



Launching the New Nation

MAIN IDEA

With George Washington as its first president, the United States began creating a working government for its new nation.

WHY IT MATTERS NOW

The country's early leaders established precedents for organizing government that the United States still follows.

Terms & Names

- Judiciary Act of 1789
- Alexander Hamilton
- cabinet
- two-party system
- Democratic-Republican
- protective tariff
- XYZ Affair
- Alien and Sedition Acts
- nullification

One American's Story

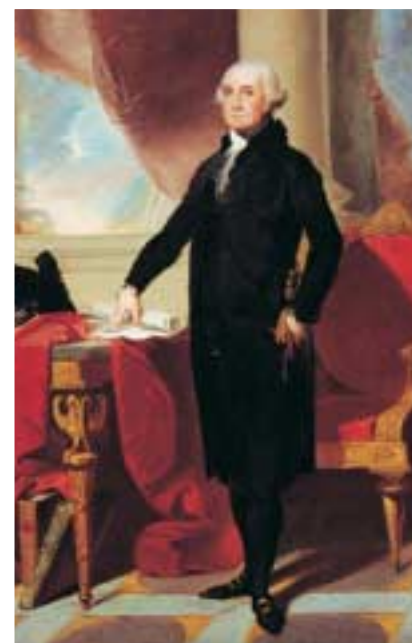
As the hero of the Revolution, George Washington was the unanimous choice in the nation's first presidential election. When the news reached him on April 14, 1789, Washington accepted the call to duty—despite his uncertainty about how to lead the new country. Two days later he set out for New York City to take the oath of office.

A PERSONAL VOICE GEORGE WASHINGTON

“About ten o'clock I bade adieu [farewell] to Mount Vernon, to private life, and to domestic felicity [happiness]; and with a mind oppressed with more anxious and painful sensations than I have words to express, set out for New York . . . with the best dispositions [intentions] to render service to my country in obedience to its call, but with less hope of answering its expectations.”

—The Diaries of George Washington

When Washington took office as the first president of the United States under the Constitution, he and Congress faced a daunting task to create an entirely new government. The momentous decisions that these early leaders made have resounded through American history.

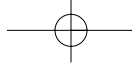


George Washington

Washington Heads the New Government

Although the Constitution provided a strong foundation, it was not a detailed blueprint for governing. To create a working government, Washington and Congress had to make many practical decisions. Perhaps James Madison put it best: “We are in a wilderness without a single footstep to guide us.”

JUDICIARY ACT OF 1789 One of the first tasks Washington and Congress faced was the creation of a judicial system. The **Judiciary Act of 1789** provided for a Supreme Court and federal circuit and district courts. The Judiciary Act allowed state court decisions to be appealed to a federal court when constitutional issues



were raised. It also guaranteed that federal laws would remain “the supreme law of the land.”

WASHINGTON SHAPES THE EXECUTIVE BRANCH The nation’s leaders also faced the task of building an executive branch. To help the president govern, Congress created three executive departments: the Department of State, to deal with foreign affairs; the Department of War, to handle military matters; and the Department of the Treasury, to manage finances.

To head these departments, Washington chose capable leaders—Thomas Jefferson as secretary of state, **Alexander Hamilton** as secretary of the treasury, Henry Knox as secretary of war. These department heads soon became the president’s chief advisers, or **cabinet**.

HAMILTON AND JEFFERSON: TWO CONFLICTING VISIONS Hamilton and Jefferson held very different political ideas. Hamilton believed in a strong central government led by a prosperous, educated elite of upper-class citizens. Jefferson distrusted a strong central government and the rich. He favored strong state and local governments rooted in popular participation. Hamilton believed that commerce and industry were the keys to a strong nation; Jefferson favored a society of farmer-citizens. **A**

MAIN IDEA

Contrasting

A How did Jefferson’s and Hamilton’s views of government differ?

HAMILTON’S ECONOMIC PLAN

As secretary of the treasury, Hamilton’s job was to put the nation’s economy on a firm footing. To do this, he called on the nation to pay off its debts, a large amount of which was incurred during the Revolution. He also proposed the establishment of a national bank that would be funded by both the federal government and wealthy private investors. This bank would issue paper money and handle taxes and other government funds.

