
The First President

Washington
Takes Office

Chapter 10 | Lesson 1



When we last left the Thirteen Colonies, the colonists had:

1. **1776:** Declared their independence from Britain.
(Document?)
2. **1783:** Defeated Britain in the Revolutionary War
to become the United States of America.
(Treaty?)
3. **1787:** Created a Constitution to establish a
framework for our federal government.
(Replacing what?)



BARON STEUBEN. GOV. ARTHUR ST. CLAIR. SECRETARY SAMUEL A. OTIS. ROGER SHERMAN. GOV. GEORGE CLINTON.
CHANCELLOR ROBERT R. LIVINGSTON. GEORGE WASHINGTON. JOHN ADAMS. GEN'L HENRY KNOX.

WASHINGTON TAKING THE OATH AS PRESIDENT,

APRIL 30, 1789, ON THE SITE OF THE PRESENT TREASURY BUILDING, WALL STREET, NEW YORK CITY.

CEN Apr 1889

George Washington

was inaugurated in

New York City

on 30 April 1789.

Witnesses noticed that Washington looked “grave, almost to sadness” as he felt a great burden.

Washington would set many precedents as president...

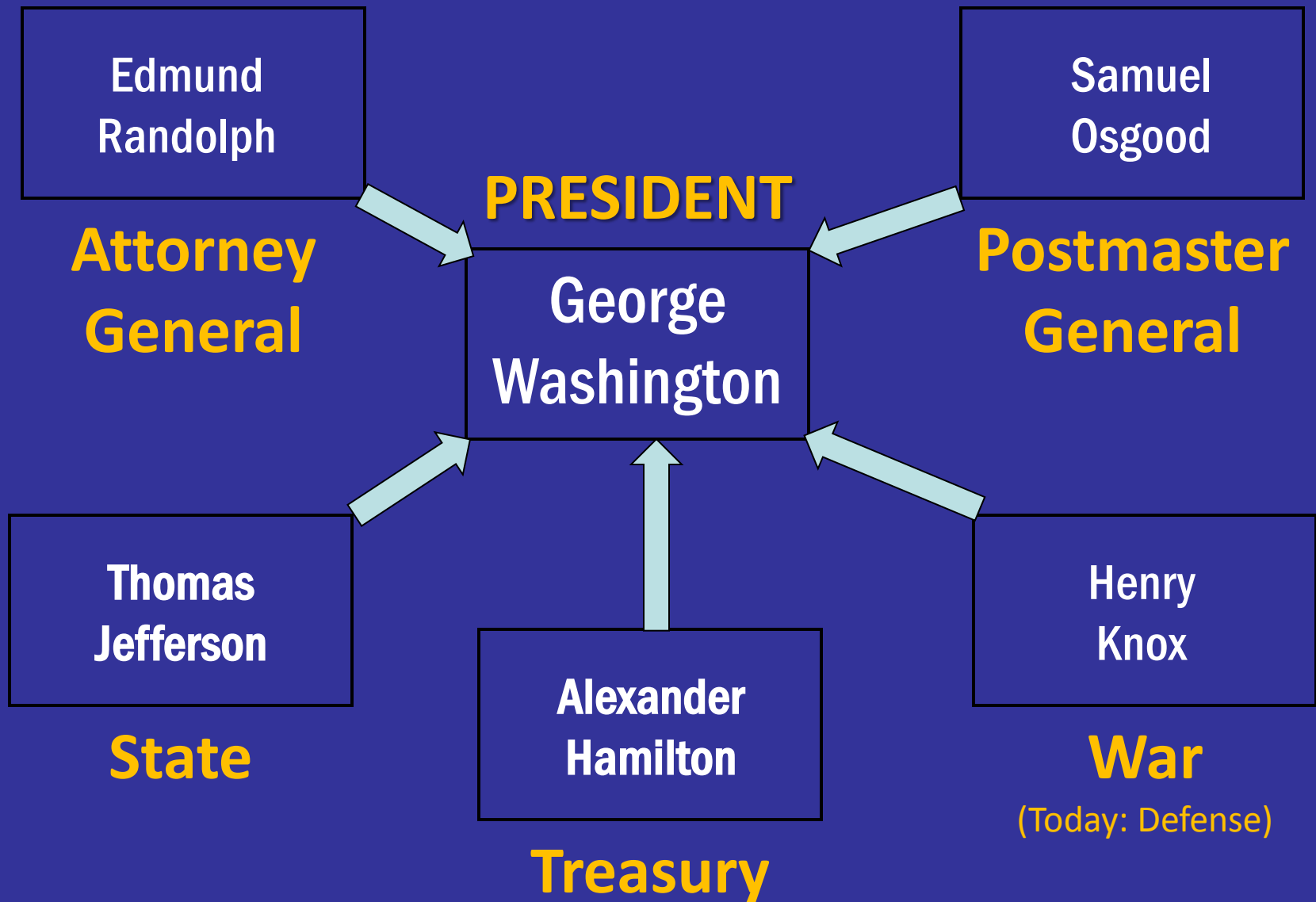
Washington set an important precedent at the end of his second term...

In 1796, he decided NOT to run for a third term as President.

