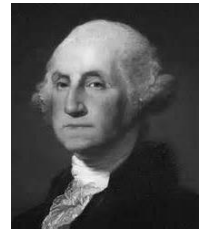


# PROBLEMS & SOLUTIONS IN WASHINGTON'S PRESIDENCY



## MAINTAINING NATIONAL SECURITY

**Maintaining National Security (Building a Military) - Problems in the Northwest Territory** - Native Americans and white settlers continued to clash in the Northwest Territory. Under the terms of the Treaty of Paris 1763, Britain was supposed to leave the Ohio River Valley. Instead, Britain supported the natives there by giving them guns so they could benefit from the fur trade. British soldiers also remained in forts in the area.



Washington believed that securing the N.W. territory was important to the security of the nation. He sent an army to the Ohio River Valley to secure the area. The natives expected the British to help them, but instead were defeated in the Battle of Fallen Timbers.

## CREATING A STABLE ECONOMIC SYSTEM

**Creating a stable Economic System** – Alexander Hamilton was appointed Secretary of the Treasury (money) in Washington's Cabinet. Hamilton had served as one of Washington's aides during the American Revolution and was considered a brilliant man. The United States had large debts from the war (over \$52 million!!).

Hamilton knew that the U.S. must repay war debts to gain the respect of other countries because they had borrowed millions of dollars from foreign nations. He developed a plan that showed his belief in a strong central government (this worried Jefferson and Madison). He also supported the growth of business and industry to help build the economy. Hamilton favored **tariffs** (a tax on imported goods) as a way to build revenue and support American industry.

### Hamilton's Financial Plan included:

1. Pay off all war debts
2. Raising government revenues (income)
3. Creating a national bank to make loans and issue money



## SETTING UP A COURT SYSTEM

**Setting Up a Court System** - The Constitution created a Supreme Court but did not outline how much power it would have. One dilemma that Congress faced was how to divide authority between the state and federal courts (**federalism**) because several states already had their own courts.



To create a balanced court system, Congress passed the **Judiciary Act** of 1789. This act, or law, determined that the Supreme Court would have six Supreme Court Justices. Over time that number has increased to nine. Washington appointed **John Jay** as the first Chief Justice. The act also provided for other, lower federal courts to be created.

## DEFINING AUTHORITY OF CENTRAL GOVERNMENT

**Defining the Authority of the Central Government (Building a Military)** –

Washington's problems were not over! As part of Hamilton's financial plan, a tax was placed on whiskey. Transporting grain was difficult so farmers made whiskey from their crops. The tax angered farmers and they refused to pay it. A small group even beat up a tax-collector and threatened to attack Pittsburgh.



Washington decided to send 13,000 soldiers to end what was known as **The Whiskey Rebellion**. As the army got close, the rebel farmers fled! Washington showed the nation that the government had the power and the will to enforce its laws.