mistress. They were sold off to pay his debts after death
- Born in St. Croix in the Caribbean
- Called "whore child"; Father left when he was 10, Mother died at 12, Cousin took over but killed himself with either a gun or knife, then aunt, uncle, & grandmother all died
- Self educated, eventually proved himself & was sent to America for education right before Revolution
- Served as artillery officer & Washington's secretary during Revolution, gained fame for leading a light infantry regiment at Yorktown
- Brilliant writer & critic, made many enemies,

7

## Hamilton's plan to deal with debt



- Report on the Public Credit
  1. Pay bondholders what they are owed (face value), not current value of bonds – good for bankers & economy, bad for veterans
    - Imagine a piece of paper that says "the owner of this will get an A on the next test." What would it sell for? What would it sell for if I quit PCHS?
  - Most veterans had sold their government bonds to speculators
    - They figured government would never pay them what they were owed, & if they sold them to speculators they'd get something rather than nothing
- 2. Feds assume state debts to create one national debt
  - This would attach the creditors to the nation, not the states.
  - The South hates this – they don't have as many debts...why pay taxes to fund debts of northern states?

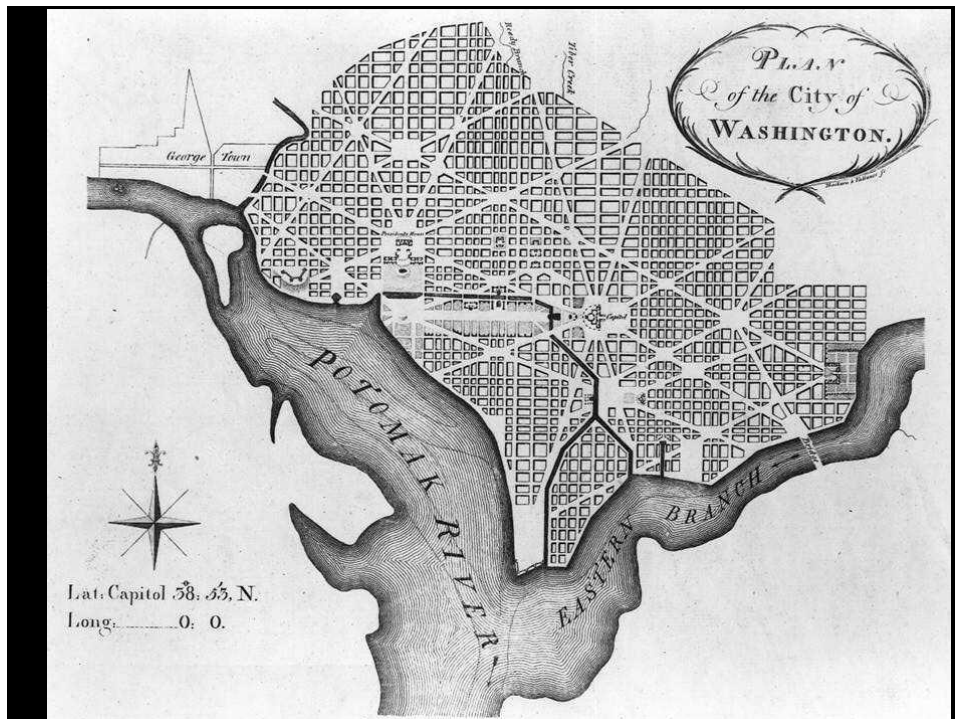
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### 3. Bank of the United States



- A national bank to manage finances will stabilize currency and economy
- Jefferson opposes it
  - no mention of a bank in the Constitution.
- Hamilton cites **necessary & proper clause**
  - A.k.a. implied powers or elastic clause
  - Constitution says Congress can “...make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers.”
  - Solved (according to legend) by a dinner party bargain
- South agrees to bank, new capital moved to South.
  - Compromise of 1790

9



10

## Strict vs. Loose Construction of the Constitution

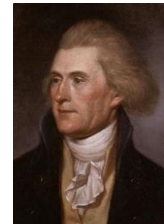
- **Strict Interpretation**
  - Feds can only do what is written in Constitution
  - Limits power
- **Loose Interpretation**
  - Feds have power unless the Constitution expressly forbids it
  - Expands power
- This issue (and the French Revolution) leads to the first two political parties.



11



## The First Two Political Parties

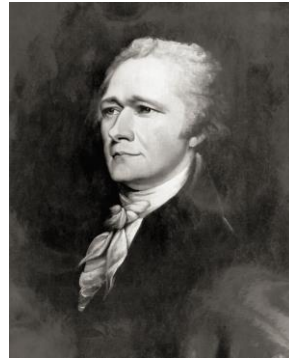


- **Hamilton's supporters known as Federalists**
  - Want diversified economy (banks, shipping, manufacturing)
  - Support strong national government (loose interpretation)
  - Tend to distrust the common people
  - Want good relations with Great Britain
  - Base of support in New England
- **Jefferson's supporters known as Democratic-Republicans**
  - Want agrarian nation of farmers – not cities or manufacturing
  - Support strong state governments (strict interpretation)
  - Tend to distrust the national government and prefer rule by the common people.
  - Want good relations with France.
  - Base of support in the South and West.

12

## Washington sides with Hamilton

- U.S. economy becomes more stable
  - Hamilton supported raising taxes to raise revenue
  - Before 20<sup>th</sup> century, our government got money two ways
    1. Tariff □ Tax on imported goods.
      - Most goods imported from British (so U.S. depends on their trade)
      - Also encourages Americans to buy American goods – good for industry.
    2. Sale of western land
      - Hamilton also wants a tax on whiskey (an excise tax)



13

## Whiskey Rebellion

- Farmers didn't like taxes
  - Refused to pay
  - Beat up federal marshals
- Washington sees a threat and an opportunity....
  - Calls out 13,000 militia and leads them personally to collect taxes from Pennsylvania.



14

Rebellion was crushed,  
demonstrating the power of the  
new federal government