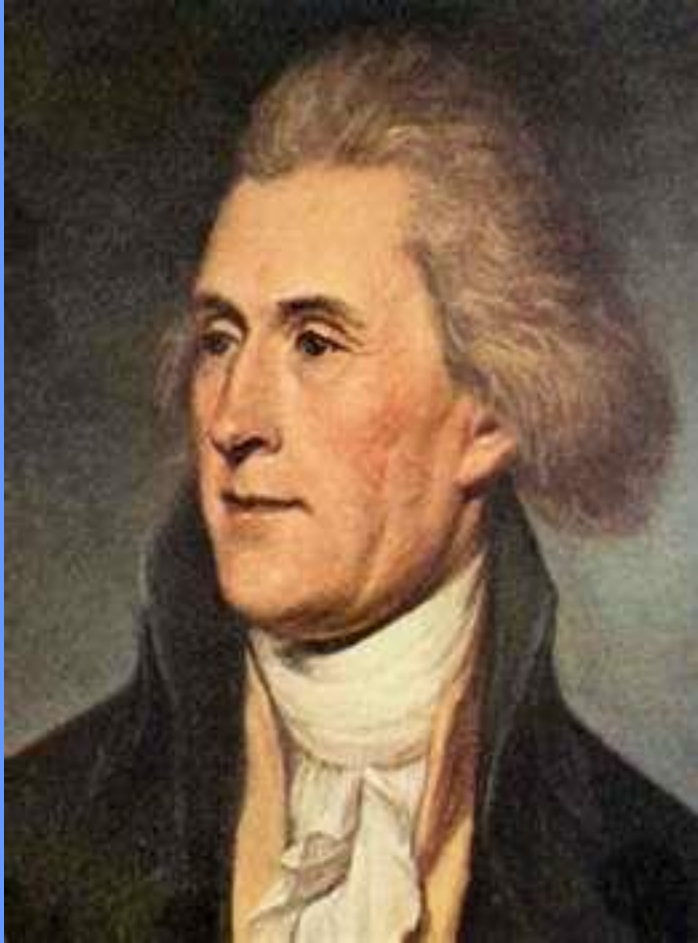
*Not until 1940 did any President seek a third term of office. **Franklin D. Roosevelt (FDR)** was elected four times—in 1932, 1936, 1940, and finally in 1944!!*



One of his first precedents was to create a Cabinet with well-known leaders to serve the new country:

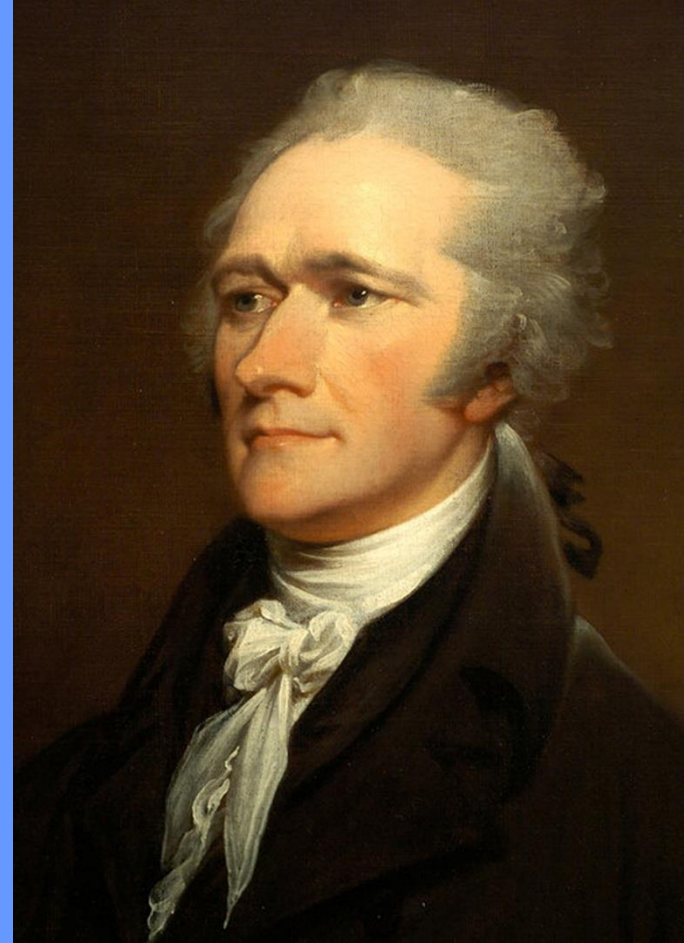


Thomas Jefferson and **Alexander Hamilton**
were the most influential Cabinet members...



Thomas Jefferson

Secretary of State



Alexander Hamilton

Secretary of the Treasury

**The President's Cabinet has grown from
5 members in 1789 to 21 members in 2015...**



President Obama (with Vice President Biden) and his Cabinet in 2009

Three facts about the
Judicial Branch...

**1. Congress passed the
Judiciary Act in 1789 creating a
federal court system.**

**2. John Jay was the first Chief
Justice of the Supreme Court.**

Lower district courts and
circuit courts could have their
decisions appealed to the

**3. Supreme Court—the
highest court in the land.**



John Jay

Leading Federalist, abolitionist, and
co-author of *The Federalist Papers*

As Secretary of the Treasury, Hamilton's biggest problem was the large national debt, the total amount of money the U.S. owed to others...

