

Chapter 7

Launching the Nation

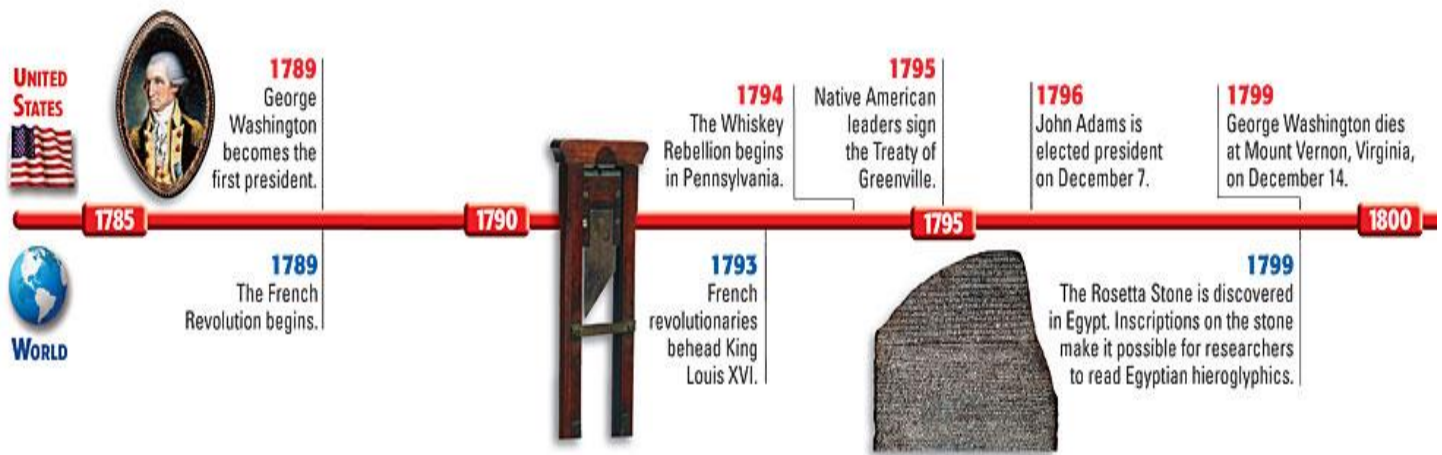
1789–1800



What You Will Learn...

In this chapter you will learn about the first presidency and how it affected the country. George Washington began many of the traditions of the president and of the nation. He is honored with statues and memorials across the country, including the Washington Monument in Washington, D.C.

Chapter Time Line



Section 1

Washington Leads a New Nation

If YOU were there...

You are a seamstress in New York City in 1789. You've joined the excited crowd in the streets for inauguration day. Church bells are ringing, and people are cheering. Even though you were just a young child during the Revolution, Washington is your hero. Now you watch as he takes the oath of office. You are proud to see that he is wearing a suit of American-made cloth.

What do you think America's future will be like under President Washington?

BUILDING BACKGROUND George Washington was more than just a popular war hero. People naturally looked to him as a national leader. He had taken part in the Continental Congresses and in creating the Constitution. He helped establish and strengthen the new national government.

The First President

Americans believed in **George Washington**. They saw him as an honest leader and a hero of the Revolution. Many believed he should be the first U.S. president. Washington had been looking forward to retirement and a quiet life on his Virginia farm. When he hesitated at becoming a candidate for the presidency, his friends convinced him to run. Fellow politician Gouverneur Morris told him, "Should the idea prevail [win] that you would not accept the presidency, it should prove fatal...to the new government." Morris concluded confidently, "Of all men, you are the best fitted to fill that office."

In January 1789 each of the 11 states that had passed the Constitution sent electors to choose the first president. These delegates formed a group called the **electoral college**—a **body of electors who represent the people's vote in choosing the president**. The electoral college selected Washington unanimously, and John Adams became his vice president.

Washington's wife, First Lady **Martha Washington**, entertained guests and attended social events with her husband. She described the scene to her niece: "I have not had one half-hour to myself since the day of my arrival." She ran the presidential household with style.

Other women, such as author Judith Sargent Murray, believed that women needed to play a greater role in the new nation than Martha Washington did. Murray, Abigail Adams, and others believed in Republican Motherhood, the idea that women played an important role in teaching their children to be good citizens.

Some promoters of Republican Motherhood did not expect women to participate in politics or business. Other people, however, hoped that Republican Motherhood would lead to greater opportunities for women. They hoped more women would receive an education. Only a few families were willing to provide much education for their daughters, and adult women rarely had the time or money to get an education later in life. Most women in the early republic faced long days managing their households and working hard inside or outside the home to support their families.

Organizing the Government

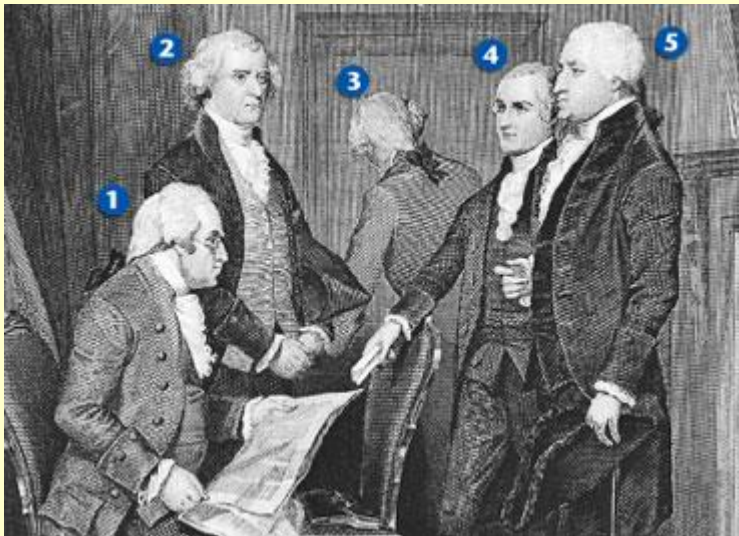
Hard work also lay ahead for members of the new government. The new federal government had to create policies and procedures that would determine the future of the country. As President Washington noted in a letter to James Madison, “The first of everything in our situation will serve to establish a precedent.” A **precedent** is an action or decision that later serves as an example.