Opponents of a national bank, such as James Madison, argued that since the Constitution made no provision for such an institution, Congress had no right to authorize it. This argument began the debate between those, like Hamilton, who favored a loose interpretation of the Constitution and those, like Madison, who favored a strict interpretation—a vital debate that has continued throughout U.S. history.

KEY PLAYERS



ALEXANDER HAMILTON
1755–1804

Born into poverty in the British West Indies, Alexander Hamilton was orphaned at age 13 and went to work as a shipping clerk. He later made his way to New York, where he attended King’s College (now Columbia University). He joined the army during the Revolution and became an aide to General Washington.

Intensely ambitious, Hamilton quickly moved up in society. Although in his humble origins Hamilton was the opposite of Jefferson, he had little faith in the common citizen and sided with the interests of upper-class Americans. Hamilton said of Jefferson’s beloved common people: “Your people, sir, your people is a great beast!”



THOMAS JEFFERSON
1743–1826

The writer of the Declaration of Independence, Thomas Jefferson began his political career at age 26, when he was elected to Virginia’s colonial legislature. In 1779 he was elected governor of Virginia, and in 1785 he was appointed minister to France. He served as secretary of state from 1790 to 1793.

A Southern planter, Jefferson was also an accomplished scholar, the architect of Monticello (his Virginia house), an inventor (of, among other things, a machine that made copies of letters), and the founder of the University of Virginia in 1819. Despite his elite background and his ownership of slaves, he was a strong ally of the small farmer and average citizen.



Contrasting Views of the Federal Government

HAMILTON	JEFFERSON
• Concentrating power in federal government	• Sharing power with state and local governments; limited national government
• Fear of mob rule	• Fear of absolute power or ruler
• Republic led by a well-educated elite	• Democracy of virtuous farmers and tradespeople
• Loose interpretation of the Constitution	• Strict interpretation of the Constitution
• National bank constitutional (loose interpretation)	• National bank unconstitutional (strict interpretation)
• Economy based on shipping and manufacturing	• Economy based on farming
• Payment of national and state debts (favoring creditors)	• Payment of only the national debt (favoring debtors)
• Supporters: merchants, manufacturers, landowners, investors, lawyers, clergy	• Supporters: the “plain people” (farmers, tradespeople)

SKILLBUILDER Interpreting Charts

1. Whose view of the federal government was a wealthy person more likely to favor? Why?
2. How do you think Jefferson differed from Hamilton in his view of people and human nature?

THE FIRST POLITICAL PARTIES The differences within Washington’s cabinet intensified and soon helped to give rise to a **two-party system**. Those who shared Hamilton’s vision of a strong central government (mostly Northerners) called themselves Federalists. Those who supported Jefferson’s vision of strong state governments (mostly Southerners) called themselves **Democratic-Republicans**.

THE WHISKEY REBELLION During Washington’s second term, an incident occurred that reflected the tension between federal and regional interests. Previously, Congress had passed a **protective tariff**, an import tax on goods produced abroad meant to encourage American production. To generate even more revenue, Secretary Hamilton pushed through an excise tax—a tax on a product’s manufacture, sale, or distribution—to be levied on the manufacture of whiskey.

In 1794, furious whiskey producers in western Pennsylvania refused to pay the tax and attacked the tax collectors. The federal government responded by sending some 13,000 militiamen to end the conflict. The Whiskey Rebellion, as it came to be known, marked the first use of armed force to assert federal authority.

Background

In addition to promoting American goods, the Tariff of 1789, as well as tariffs that followed, provided the majority of the federal government’s revenue until the 20th century.

French revolutionaries storm the Bastille, an infamous prison in Paris, France, on July 14, 1789.

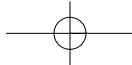


Challenges at Home and Abroad

At the same time, the new government faced critical problems and challenges overseas as well as at home along the western frontier.

ADDRESSING FOREIGN AFFAIRS In 1789 a stunning revolution in France ended the French monarchy and brought hope for a government based on the will of the people. By 1793, France was engaged in war with Great Britain as well as with other European countries.

In the United States, reaction to the conflict tended to split along party lines. Democratic-Republicans supported France.



Federalists wanted to back the British. President Washington took a middle position. He issued a declaration of neutrality, a statement that the United States would support neither side in the conflict. Washington remained wary of foreign involvement throughout his tenure in office. In his farewell address in 1796, he warned the nation to “steer clear of permanent Alliances with any portion of the foreign World.”