Amount of money
it cost to run
United States
Government
(1789-1791)



\$4,269,000

Amount of money the
United States owed



\$77,228,000

Total income the
United States
received
(1789-1791)



\$4,419,000

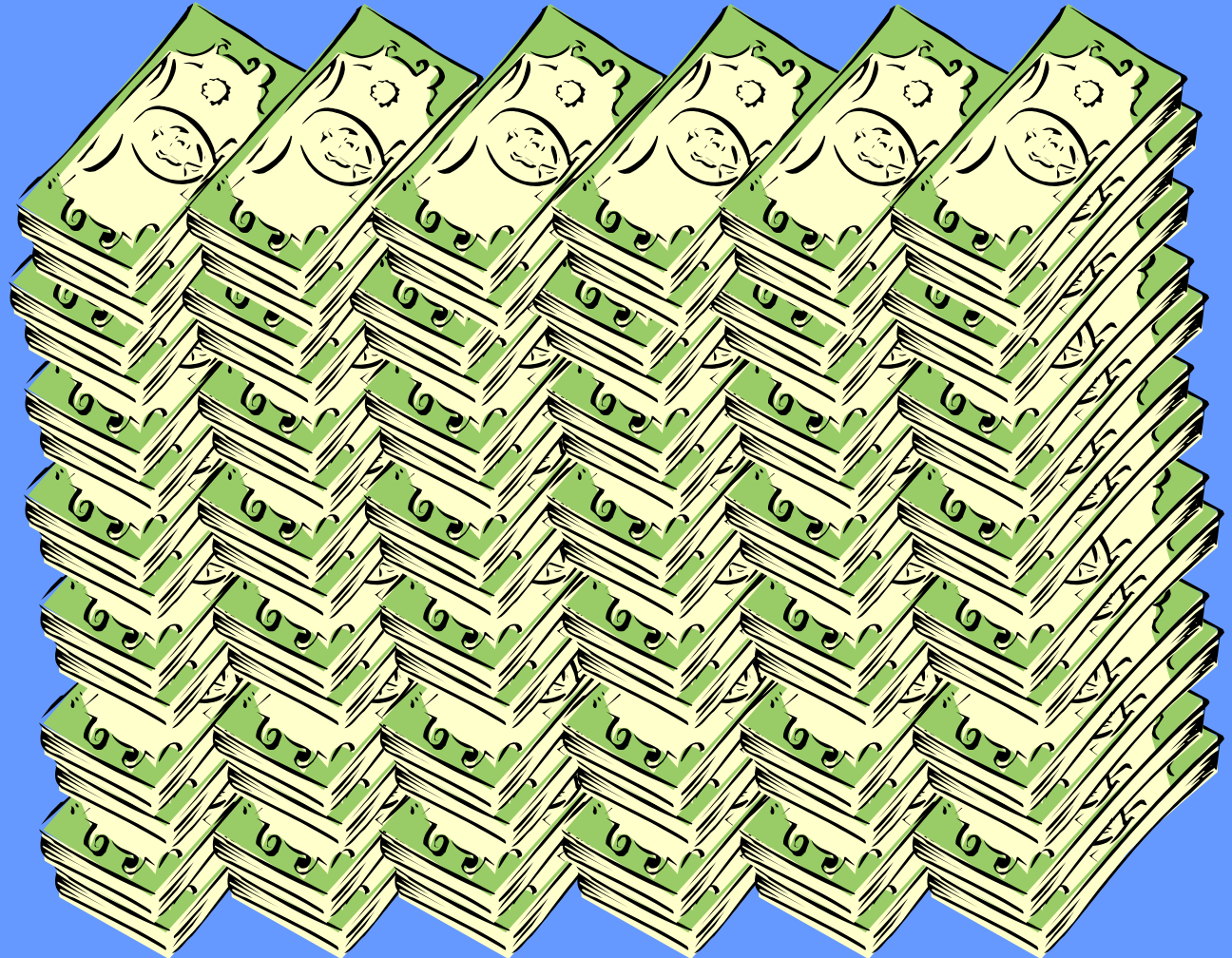
Total U.S. debt = \$81,497,000

How does the debt of 1791 compare to our current debt?

2016 Debt is
230,683
times
larger than
the 1791 Debt



U.S. Debt in 1791:
\$81,497,000



U.S. National Debt in 2016:
\$18,800,000,000,000+

How does the debt of 1791 compare to our current debt?

[SNAPSHOT OF USDEBTCLOCK.ORG | AS OF 12 JANUARY 2016 AT 8:00 A.M.]



US Debt Clock.org

GET iPhone App

Debt Clock Time Machine

State Debt Clocks World Debt Clocks

US NATIONAL DEBT

\$18,852,345,295,400 DEBT PER CITIZEN **\$58,401** DEBT PER TAXPAYER **\$157,490**

US FEDERAL TAX REVENUE **↑80%** **\$3,304,147,164,889** REVENUE PER CITIZEN **\$10,237**
 INCOME TAX REVENUE **\$1,575,396,392,878** PAYROLL TAX REVENUE **\$1,075,627,818,865** CORPORATE TAX REVENUE **\$375,467,600,869**

US FEDERAL SPENDING **↑119%** **\$3,748,075,956,898** US FEDERAL BUDGET DEFICIT **\$443,928,792,009**
 TOTAL STATE REVENUE **\$1,692,211,630,980** LOCAL REVENUE **\$1,225,029,100,809** REVENUE PER CITIZEN **\$9,038**
 STATE DEBT **\$1,161,821,671,201** LOCAL DEBT **\$1,929,425,706,494**