The First Congress created departments in the executive branch for different areas of national policy. Washington met with the department heads, or cabinet members, who advised him.

Today we know that presidents have cabinet meetings with their top advisers. This practice started during Washington’s presidency and was common by 1792.

For two of his most important cabinet positions, Washington chose carefully. He picked Alexander Hamilton as secretary of the treasury and Thomas Jefferson as secretary of state. Henry Knox served as secretary of war, and Samuel Osgood was chosen as postmaster general. Hamilton was a gifted economic planner, and Jefferson had served as ambassador to France. Knox had helped Washington run the Continental Army, and Osgood had government experience.

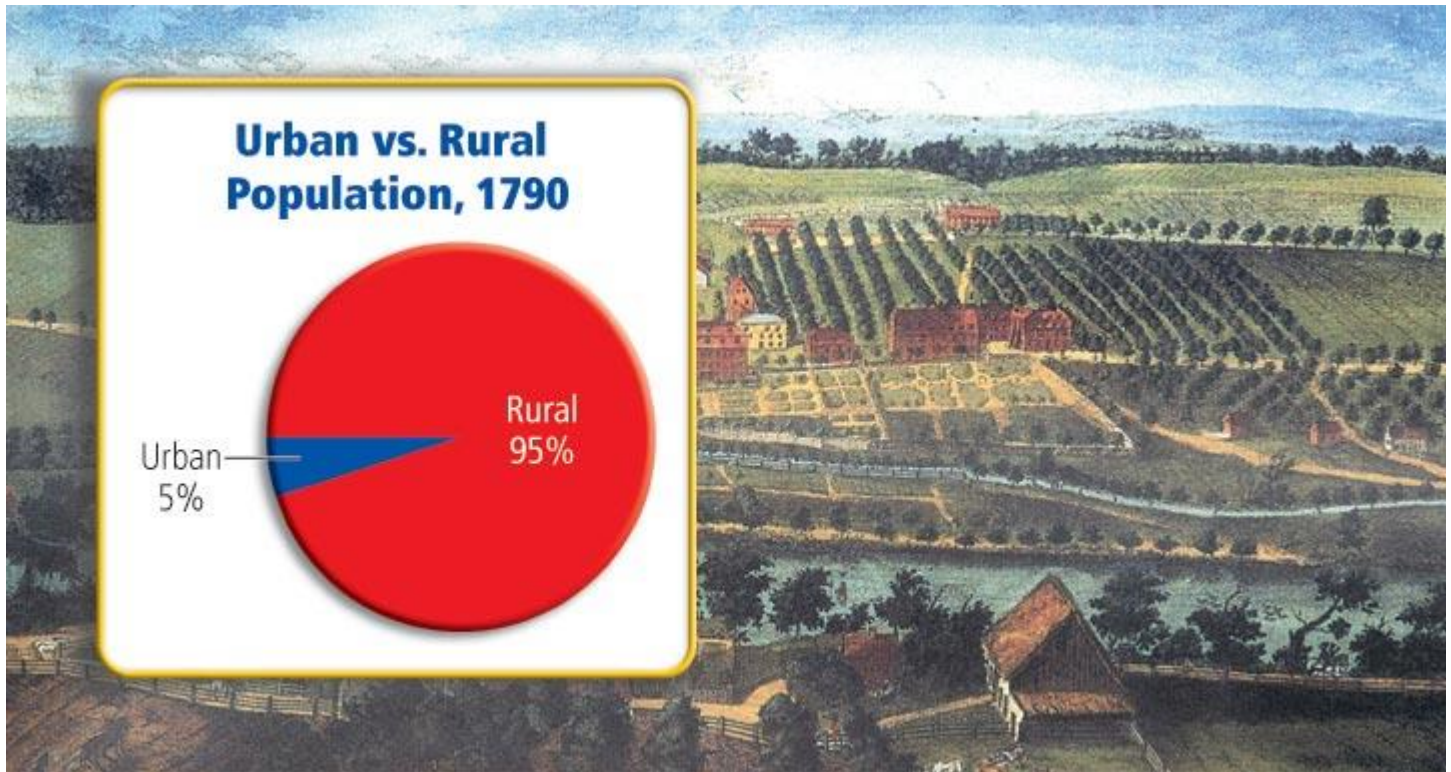
The First Cabinet



Washington’s cabinet members kept him informed on political matters and debated important issues with one another. Each of the men chosen had experience that made him a wise choice to advise the nation’s first president. By 1792 cabinet meetings were a common practice.

1. Henry Knox, secretary of war
2. Thomas Jefferson, secretary of state
3. Edmund Randolph, attorney general
4. Alexander Hamilton, secretary of the treasury
5. George Washington, president

A Rural Nation



To set up the federal court system and the courts' location, Congress passed the [Judiciary Act of 1789](#). **This act created three levels of federal courts and defined their powers and relationship to the state courts.** It set up federal district courts and circuit courts of appeals. The president nominated candidates for federal judgeships. Those candidates then had to be approved or rejected by the Senate. Washington wrote about the importance of these duties:

"I have always been persuaded that the stability and success of the national government...would depend in a considerable degree on the interpretation and execution of its laws. In my opinion, therefore, it is important that the judiciary system should not only be independent in its operations, but as perfect as possible in its formation."