In another significant foreign matter, Thomas Pinckney negotiated a treaty with Spain in 1795. According to Pinckney’s Treaty, Spain agreed to give up all claims to land east of the Mississippi (except Florida) and recognized the 31st parallel as the northern boundary of Florida. Spain also agreed to open the Mississippi River to American traffic and allow traders to use the port of New Orleans. The treaty was important because it helped pave the way for U.S. expansion west of the Appalachians. **B**

MAIN IDEA

Developing Historical Perspective

B Why did the United States want access to the Mississippi River?

CHALLENGES IN THE NORTHWEST Meanwhile, Americans faced trouble along their western border, where the British still maintained forts and Native Americans continued to resist white settlers. In 1794, after numerous skirmishes, the U.S. military led by General Anthony Wayne defeated a confederacy of Native Americans at the Battle of Fallen Timbers, near present-day Toledo, Ohio. The victory helped to establish the settlers’ supremacy in the region.

JAY’S TREATY At the time of the Battle of Fallen Timbers, John Jay, the chief justice of the Supreme Court, was in London to negotiate a treaty with Great Britain. One of the disputed issues was which nation would control territories west of the Appalachian Mountains. When news of Wayne’s victory at Fallen Timbers arrived, the British agreed to evacuate their posts in the Northwest Territory because they did not wish to fight both the United States and the French, with whom they were in conflict, at the same time.

Although Jay’s Treaty, signed on November 19, 1794, was a diplomatic victory, the treaty provoked outrage at home. For one thing, it allowed the British to continue their fur trade on the American side of the U.S.-Canadian border. This angered western settlers. Also, the treaty did not resolve a dispute over neutral American trade in the Caribbean. Americans believed that their ships had the right to free passage there. The British, however, had seized a number of these ships, confiscating their crews and cargo. Despite serious opposition, the treaty managed to pass the Senate.

The bitter political fight over Jay’s Treaty, along with the growing division between the Federalists and Democratic-Republicans, convinced Washington not to seek a third term.

Adams Provokes Criticism

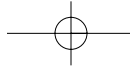
In the election of 1796, the United States faced a new situation: a contest between opposing parties. The Federalists nominated Vice President John Adams for president, while the Democratic-Republicans chose Thomas Jefferson.

In the election, Adams received 71 electoral votes, while Jefferson received 68. Because the Constitution stated that the runner-up should become vice-president, the country found itself with a Federalist president and a Democratic-Republican vice-president.

The election also underscored the growing danger of sectionalism—placing the interests of one region over those of the nation as a whole. Almost all the electors from the Southern states voted for Jefferson, while all the electors from the Northern states voted for Adams.



▲ Portrait of a young John Adams by Joseph Badger



ADAMS TRIES TO AVOID WAR Soon after taking office, President Adams faced his first crisis: a looming war with France. The French government regarded the U.S.-British agreement over the Northwest Territory a violation of the French-American alliance. In retaliation they began to seize American ships bound for Britain. Adams sent a three-man team to Paris to negotiate a solution. **C**

This team, which included future Chief Justice John Marshall, planned to meet with the French foreign minister, Talleyrand. Instead, the French sent three low-level officials, whom Adams in his report to Congress called “X, Y, and Z.” The French officials demanded a \$250,000 bribe as payment for seeing Talleyrand. News of this insult, which became known as the **XYZ Affair**, provoked a wave of anti-French feeling at home. “Millions for defense, but not one cent for tribute” became the slogan of the day. In 1798, Congress created a navy department and authorized American ships to seize French vessels. For the next two years, an undeclared naval war raged between France and the United States.

The Federalists called for a full-scale war against France, but Adams refused to take that step. Through diplomacy, the two countries eventually smoothed over their differences. Adams damaged his standing among the Federalists, but he kept the United States out of war.

THE ALIEN AND SEDITION ACTS Although Democratic-Republicans cheered Adams for avoiding war with France, they criticized him mercilessly on many other issues. Tensions between Federalists and Democratic-Republicans rose to a fever pitch. Adams regarded Democratic-Republican ideas as dangerous to the welfare of the nation. He and other Federalists accused the Democratic-Republicans of favoring foreign powers.

Many immigrants were active in the Democratic-Republican party. Some of the most vocal critics of the Adams administration were foreign-born. They included French and British radicals as well as recent Irish immigrants who lashed out at anyone who was even faintly pro-British, including the Federalist Adams.