Largest Budget Items
 MEDICARE/MEDICAID **\$1,012,220,033,72** SOCIAL SECURITY **\$890,495,134,291** DEFENSE/WAR **\$584,132,684,573**
 INCOME SECURITY **\$303,767,511,419** NET INTEREST ON DEBT **\$230,176,359,153** FEDERAL PENSIONS **\$257,946,594,001**

US GROSS DOMESTIC PRODUCT **↑99%** **\$18,192,887,167,462** TOTAL FEDERAL/STATE/LOCAL SPENDING **\$6,399,220,913,421**

GROSS DEBT TO GDP RATIO **103.6437110%** REVENUE TO GDP RATIO **34.1968818%** SPENDING TO GDP RATIO **35.1180169%**

US POPULATION **322,818,431** US WORK FORCE NOW **149,599,925** OFFICIAL UNEMPLOYED **7,805,401**

US INCOME TAXPAYERS **119,695,489** US WORK FORCE 2000* **154,503,481** ACTUAL UNEMPLOYED **15,310,875**

PRIVATE SECTOR JOBS **117,448,661** NOT IN LABOR FORCE NOW **94,678,560** FULL-TIME WORKERS **122,319,441**

SELF-EMPLOYED **8,578,602** NOT IN LABOR FORCE 2000* **78,985,910** PART-TIME WORKERS **27,281,375**

UNION WORKERS **14,959,992** MEDIAN INCOME NOW **\$29,102** MEDIAN NEW HOME NOW **\$293,936**

GOVERNMENT EMPLOYEES **23,887,913** MEDIAN INCOME 2000* **\$28,131** MEDIAN NEW HOME 2000 **\$161,248**

MANUFACTURING JOBS NOW **12,336,472** BANKRUPTCIES **1,044,819** PRISON INMATES **1,936,397**

MANUFACTURING JOBS 2000* **19,648,274** FORECLOSURES **639,931** CONVICTED FELONS **6,653,111**

US RETIREES **49,245,457** US VETERANS **21,196,888** PUBLIC SCHOOL STUDENTS **50,103,117**

US DISABLED **10,812,748** US ARMED FORCES **1,354,471** CHARTER SCHOOL STUDENTS **3,454,835**

LIVING IN POVERTY **46,222,403** MEDICARE ENROLLEES **56,634,659** FOOD STAMP RECIPIENTS **45,119,677**

WITHOUT INSURANCE **41,117,113** MEDICAID RECIPIENTS **72,460,254** TOTAL RECEIVING BENEFITS **160,869,619**

US TOTAL INTEREST PAID **\$2,402,296,781,418** INTEREST PER CITIZEN **\$7,443** US TOTAL DEBT **↑154%** **\$64,573,059,142,121** TOTAL DEBT PER CITIZEN **\$200,023** TOTAL DEBT PER FAMILY **\$790,561** SAVINGS PER FAMILY **\$8,988**

TOTAL PERSONAL DEBT **↑125%** **\$17,377,648,370,210** MORTGAGE DEBT **\$13,827,290,354,627** STUDENT LOAN DEBT **\$1,326,320,033,724** CREDIT CARD DEBT **\$924,074,475,197** PERSONAL DEBT PER CIT. **\$53,826**

Money Creation

MONETARY BASE 2016 **↑562%** **\$4,027,102,881,449** M2 MONEY SUPPLY 2016 **↑164%** **\$12,378,810,755,349** TREASURY SECURITIES 2016 **↑388%** **\$478,262,450,418** CURRENCY AND CREDIT DERIVATIVES 2016 **↑446%** **\$479,416,740,323,310**

