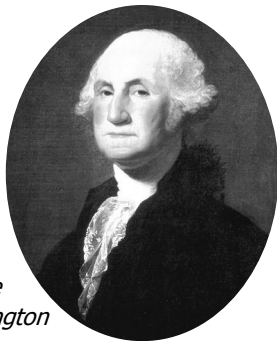
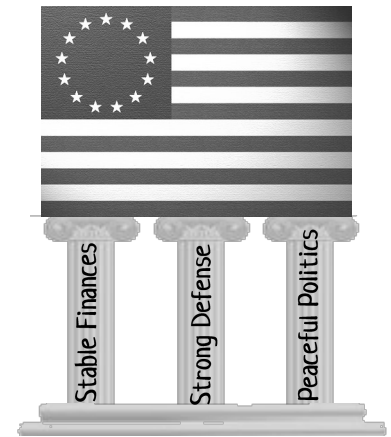


Warning: New Nation Could Self-Destruct!

What are the chances that thirteen fiercely independent states could band together strongly enough to become the most powerful nation in the world in less than two hundred years? A strong nation needs stable finances, effective self-defense, and a peaceful political system. But when the first president of the United States took office, America had major money problems, no effective military, and a brand new political system nobody had ever tried before. As if that weren't enough, many Americans actually *feared* the United States becoming a strong nation. They'd just won their freedom from an abusive government and didn't want to go through that again!



George Washington

President of the Not-So-United States

When George Washington became America's first president in 1789, he faced a difficult challenge: He led a government lots of people didn't want. The U.S. Constitution created a central government, but many Americans thought individual states should have most of the power. They were afraid to let the new government actually use the powers the Constitution gave it. Tensions ran high between those who thought America needed a strong federal government to solve its problems and those who wanted state-based solutions.

Goal: A Debt-Free America

When Washington took office, solving the nation's money problems was the number one priority. The United States had borrowed lots of money to pay for the war against Great Britain. Afterward, the nation's finances got so bad that America actually stopped paying back the money it owed to other countries. This made America look irresponsible and hurt its chances of getting loans again in the future. Most states had taken out loans, too, and they also owed money. The nation's debt was a big, disorganized mess that dragged down everyone's ability to be successful.



Even in the 1700s, war was expensive!
What do you see that cost money?



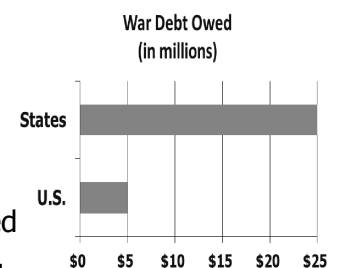
Department of the Treasury,
original seal, 1778.

It's a Federal Thing

President Washington put Alexander Hamilton in charge of the Department of the Treasury. Hamilton believed America couldn't be successful without a strong central government. Under Washington's leadership, Hamilton arranged for the U.S. government to take responsibility for all the states' individual loans. Ho-hum, right? Wrong! This was a smart move that let America speak as one nation when talking money with foreign countries. Not only that, if the federal government was responsible for paying back all the loans, then it had a good reason to use its new power to collect taxes.

Now Wait Just a Minute...

Imposing taxes was another constitutional power many people didn't want the government to actually use. But times were desperate. Washington convinced Congress to pass a law taxing certain kinds of liquor made in America. It was the first time the U.S. government taxed Americans in addition to foreign products, and it caused an outrage! But by the time the third president took office and asked Congress to repeal the tax, money from this tax had stabilized America's finances.



Defense? Do We Need That?

After the Revolutionary War ended, those in the U.S. government felt there was no need to keep a military standing around. Many states feared that keeping a military during peacetime would be really expensive—and really scary! What if the federal government used the military against the states? In the early years, many Americans opposed any kind of permanent United States military.



3rd New York Regimental Flag.

During the war, each state provided its own soldiers.



Army soldiers carried muskets like this one. With the flintlock mechanism, the soldier loaded gun powder and a lead ball separately.

Okay, Maybe an Army Would Be Good

At first, the U.S. kept a tiny army and mainly relied on volunteers from each state to be prepared to fight if necessary. But these militiamen were not trained soldiers. Americans were quickly settling new territory—and facing resistance from the Native Americans who lived there. As conflicts grew, the untrained militia failed at furthering U.S. goals on the frontier. Washington's Secretary of War got Congress to approve a plan to reorganize and train the army. The plan worked, but as soon as it wasn't needed anymore, Congress went back to the old way. Americans still feared a permanent military, but the army would never again be as small as it was when Washington took office.

Um... Maybe a Navy, Too

Security on the frontier wasn't the only problem America faced in the early years. While Washington was president, Barbary pirates off the coast of North Africa were attacking American ships. The American naval force had been disbanded after the Revolutionary War, but now, Washington convinced Congress to authorize a new force of six ships. When John Adams took office as America's second president, France was upset because of an agreement America had made with Britain. To retaliate, France was attacking American ships, too! Under President Adams, Congress created the Navy Department. It was President Jefferson who finally used the Navy to fight the Barbary pirates.



The USS Chesapeake, one of America's first six frigates.



John Adams

Threats on the Inside

The early Americans had their roots in Great Britain, which had always been ruled by a king or queen. Throughout history, a change of power from one ruler to the next often brought violence, such as plots to overthrow or even murder the new leader. Americans didn't want that. It helped that the United States had a system for electing leaders—not choosing them based on their family line. Even so, it was an important step when President Washington stepped down after two terms in office and America peacefully elected John Adams to be the next president.

Not Pretty, But It Works

Everything changed when Adams ran for president again. He and Thomas Jefferson represented two political parties with very different views about the balance of power between states and the federal government. The presidential campaign was nasty, with each side launching personal attacks and accusations. Despite all this drama, once Thomas Jefferson won the election and Adams lost, everything calmed down—proving that America could transfer power peacefully even with deep disagreements among citizens.



Banner from Jefferson's inauguration. Courtesy Smithsonian Nat'l Museum.

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