To counter what they saw as a growing threat against the government, the Federalists pushed through Congress in 1798 four measures that became known as the **Alien and Sedition Acts**. Three of these measures, the Alien Acts, raised the residence requirement for American citizenship from 5 years to 14 years and allowed the president to deport or jail any alien considered undesirable.

MAIN IDEA

Analyzing Motives

C Why did the French begin to seize U.S. ships?

Vocabulary

alien: belonging to or coming from another country; foreign
sedition: rebellion against one's country; treason

Analyzing Political Cartoons

“THE PARIS MONSTER”

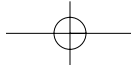
“*Cinque-tetes*, or the Paris Monster” is the title of this political cartoon satirizing the XYZ Affair. On the right, the five members of the French Directory, or ruling executive body, are depicted as a five-headed monster demanding money. The three American representatives, Elbridge Gerry, Charles Pinckney, and John Marshall, are on the left, exclaiming “Cease bawling, monster! We will not give you six-pence!”

SKILLBUILDER Analyzing Political Cartoons

1. How would you contrast the cartoon's depiction of the U.S. representatives with its depiction of the French Directory?
2. What other details in the cartoon show the cartoonist's attitude toward the French?

 SEE SKILLBUILDER HANDBOOK, PAGE R24.





The fourth measure, the Sedition Act, set fines and jail terms for anyone trying to hinder the operation of the government or expressing “false, scandalous, and malicious statements” against the government. Under the terms of this act, the federal government prosecuted and jailed a number of Democratic-Republican editors, publishers, and politicians. Outraged Democratic-Republicans called the laws a violation of freedom of speech guaranteed by the First Amendment.

VIRGINIA AND KENTUCKY RESOLUTIONS The two main Democratic-Republican leaders, Thomas Jefferson and James Madison, saw the Alien and Sedition Acts as a serious misuse of power on the part of the federal government. They decided to organize opposition to the Alien and Sedition Acts by appealing to the states. Madison drew up a set of resolutions that were adopted by the Virginia Legislature, while Jefferson wrote resolutions that were approved in Kentucky. The resolutions warned of the dangers that the Alien and Sedition Acts posed to a government of checks and balances guaranteed by the Constitution.

A PERSONAL VOICE

“Let the honest advocate of confidence [in government] read the alien and sedition acts, and say if the Constitution has not been wise in fixing limits to the government it created, and whether we should be wise in destroying those limits.”

—8th Resolution, The Virginia and Kentucky Resolutions

MAIN IDEA

Analyzing Issues

D How did the Kentucky Resolutions challenge the authority of the federal government?

The Kentucky Resolutions in particular asserted the principle of **nullification**: the states had the right to nullify, or consider void, any act of Congress that they deemed unconstitutional. Virginia and Kentucky viewed the Alien and Sedition Acts as unconstitutional violations of the First Amendment that deprived citizens of their rights. **D**

The resolutions also called for other states to adopt similar declarations. No other state did so, however, and the issue died out by the next presidential election. Nevertheless, the resolutions showed that the balance of power between the states and the federal government remained a controversial issue. In fact, the election of 1800 between Federalist John Adams and Democratic-Republican Thomas Jefferson would center on this critical debate.

4

ASSESSMENT

1. TERMS & NAMES For each term or name, write a sentence explaining its significance.

- Judiciary Act of 1789
- two-party system
- protective tariff
- Alien and Sedition Acts
- Alexander Hamilton
- Democratic-Republican
- XYZ Affair
- nullification
- cabinet

MAIN IDEA

2. TAKING NOTES

In a chart, list the leaders, beliefs, and goals of the country’s first political parties.

Federalists	Democratic-Republicans

If you had lived in that time, which party would you have favored? Why?

CRITICAL THINKING

3. EVALUATING LEADERSHIP

How would you judge the leadership qualities of President Washington in his decision to put two such opposed thinkers as Hamilton and Jefferson in his cabinet? Who do you think was the more significant member of the cabinet?

4. ANALYZING EVENTS

Do you agree with the Democratic-Republicans that the Alien and Sedition Acts were a violation of the First Amendment? Were they necessary? Support your opinion with evidence from the text.

Think About:

- the intent of the First Amendment
- what was happening in Europe
- what was happening in the United States