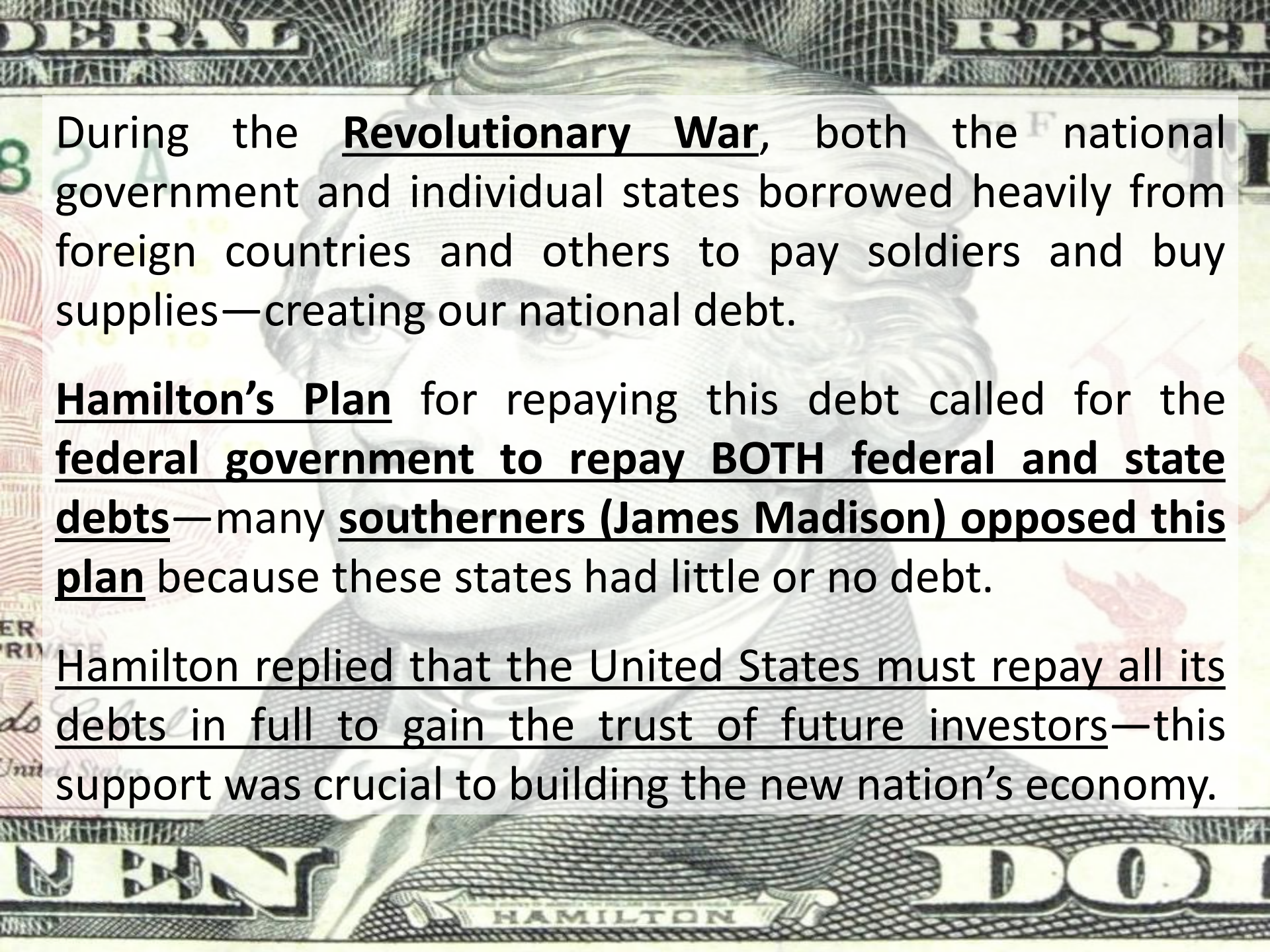
MONETARY BASE 2000 **\$608,365,822,818** M2 MONEY SUPPLY 2000 **\$4,668,883,717,491** TREASURY SECURITIES 2000 **\$97,344,623,460** CURRENCY AND CREDIT DERIVATIVES 2000 **\$88,382,595,009,803**

Trade Numbers

US DEBT HELD BY FOREIGN COUNTRIES **\$6,042,353,048,842** US TRADE DEFICIT **\$731,304,005,949** US TRADE DEFICIT - CHINA **\$369,176,124,241** US IMPORTED OIL **\$164,018,965,044** IMPORTED OIL - OPEC **\$50,405,237,752**

SMALL BUSINESS ASSETS **\$10,746,813,984,095** CORPORATION ASSETS **\$22,401,340,299,805** HOUSEHOLD ASSETS **\$83,782,630,508,195** TOTAL NATIONAL ASSETS **\$116,930,784,792,118** ASSETS PER CITIZEN **\$362,316**

US FEDERAL BUDGET DEFICIT (GAAP) **\$5,843,365,771,394** SOCIAL SECURITY LIABILITY **\$14,613,701,881,325** MEDICARE LIABILITY **\$27,594,245,906,310** US UNFUNDED LIABILITIES (GAAP) **\$100,780,471,594,986** LIABILITY PER TAXPAYER **\$841,832**



During the Revolutionary War, both the national government and individual states borrowed heavily from foreign countries and others to pay soldiers and buy supplies—creating our national debt.

Hamilton's Plan for repaying this debt called for the federal government to repay BOTH federal and state debts—many southerners (James Madison) opposed this plan because these states had little or no debt.

Hamilton replied that the United States must repay all its debts in full to gain the trust of future investors—this support was crucial to building the new nation's economy.



Alexander Hamilton is one of two non-presidents featured on currently issued U.S. bills (\$10), the other being Benjamin Franklin on the \$100.