—George Washington, quoted in *The Real George Washington*, edited by Parry et al.

The basic parts of the federal government were now in place. Leaders began to face the challenges of the new nation. Hard work lay ahead.

Americans' Expectations for the Nation

Most Americans had high expectations for the new country. They wanted improved trade, free from too many restrictions. But they also expected the government to protect them and to keep the economy stable. However, the idea of belonging to one united nation was new to them.

In 1790 the United States was home to almost 4 million people. Most Americans lived in the countryside and worked on farms. Farmers wanted fair tax laws and the right to settle western lands. They did not want the government to interfere with their daily lives.

Other Americans worked in towns as craftspeople, laborers, or merchants. These people looked to the government to help their businesses. Most merchants wanted simpler trade laws established. Manufacturers wanted laws to protect them from foreign competitors.



Some Americans lived in growing cities like New York, shown here. However, the new republic was overwhelmingly rural. Most Americans lived and worked on farms.

Most cities were small. Only New York City and Philadelphia had populations larger than 25,000. New York City was the first capital of the United States, and it represented the spirit of the new nation. Although badly damaged during the Revolution, the city had already begun to recover. Citizens got rid of many signs of British rule.

New York City had a bustling economy. International trade and business became more active. A French visitor to New York City noted the city's energy.

"Everything in the city is in motion; everywhere the shops resound [ring out] with the noise of workers... one sees vessels arriving from every part of the world."

—A French visitor to New York, quoted in *New York in the American Revolution* by Wilbur Abbott

In 1792 some 24 stockbrokers signed an [agreement](#) under a buttonwood tree on Wall Street. This agreement was the foundation for what later became the New York Stock Exchange. It cemented Wall Street's image as the economic hub of the United States.

By 1790 the city's population had topped 33,000 and was growing rapidly. To many officials, this vibrant city reflected the potential future of the new nation. It was thus a fitting place for the capital.

SUMMARY AND PREVIEW Americans, led by President George Washington, set up their new government. In the next section you will read about Alexander Hamilton's economic plan.

Section 2

Hamilton and National Finances

If YOU were there...

You live on a plantation in North Carolina in the 1790s. You have just heard that the federal government plans to pay most of the northern states' debts from the war. Now your neighbors are outraged about this idea. It means more taxes and tariffs! New York and Massachusetts are far away, they say. Why should North Carolina farmers have to pay northern debts?

Would you pay other states' war debts? Why?

BUILDING BACKGROUND Some of the new nation's biggest problems were economic. The national and state governments had run up huge debts during the war. But the proposed solutions to these problems revealed differences in regional viewpoints. Southern planters and northern businesspeople had very different ideas about how the national economy should develop.

Settling the Debt

[Alexander Hamilton](#) seemed born with a head for economics. While still in his teens, he helped run a shipping company in his native British West Indies. Family friends then sent him to the American colonies for an


education. Hamilton eventually married into a wealthy New York family and began practicing law. He served as Washington's aide and as a delegate to four Continental Congresses.

National Debt

As secretary of the treasury, Hamilton's biggest challenge was paying off the **national debt**—money owed by the United States—from the Revolutionary War. The United States owed about \$11.7 million to foreign countries and about \$40.4 million to U.S. citizens. During the war the government raised money with bonds. **Bonds are certificates of debt that carry a promise to buy back the bonds at a higher price.** The government could not afford to keep this promise.

Hamilton's Economic Plan

Alexander Hamilton developed a three-point plan to solve the nation's financial problems.



Category	Amount
Domestic debt	\$40.4 million
State debt	\$25 million
Foreign debt	\$11.7 million

- 1 Deal with the Debt**
 - Take on the foreign and domestic debt by replacing creditors' old, low-value bonds with new, interest-bearing bonds
 - Take over most of the states' \$25 million Revolutionary War debts

would build investor confidence in the stability of the new nation
- 2 Gain Revenue**
 - Pass a tariff to both bring in money and help American manufacturers

would free up state money for business and trade
- 3 Stabilize the Banking System**
 - Create a national bank
 - Create a national mint

Bondholders who needed money sold their bonds for less than the original value to **speculators**, or people who buy items at low prices in the hope that the value will rise and they can sell the items for a profit.

Hamilton wanted to pay the foreign debt immediately and gradually repay the total value of all bonds. The second part of his plan caused disagreements because paying full value would allow speculators to make a

profit. Hamilton thought this was fair. He said, “He [the speculator] paid what the commodity [bond] was worth...and took the risks.”

Thomas Jefferson disagreed. He thought the idea cheated bondholders who had sold their bonds at low prices. Jefferson wrote, “Immense sums were thus filched [stolen] from the poor and ignorant.” But more politicians agreed with Hamilton. In 1790 the government exchanged old bonds for new, more reliable ones that were guaranteed.

States' Debts

The states owed \$25 million for Revolutionary War expenses. Hamilton wanted the federal government to pay for \$21.5 million of this debt. Hamilton believed that this action would help the federal government. He thought that paying the states' debts would help the national economy. Debtor states would not have to spend so much on repayment and would have money to develop business and trade. Increased business and trade would put more money back into the national economy.

The South, however, did not want to help the federal government pay the debts of other states. States such as Virginia and North Carolina did not have many war debts. They thought Hamilton's idea was unfair. Patrick Henry said he did not believe that the Constitution gave Congress the power to pay state debts. Hamilton knew that he needed the help of southern representatives to get his plan approved.

Moving the Capital

Hamilton also knew that he had something to bargain with. Southern officials wanted to change the location of the nation's capital. Many southerners thought that having the capital in New York gave the northern states too much influence over national policy. Hamilton, Jefferson, and James Madison met in June 1790.

