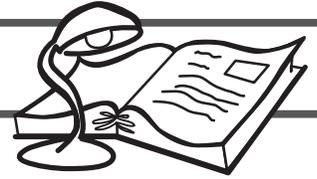


Study Guide



Chapter 8, Section 1

For use with textbook pages 258–262

THE FIRST PRESIDENT

KEY TERMS

precedent	An established tradition (page 259)
cabinet	The Attorney General and department heads who serve as advisers to the president (page 259)
national debt	Amount of money the national government owed (page 260)
bond	Paper notes promising to repay money in a certain amount of time (page 261)
speculator	People who risk money in order to make a larger profit (page 261)
unconstitutional	Not provided for under the terms of the Constitution (page 262)
tariff	A tax on imports (page 262)

DRAWING FROM EXPERIENCE

Do you pay taxes on things you buy? How is tax money used? Do you benefit from taxes? Do you think it is fair to tax you even though you cannot vote? Why or why not?

This section focuses on the actions George Washington and Congress took that shaped the new government of the United States.

ORGANIZING YOUR THOUGHTS

Use the chart below to help you take notes as you read the summaries that follow. Think about how American citizens felt about the economic plan of Alexander Hamilton.

Provisions of Hamilton's Plan	Reactions to the Provisions of Hamilton's Plan

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Chapter 8, Section 1 (continued)

READ TO LEARN

- **President Washington** (pages 258–260)

George Washington and John Adams were elected the first president and vice president of the United States under the federal Constitution. They took office on April 30, 1789, in New York City, the nation's first capital. Washington's leadership during the Revolutionary War helped him earn the trust of many Americans who were afraid a president would have too much power. The traditions, or *precedents*, he established would shape the future government of the United States.

Congress established three departments in the executive branch and other offices during the summer of 1789. Washington selected various department heads to serve as members of his *cabinet*, or group of advisers.

- A.** The State Department was established to handle foreign relations. Thomas Jefferson was named Secretary of State.
- B.** The Treasury Department was established to handle financial matters. Alexander Hamilton was named Secretary of the Treasury.
- C.** The War Department was established to oversee national defense. Henry Knox was named Secretary of War.
- D.** The office of attorney general was established to handle the government's legal matters. Edmund Randolph was named attorney general.
- E.** The office of postmaster was established to oversee the postal service.

The Constitution gave Congress many duties, but it also left many questions unanswered. Congress and the president debated these issues and worked to find a solution that both sides could agree to. The Senate had the job of approving the president's choices. The president was given the authority to dismiss an official he had chosen without the approval of the Senate. Congress gave the president power over the executive branch.

The Judiciary Act of 1789 established a federal court system consisting of 13 district courts and 3 circuit courts. States retained their own laws, but state court decisions could be reversed by the federal courts. The Supreme Court had the final say. John Jay was appointed chief justice of the Supreme Court.

It was agreed that a bill of rights would be added to the Constitution if it was ratified or approved at the Constitutional Convention. The states approved 10 amendments to the Constitution, known as the Bill of Rights, in December 1791. Americans were guaranteed the freedom of speech, religion, and the press. The Bill of Rights also states that powers not specifically given to the federal government belong to the states.

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Chapter 8, Section 1 (continued)

1. What decisions were made by the First Congress during its first year that helped shape the future of the government?

- **Financial Problems** (pages 260–261)

The amount of money the government owed, called the *national debt*, was increasing. Alexander Hamilton, the Secretary of the Treasury, proposed that the new government pay off the debt accumulated by the Confederation government. Many people were opposed to this because they were not sure how it could be done fairly, including Congress. Congress did agree to pay the debts owed to foreign countries. Southern states also were against Hamilton's plan because they had less accumulated debt than the Northern states.

Hamilton agreed to locate the new nation's capital in the South between Virginia and Maryland in exchange for support for his plan. Washington, D.C., became a special district along the Potomac River.

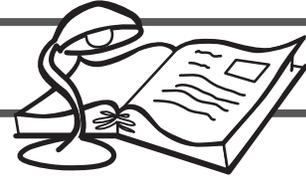
2. Why did Southerners oppose Hamilton's plan to repay war debts?

- **Building the Economy** (page 262)

Hamilton proposed three actions to help build a strong economy. He proposed creating a national bank, the Bank of the United States. Madison and Jefferson believed that doing so would be *unconstitutional* because the creation of a national bank was not provided for under the terms of the Constitution. President Washington agreed with Hamilton and signed a bill that created a national bank.

Hamilton also proposed collecting a tax, called a *tariff*, on imported goods. He wanted to encourage the development of manufacturing. He also hoped to encourage people to buy goods made in the United States, instead of buying goods from other countries. Congress approved low tariffs to collect money but not to protect American industry.

Study Guide



Chapter 8, Section 1 *(continued)*

Last, Hamilton proposed collecting federal taxes to pay for the operation of the federal government and to pay off the national debt. Congress approved different taxes, including a tax on whiskey made in the United States. Hamilton's proposals gave the federal government new powers. They also divided Congress and the nation. Many people, including Jefferson and Madison, were afraid of a strong national government with economic powers controlled by the rich and powerful at the expense of the average American.

- 3.** Why did Southerners oppose many of Hamilton's proposals for building a strong economy?