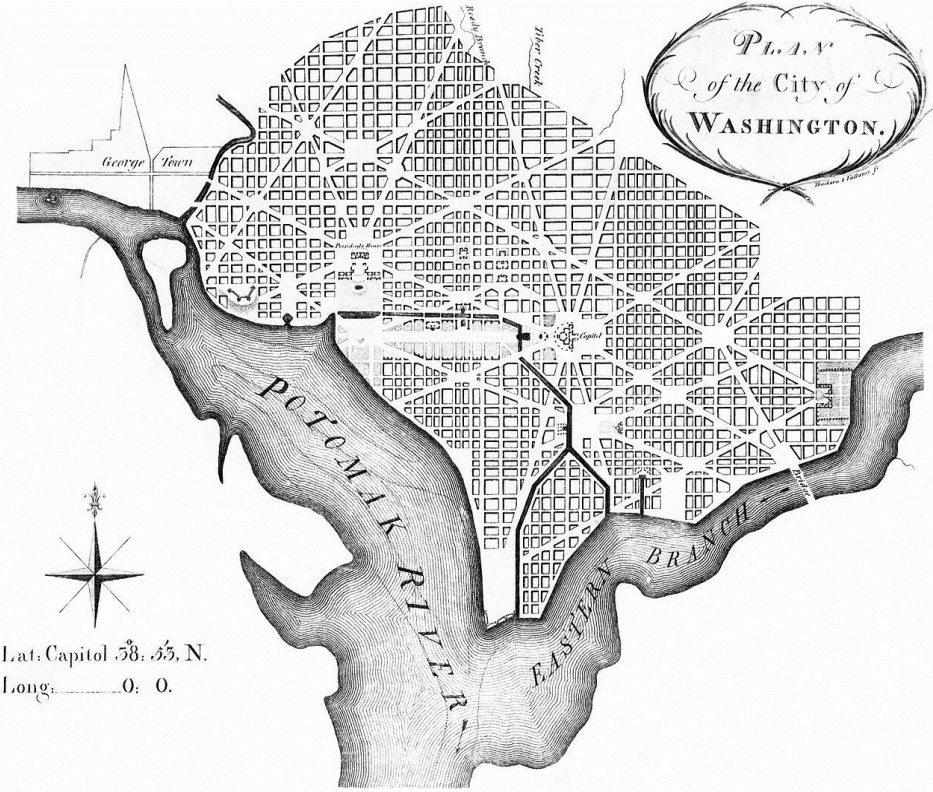
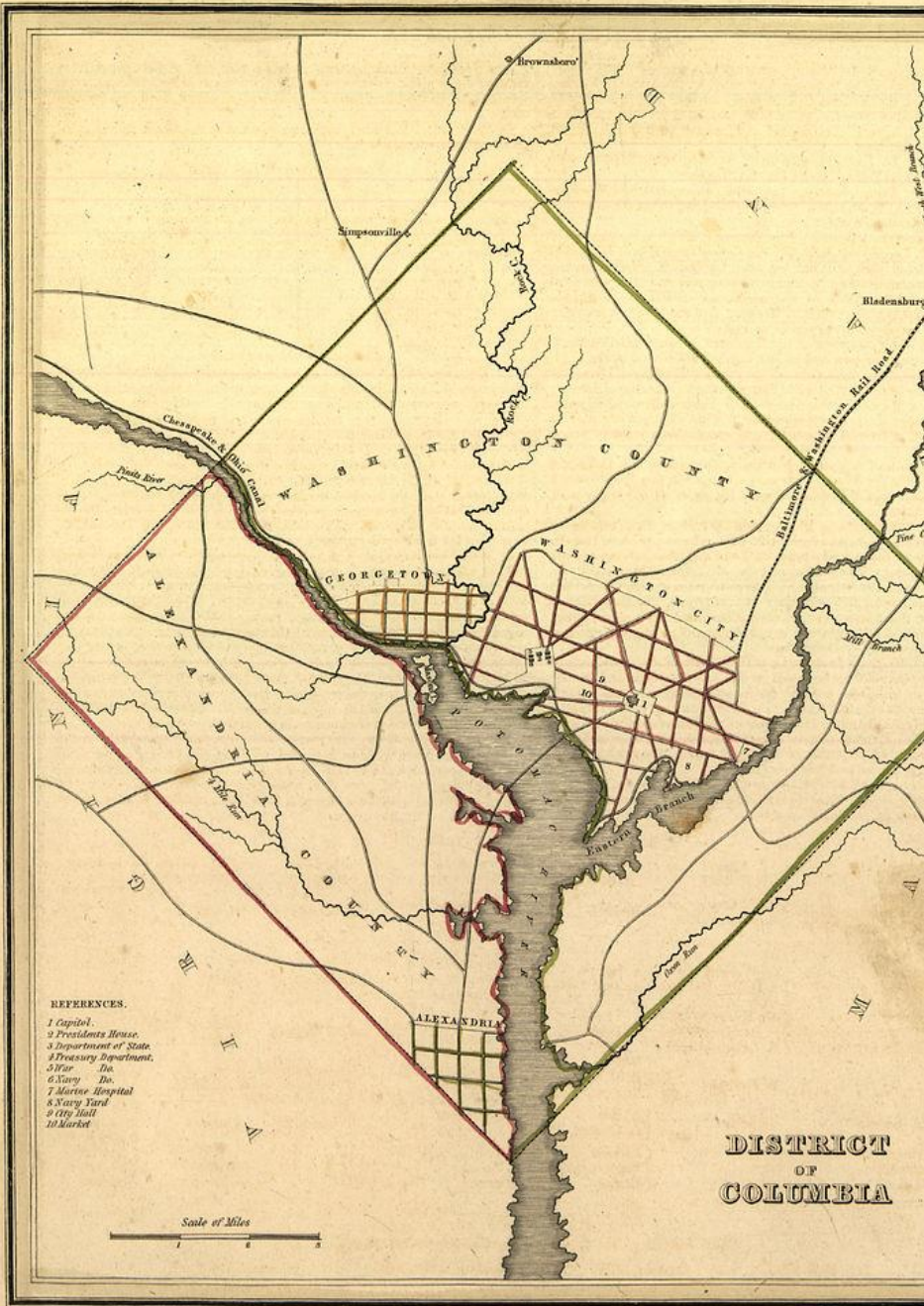
Hamilton's Compromise: He would support the southerners' goal of a new capital city in the South if they agreed to his plan to repay all state debts.