Hamilton promised to convince northern members of Congress to move the capital. Jefferson and Madison then agreed to gather support in the South for Hamilton's debt plan.

The compromise worked. The national capital was moved to Philadelphia in 1791 for 10 years. For the capital's permanent location, Washington chose a place on the Potomac River that included part of both Maryland and Virginia. The land was made up of swamps and farms. This site would eventually become the city of Washington, D.C.

Biography



Benjamin Banneker
(1731–1806)

Benjamin Banneker was born to a free African American family in rural Maryland. He attended a Quaker school but was largely self-educated. He was a skilled mathematician and scientist. His mathematical skills prompted Thomas Jefferson to give him a job surveying the land for the new national capital.

Jefferson Opposes Hamilton

Hamilton and Jefferson did not cooperate for long. Instead, they began to disagree about how to define the authority of the central government. Hamilton believed in a strong federal government. Jefferson wanted to protect the powers of the states. Their conflict reflected basic differences in their opinions about democracy.

Hamilton had little faith in the average individual. He once said that “the people...seldom judge or determine [decide] right.”

Differing Views

Hamilton wanted a strong central government that balanced power between the “mass of the people” and wealthier citizens. He believed that his approach would protect everyone’s liberties while keeping the people from having too much power.

Jefferson disagreed strongly with Hamilton’s views of the average citizen’s ability to make decisions for the country. He admitted that “the people can not be all, and always, well informed.” However, Jefferson believed that it was the right of the people to rule the country.

Economic Differences

Hamilton and Jefferson also fought over how the country’s economy should grow. Hamilton wanted new forms of economic growth. He wanted to promote manufacturing and business. He even suggested that the government award a prize to companies that made excellent products.



U.S. Capital in Washington, D.C.

Primary Source

POINT OF VIEW

Role of a Citizen

Alexander Hamilton thought that the average citizen had no interest in public affairs.

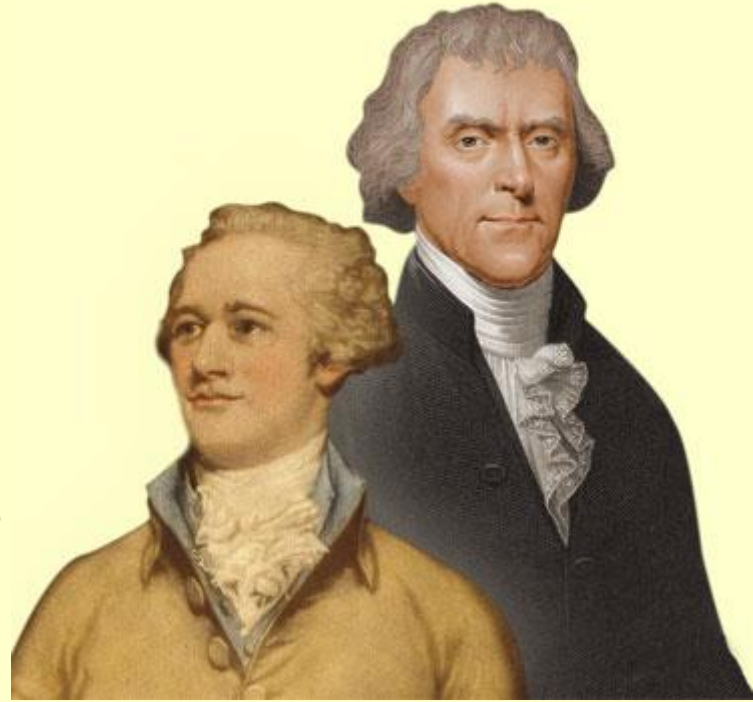
“We must take man as we find him, and if we expect him to serve the public, [we] must interest his passions in doing so. A reliance on pure patriotism has been the source of many of our errors.”

—Alexander Hamilton,
quoted in *Odd Destiny: The
Life of Alexander Hamilton* by
Marie B. Hecht

Thomas Jefferson believed that each citizen could work to better society.

“It is my principle that the will of the Majority should always prevail [win]...Above all things I hope the education of the common people will be attended to; [I am] convinced that on their good sense we may rely with the most security for the preservation of a due degree of liberty.”

—Thomas Jefferson,
from *Thomas Jefferson: A
Biography in His Own Words*



In addition, Hamilton wanted to pass higher tariffs. Known as protective tariffs, these taxes would raise the prices of foreign products. Hamilton hoped this would cause Americans to buy U.S. goods. As a result, American manufacturing would be protected from foreign competition.

Jefferson worried about depending too much on business and manufacturing. He believed that farmers were the most independent voters. They did not depend on other people’s work to make a living.

Jefferson wrote, “Our governments will remain virtuous [pure] for many centuries; as long as they are chiefly agricultural.” Jefferson wanted to help farmers by keeping the costs of the goods they bought low. Lower tariffs would help keep prices low.

A National Bank

Hamilton’s and Jefferson’s differences became more and more public in early 1791. The two men had very different opinions about how the government should approach its economic problems.

Hamilton’s Plan for a National Bank

Hamilton wanted to start a national bank where the government could safely deposit its money. The bank would also make loans to the government and businesses. Hamilton also thought that the United States should build a national mint, a place to make coins. Then the country could begin issuing its own money.

Hamilton knew that people who wanted to protect states’ rights might have a strong reaction to the idea of a national bank, so he suggested limiting it to a 20-year charter. After that time Congress could decide whether to extend the charter. Hamilton also asked each state to start its own bank so the national bank would not have a monopoly.

Jefferson's Opposes the Bank

Both Jefferson and Madison believed that Hamilton's plans for the economy gave too much power to the federal government. They also thought the U.S. Constitution did not give Congress the power to create a bank. But Hamilton quoted the elastic clause, which states that Congress can "make all laws which shall be necessary and proper" to govern the nation.