In 1790, Congress voted to repay state debts and build a new capital city—not as part of any state, but **built on land along the Potomac River, between Maryland and Virginia**, and called the District of Columbia.

Today, it is known as Washington, D.C. The new capital was to be ready by 1800.

Meanwhile, the nation's capital was moved from New York City to Philadelphia—the birthplace of America.





Washington, D.C.

as it appears today



WASHINGTON, DC



To Bethesda

To C&O Canal
National
Historic Park

Foggy Bottom

Washington
Convention
Center

Downtown

Union
Station

Watergate
Complex
Theodore
Roosevelt
Island

George
Washington
University
World
Bank

White
House

State
Department

Octagon
House

Federal Bureau
of Investigation

Union
Station
Plaza

Arlington
Theodore
Roosevelt
Bridge

Potomac

Vietnam
Veterans
Memorial

The
Ellipse

National Museum
of Natural History

Capitol

Arlington
Memorial
Bridge

Lincoln
Memorial

Washington
Monument

Smithsonian
Institution

Library of
Congress

Columbia
Island

Franklin Delano
Roosevelt Memorial
Park

Tidal
Basin

Benjamin
Banneker
Park

Southeastern
University

Lady Bird
Johnson Park

Jefferson
Memorial

East
Potomac
Park

Southwest DC



0 1 km
0 0.6 mile

[Washington DC Tour](#)

Hamilton's next challenge was to strengthen the nation's weak economy—a bold plan that would help both agriculture and industry. He asked Congress to set up a national bank. **In 1791, Congress created the Bank of the United States**. The bank would:

- hold money from collected taxes
- issue paper money to pay the government's bills
- issue loans to encourage economic growth



To help American manufacturers, Hamilton asked Congress to pass a tariff (tax) on foreign goods brought into the country, making these goods more expensive.

- North: **Supports** ... many factories located there
- South: **Opposes** ... bought imported goods



A tariff passed, but much lower than Hamilton wanted.

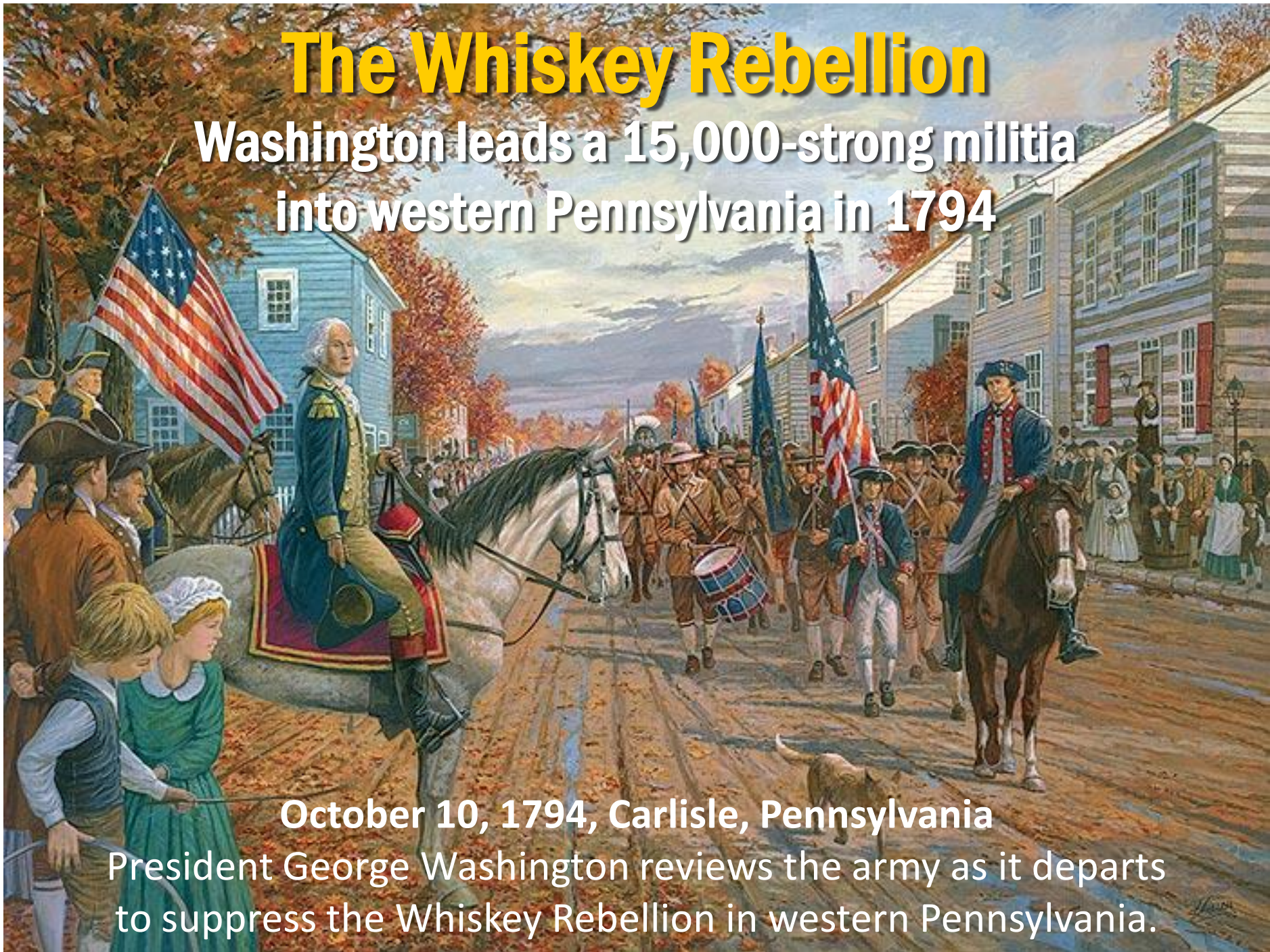
To raise money, Congress approved a tax on all liquor made and sold in the U.S. (another Hamilton plan). Many farmers grew corn, but it was bulky and hard to haul over rough roads—so they converted it into whiskey to make it easier to ship in barrels.