Hamilton declared that the clause allowed the government to create a national bank. Hamilton believed in loose construction of the Constitution. **Loose construction means that the federal government can take reasonable actions that the Constitution does not specifically forbid.**

Jefferson thought that the elastic clause should be used only in special cases. He wrote to President Washington, "The Constitution allows only the means which are 'necessary,' not those which are merely 'convenient.'" Jefferson believed in strict construction of the Constitution. **People who favor strict construction think that the federal government should do only what the Constitution specifically says it can do.**

President Washington and Congress agreed with Hamilton. They hoped a bank would offer stability for the U.S. economy. In February 1791 Congress enacted the charter for the **Bank of the United States**—**the country's first national bank.** The bank played an important role in making the U.S. economy more stable.

SUMMARY AND PREVIEW Washington and Hamilton developed plans for paying the national debt. In the next section you will read about the U.S. neutrality policy.

Section 3

Challenges for the New Nation

If YOU were there...

You are the captain of an American merchant ship in the 1790s. Your ship has just picked up cargo in the French West Indies. You are headed back to your home port of Philadelphia. Suddenly, a British warship pulls alongside your ship. Marines swarm aboard. They order you into the nearest harbor and seize your goods.

How would this incident affect your views of Great Britain?

BUILDING BACKGROUND As the new nation tried to get organized, it faced economic problems and internal divisions. Even more difficult challenges came from conflicts in Europe. The United States could not avoid being caught up in fighting between France and Great Britain.

Remaining Neutral

Tensions between France and Britain began to build after the French people rebelled against their king. On July 14, 1789, citizens of Paris attacked and captured the Bastille, a hated fortress and prison that stood as a mighty symbol of royal power.

The storming of the Bastille was one of the first acts of the [French Revolution](#)—a rebellion of French people against their king in 1789. The French people overthrew their king and created a republican government.



French revolutionaries storm the Bastille.

Time Line

The Struggle for Neutrality



Jay's Treaty

There were other threats to U.S. neutrality. In late 1793 the British seized ships carrying food to the French West Indies. Hundreds of the ships were neutral American merchant ships. Also, British officers were helping Native Americans fight settlers.

Washington wanted to prevent another war with the British. He sent Chief Justice John Jay to London to work out a compromise. The British knew the United States lacked a strong navy and that U.S. businesses relied heavily on British trade. However, the British did not want to fight another war in America.

In November 1794 the two sides signed Jay's Treaty. **Jay's Treaty settled the disputes that had arisen between the United States and Great Britain in the early 1790s.** The British would pay damages on seized American ships and abandon their forts on the northwestern frontier. The United States agreed to pay debts it owed the British.

The treaty was unpopular and sparked violent protests. Citizens and congressional leaders thought the treaty hurt trade and did not punish Britain enough for some of its actions. Southerners were especially angry that the treaty did not ask Britain to repay them for slaves that Britain had set free during the Revolutionary War. Washington did not like the treaty but believed it was the most that could be done. At his urging the Senate approved the treaty.

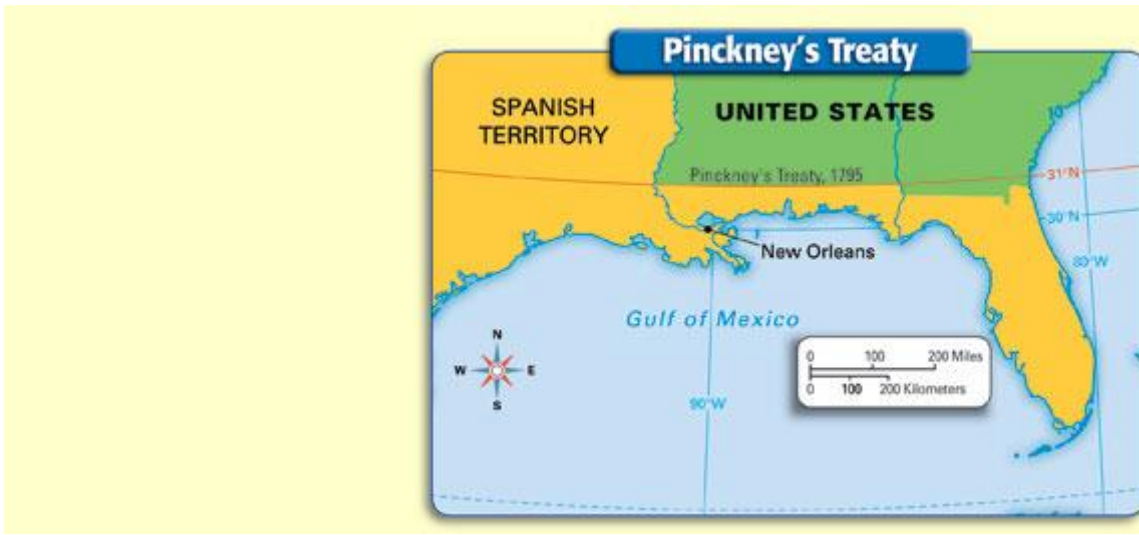
Pinckney's Treaty

American businesses faced problems as well. The Spanish disputed the border between the United States and Florida. Spain closed the port of New Orleans to U.S. trade in 1784. This hurt the American economy because all goods moving down the Mississippi to places in the East or overseas had to pass through New Orleans.