In 1794, farmers in western Pennsylvania (PA) rebelled against tax collectors trying to collect this tax. Washington quickly called up the militia and led them on horseback. The farmers fled back to their farms.

The Whiskey Rebellion

Washington leads a 15,000-strong militia
into western Pennsylvania in 1794



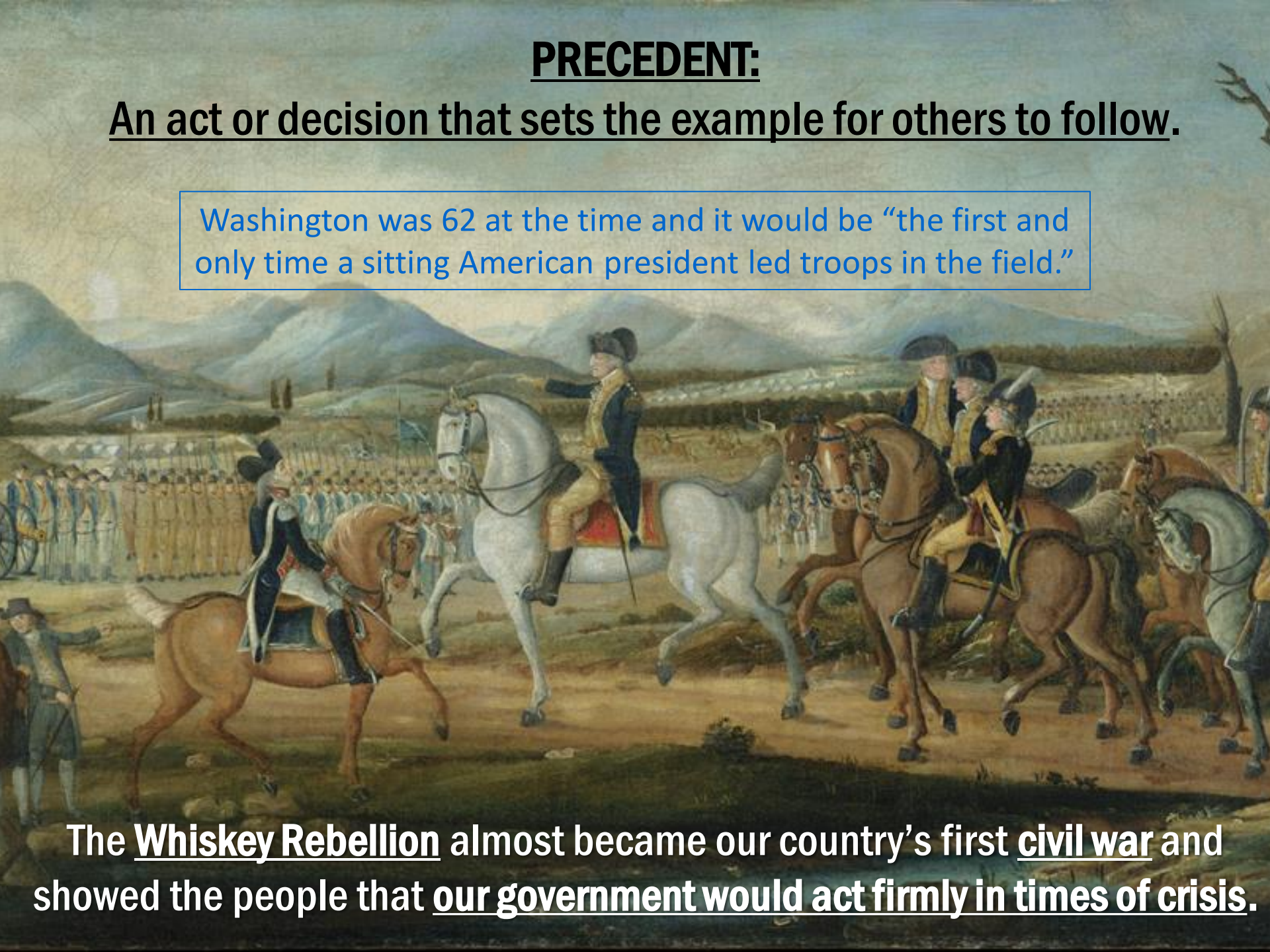
October 10, 1794, Carlisle, Pennsylvania

President George Washington reviews the army as it departs
to suppress the Whiskey Rebellion in western Pennsylvania.

PRECEDENT:

An act or decision that sets the example for others to follow.

Washington was 62 at the time and it would be “the first and only time a sitting American president led troops in the field.”



The Whiskey Rebellion almost became our country's first civil war and showed the people that our government would act firmly in times of crisis.



[The Whiskey Rebellion](#)