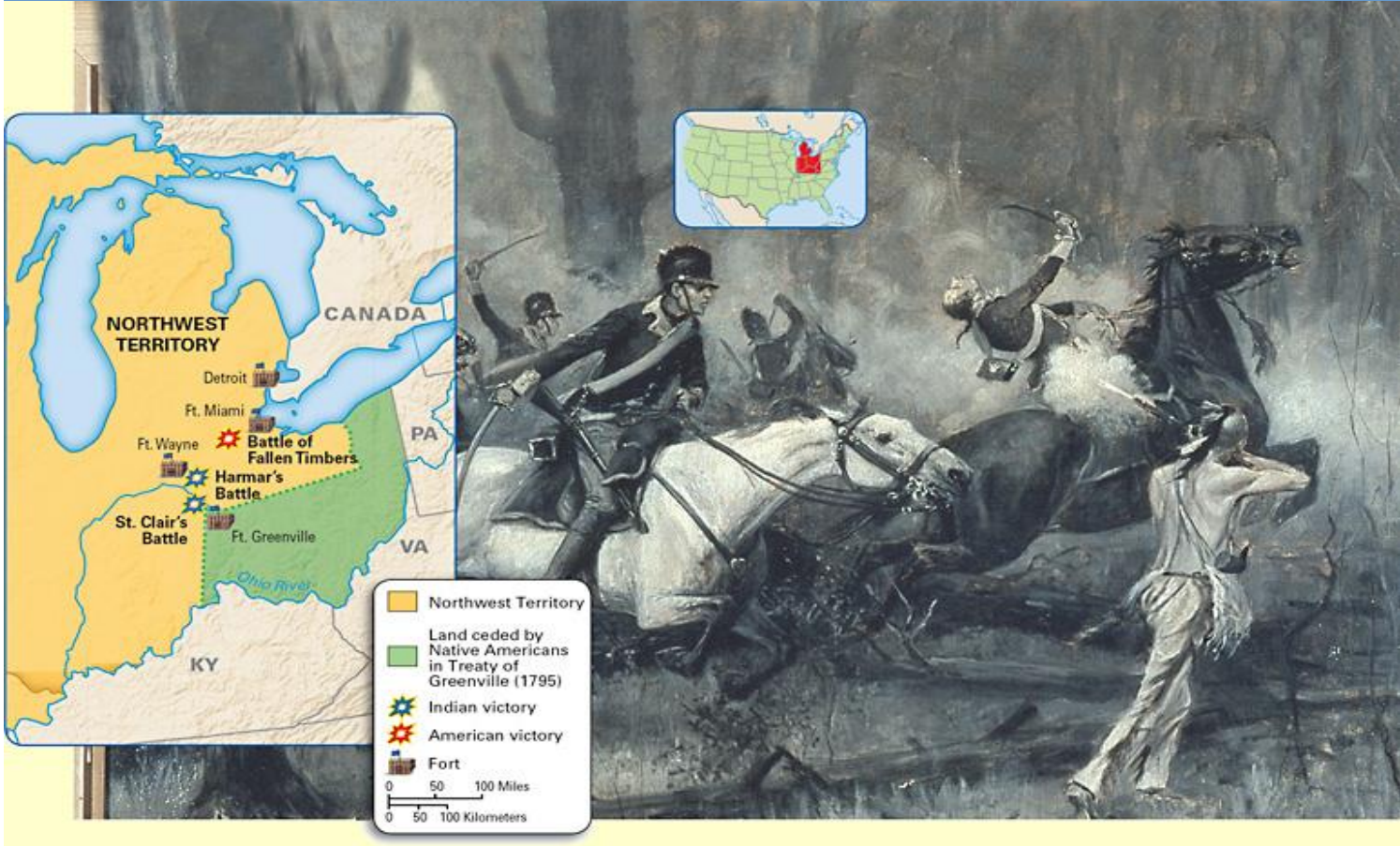
Washington asked Ambassador Thomas Pinckney to meet with Spanish officials to discuss the problem. He asked the Spaniards to reopen New Orleans to U.S. trade. Pinckney also asked for the right of deposit in New Orleans. This right would allow American boats to transfer goods in New Orleans without paying cargo fees.

Spanish minister Manuel de Godoy (goh-THOY) tried to delay reaching an agreement, hoping Pinckney would become desperate and sign a treaty that favored the Spanish. He was worried that the United States and Great Britain might join against Spain after signing Jay's Treaty. Pinckney was patient, however, and his patience was rewarded.

In October 1795, Godoy agreed to [Pinckney's Treaty](#), which settled the border, and trade disputes with Spain. Under the treaty Spain agreed to recognize the U.S. southern boundary as 31°N latitude.



Fighting in the Northwest Territory



Spain's government also reopened the port at New Orleans to American ships and gave them the right of deposit. Because it opened the frontier to more expansion, Washington and most other Americans believed that Pinckney's Treaty was a successful compromise.

Conflict in the Northwest Territory

As the United States dealt with international conflicts, trouble was also brewing at home. Americans continued to settle the Northwest Territory despite Native Americans' protests. Supplied by British traders with guns, Native Americans went to war. In 1790 a Native American alliance under the command of Miami chief [Little Turtle](#) defeated U.S. forces under General Josiah Harmar. Then in 1791, Native Americans defeated General Arthur St. Clair's troops.

General Wayne Takes Command

In 1792 President Washington gave command of the army in the West to General Anthony Wayne. Wayne's task was to bring troops to the frontier to fight against the Indians. In 1793 General Wayne arrived in Ohio. Many of his men were ill from smallpox and influenza, so they were unable to fight well.

Wayne's troops moved north and built Fort Greenville, where they remained during the winter. They built additional forts for protection and to have supplies at hand.

As the summer of 1794 neared, several Native American groups led by Little Turtle attacked a supply train near the fort. Wayne and his men responded. They attacked Native American towns and burned crops.

The British no longer aided the Native Americans after this defeat, and Little Turtle realized that they were outmatched. He urged his people to seek peace.

"The trail has been long and bloody; it has no end. The [whites]...are many. They are like the leaves of the trees. When the frost comes they fall and are blown away. But when the sunshine comes again they come back more plentiful than ever before."

—Little Turtle, quoted in *The Ohio Frontier*
by Douglas Hurt

The End of Conflict

On August 20, 1794, Native Americans fought Wayne's troops in the [Battle of Fallen Timbers](#) and were defeated. The battle was named for an area where many trees had been destroyed by a tornado. Wayne's forces burned Indians' villages and fields. The strength of Indian forces in the region was broken.

The frontier war soon ended. In August 1795, Native American leaders signed the [Treaty of Greenville](#), **which gave the United States claim to most Indian lands in the Northwest Territory.** The treaty also guaranteed the safety of citizens there. In exchange, Native Americans received \$20,000 worth of goods and an acknowledgment of their claim to the lands they still held.

The Whiskey Rebellion

Other conflicts occurred on the frontier. Congress passed a tax on American-made whiskey in March 1791. The tax was part of Hamilton's plan to raise money to help pay the federal debt. He was also testing the power of the federal government to control the states' actions.

Reaction in the West

People in areas such as western Pennsylvania were bitter about the tax. They were already angry with the federal government, which they believed did not protect settlers from Native American attacks and did not allow settlers enough opportunities for trade. The farmers' corn crops were often made into whiskey, which was easier to transport than the corn. Because cash was rare, whiskey became like money in their region. The farmers believed that the tax was aimed specifically at them.

Farmers who produced small amounts of whiskey for trade argued that they could not afford the tax. They believed they should be able to keep the money they had made from a product they created themselves. Protests in 1792 led President Washington to issue a proclamation saying that people had to obey the law.

Westerners also disliked the fact that cases about the law were to be tried in a district court. These courts were usually far away from the people they affected and were a great inconvenience to them.

Whiskey Rebellion Is Crushed

The complaints of western Pennsylvanians were at first expressed peacefully. But by 1794 fighting had broken out. **In what became known as the [Whiskey Rebellion](#), farmers lashed out against the tax on whiskey.** Protesters refused to pay the tax. They even tarred and feathered tax collectors. Some called themselves the new Sons of Liberty.

Incidents of violence spread to other states. President Washington feared that the rebels threatened the federal government's authority. He believed he needed to make people understand that the Constitution gave Congress the right to pass and enforce the tax.

Washington declared that he could "no longer remain a passive [inactive] spectator" in the event. He personally led the army in military action against the rebellion—the first and only time an American president has done so. The army of about 13,000 men approached western Pennsylvania in November 1794. By this time most of the rebels had fled. The Whiskey Rebellion ended without a battle.

Primary Source

HISTORICAL DOCUMENT

Washington's Farewell Address

On September 19, 1796, President George Washington's Farewell Address first appeared in a Philadelphia newspaper. In it, Washington wrote about the nation's economy, political parties, and foreign policy.

While, then, every part of our country... feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass... greater strength, greater resource, proportionally greater security from external danger, [and] a less frequent interruption of their peace by foreign nations;... 🗨️

I have already **intimated**¹ to you the danger of [political] parties in the state, with particular reference to the founding of them on geographical **discriminations**². Let me now take a more **comprehensive**³ view, and warn you in the most solemn manner against the **baneful**⁴ effects of the spirit of party, generally. 🗨️

If, in the opinion of the people, the distribution or **modification**⁵ of the constitutional powers be in any particular wrong, let it be corrected by an amendment...

Promote, then, as an object of primary importance, institutions for the general **diffusion**⁶ of knowledge... As the structure of a government gives force to public

opinion, it is essential that public opinion should be enlightened... 🎓

[Avoid] likewise the accumulation of debt... not ungenerously throwing upon **posterity**⁷ the burden, which we ourselves ought to bear...

Observe good faith and justice towards all nations; **cultivate**⁸ peace and harmony with all...

The great rule of conduct for us, in regard to foreign nations, is... to have with them as little political connection as possible.

It is our true policy to steer clear of permanent alliances with any portion of the foreign world... There can be no greater error than to expect, or **calculate**⁹ upon real favors from nation to nation. It is an illusion, which experience must cure, which a just pride ought to discard. 🎓

The duty of holding a neutral conduct may be inferred... from the obligation which justice and humanity impose on every nation... to maintain **inviolable**¹⁰ the relations of peace and **amity**¹¹ towards other nations.



Washington Says Farewell

In 1796 Washington decided not to run for a third presidential term. He wrote that he was “tired of public life” and “devoutly [strongly] wished for retirement.” He also wanted to remind Americans that the people were the country’s true leaders.

With the help of Alexander Hamilton and James Madison, Washington wrote his Farewell Address. In it he spoke about what he believed were the greatest dangers to the American republic. Among these were the dangers of foreign ties and political conflicts at home. Washington warned against forming permanent ties with other countries because choosing sides could draw the United States into war.

He also worried about growing political conflicts within the nation. Washington believed that disagreements between political groups weakened government. Political unity, he said, was a key to national success. Washington left office warning the nation to work out its differences and protect its independence. Washington also warned against too much public debt. He thought the government should try not to borrow money. He wanted future generations to be protected from debt.

He concluded his speech by looking forward to his retirement and praising his country. “I anticipate... the sweet enjoyment... of good laws under a free government, the ever favorite object of my heart.”

SUMMARY AND PREVIEW Americans responded to foreign and domestic conflict during Washington’s presidency. In the next section you will read about the formation of political parties in the United States and the presidency of John Adams.

Section 4

John Adams's Presidency

If YOU were there...

You are a newspaper editor in Virginia in 1798. You've joined Jefferson's political party, which opposes the new president. In fact, your paper has printed many articles that criticize him, calling him greedy and foolish. You believe that's your right in a free country. But now Congress has passed a law that makes it illegal to criticize the government. You could be arrested for your articles!

Would you stop criticizing the government? Why?

BUILDING BACKGROUND People within the new United States had differing viewpoints on many issues. Personal rivalries among political leaders also created divisions in the new nation. Trying to limit dissent in the country, the federal government passed several unpopular laws.

The Election of 1796

The election of 1796 began a new era in U.S. politics. For the first time, more than one candidate ran for president. **Political parties, groups that help elect people and shape policies**, had begun to form during Washington's presidency. Despite Washington's warnings about political parties, the rivalry between two parties dominated the 1796 election.

Alexander Hamilton helped found the **Federalist Party, which wanted a strong federal government and supported industry and trade**. The Federalists chose John Adams and Thomas Pinckney as candidates. Adams knew he was not well liked in the South or the West, but he hoped people would support him after they thought about his years of loyal public service.

Thomas Jefferson and James Madison founded the **Democratic-Republican Party. Its members, called Republicans, wanted to limit the federal government's power.**(This party is not related to today's Republican Party.) They chose Thomas Jefferson and Aaron Burr as their candidates.

The First Political Parties, 1796



Party differences were based partly on where and how people lived. Businesspeople in the cities tended to support the Federalists. Farmers in more isolated areas generally favored the Democratic-Republicans. Both sides attacked each other. Republicans called Adams a royalist—an insult to a man so involved in the Revolution. The Federalists accused the Republicans of favoring the French.

In the end, Adams defeated Jefferson. At the time, the person who came in second in a presidential election became vice president. So, after months of campaigning against one another, Adams and Jefferson took office together.

President Adams and the XYZ Affair

John Adams had the challenging task of following Washington as president. The people had adored Washington. Adams would have to work hard to win the people's trust.

A New President

At first glance, John Adams did not appear well suited for the presidency. Although Adams had been a leading Patriot during the American Revolution and had later served as a foreign diplomat, he lacked Washington's dignity, and most people saw him as a cold and distant person. Still, many people—even those who opposed him—respected Adams. They recognized his hard work, honesty, and intelligence.

Primary Source

POLITICAL CARTOON

After the XYZ affair, French ships continued to attack American merchant ships. In this cartoon, the United States is represented by the woman. The men, symbolizing the French, are taking valuables from her. The people in the distance are other European nations.



Why do you think this man is encouraging the woman to look away?

These people aren't helping the woman. What do you think the cartoon is suggesting by this?

The United States and France

One of Adams's first goals as president was to improve the relationship between the United States and France. You may remember that the French had once tried to hire American privateers to help them fight Great Britain, a practice Washington frowned upon. Adams sent U.S. diplomats to Paris to smooth over the conflict and to negotiate a treaty to protect U.S. shipping.

When the diplomats arrived in France, they learned that French foreign minister Talleyrand would not speak to them. Instead, they had a strange and secret visit from three French agents. Shockingly, the agents said that Talleyrand would discuss a treaty only in exchange for a \$250,000 bribe. The French government also wanted a loan of \$12 million. The amazed diplomats refused these demands.

In March 1798 President Adams told Congress that the peace-seeking mission had failed. He described the French terms, substituting the letters X, Y, and Z for the names of the French agents. Upon hearing the disgraceful news, Federalists in Congress called for war with France.

The **XYZ affair**, as the French demand for a bribe came to be called, outraged the American public. "Millions for defense, but not one cent for tribute!" became the rallying cry of the American people.

Preparations for War

Fearing war, Adams asked Congress to expand the navy to a fleet of more than 30 ships. He thought war with France might be unavoidable. He also decided the United States should keep a peacetime army. Congress approved both measures.

Although Adams had asked Congress for military support, he did not want to go to war with France. He was worried about its cost. So he did not ask Congress to declare war. Instead, he tried to reopen peace talks with France.

Peace Efforts

Adams's decision not to declare war stunned Federalists. Despite intense pressure from members of his own party, Adams refused to change his mind.

American and French ships, however, began fighting each other in the Caribbean. Adams sent a representative to France to engage in talks to try to end the fighting. The United States and France eventually signed a treaty. Adams then forced two members of his cabinet to resign for trying to block his peace efforts.

The Alien and Sedition Acts

Many Democratic-Republicans continued to sympathize with France. Federalists, angered by their stand, called them “democrats, mobocrats, and all other kinds of rats.”

In 1798, the Federalist-controlled Congress passed four laws known together as the [Alien and Sedition Acts](#). These laws were said to protect the United States, but the Federalists intended them to crush opposition to war. The most controversial was the Sedition Act, which forbade anyone from publishing or voicing criticism of the federal government. In effect, this cancelled basic protections of freedom of speech and freedom of the press.

The two main Democratic-Republican leaders, Thomas Jefferson and James Madison, viewed these acts as a misuse of the government’s power. Attacking the problem at the state level, they wrote resolutions passed by the Kentucky legislature in 1798 and in Virginia in 1799. Known as the [Kentucky and Virginia Resolutions](#), **these documents argued that the Alien and Sedition Acts were unconstitutional.** They stated that the federal government could not pass these acts because they interfered with state government. Madison and Jefferson pressured Congress to repeal the Alien and Sedition Acts. Congress did not, although it allowed the acts to expire within a few years.

The Kentucky and Virginia Resolutions did not have the force of national law, but they supported the idea that states could challenge the federal government. This idea would grow to have a tremendous impact on American history later in the 1800s.

SUMMARY AND PREVIEW Political parties formed to reflect different viewpoints. In the next chapter you will read about Thomas Jefferson’s presidency.