Why It Matters

As you study Unit 4, you will learn how the young United States chose its leaders and established its policies. The following resources offer more information about this period in American history.

Primary Sources Library
See pages 598–599 for primary source readings to accompany Unit 4.

Use the American History Primary Source Document Library CD-ROM to find additional primary sources about the new republic.

Daniel Boone Escorting Settlers Through the Cumberland Gap by George Caleb Bingham

Pitcher honoring Washington’s inauguration, 1789
“Observe good faith and justice toward all nations.”

—George Washington, 1796
George Washington’s administration faced the huge task of making the new government work. The Constitution had created the office of the presidency, but Washington established many procedures and customs.

President Washington set many examples that presidents still follow. These include creating a cabinet, directing foreign affairs, and serving as chief legislator.

The chapter 8 video, “George Washington,” examines the issues that arose upon the establishment of the office of president.
**Summarizing Study Foldable**

Make this foldable and use it as a journal to help you record the major events that occurred as the new nation of the United States formed.

**Step 1** Fold a sheet of paper from top to bottom.

**Step 2** Then fold it in half from side to side.

**Step 3** Label the foldable as shown.

**Reading and Writing**

As you read the chapter, find the “firsts” experienced by the new nation, and record them in your foldable journal. For example, list the precedents set by President Washington and identify the first political parties.

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**Boston Harbor as Seen From Constitution Wharf** by Robert Salmon

Salmon recorded the emerging cities and scenic harbors of the young nation.

**1795**
- Nation’s first chief justice, John Jay, retires from court

**1796**
- Jenner develops smallpox vaccine

**1797–1801**
- Adams 1797–1801

**1798**
- Alien and Sedition Acts passed
- XYZ affair

**1800**
- Convention of 1800 resolves U.S./French conflicts

**1799**
- Rosetta stone discovered

**1800**
- Convention of 1800 resolves U.S./French conflicts

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**HISTORY Online**

Visit tarvol1.glencoe.com and click on Chapter 8—Chapter Overviews to preview chapter information.
Celebrations erupted in the streets of Philadelphia, New York, Boston, and Charleston in 1789. News of the Constitution’s ratification was greeted with relief and enthusiasm. All that was needed now was a leader to guide the new nation.

On April 6 the new Senate counted the presidential ballots. To no one’s surprise, the votes were unanimous. Senator John Langdon wrote to General George Washington: “Sir, I have the honor to transmit to Your Excellency the information of your unanimous election to the office of President of the United States of America.” Washington was ready to begin the difficult task of leading the country.

President Washington

The 57-year-old president-elect made his way slowly toward New York City, then the nation’s capital. After the Constitutional Convention, George Washington had looked forward to a quiet retirement. Instead his fellow citizens elected him to the highest office in the land. On April 30, 1789, Washington took the oath of office as the first president of the United States under the federal Constitution (there had been several presidents under the Articles of Confederation). John Adams became vice president. (See page 598 of the Primary Sources Library for an excerpt of an account of Washington’s First Inaugural.)
Perhaps no office in the new government created more suspicion among the people than the office of president. Many Americans feared that a president would try to become king, but they trusted Washington. They believed that his leadership had brought them victory in the Revolutionary War.

Washington was aware of the difficulties he faced. He knew that the precedents, or traditions, he established as the nation’s first president would shape the future of the United States. “No slip will pass unnoticed,” he remarked. One precedent he established concerned the way people should address him. Vice President Adams supported “His Highness the President of the United States,” but ultimately it was decided that “Mr. President” would be more appropriate.

Washington and the new Congress also had many decisions to make about the structure of government. For example, the Constitution gave Congress the power to establish executive departments, but it did not state whether the department heads would report to the president or to Congress.

**The First Congress**

During the summer of 1789, Congress set up three departments in the executive branch of government. The State Department would handle relations with other nations, the Treasury Department would deal with financial matters, and the War Department would provide for the nation’s defense. Congress also created the office of attorney general to handle the government’s legal affairs and the office of postmaster general to direct the postal service.

To head the departments, Washington chose prominent political figures of the day—Thomas Jefferson as secretary of state, Alexander Hamilton as secretary of the treasury, and Henry Knox as secretary of war. He appointed Edmund Randolph as attorney general. Washington met regularly with the three department heads and the attorney general, who together became known as the cabinet.

Congress created the executive departments; opinion was divided, however, on how much power the president should have over them. For example, should the president be able to replace an official that he had appointed and the Senate had confirmed? Senators were evenly divided in voting on the issue.

Vice President Adams broke the tie by voting to allow the president the authority to dismiss cabinet officers without the Senate’s approval. This decision strengthened the president’s position. It also helped create a greater separation between the legislative and executive branches of government by establishing the president’s authority over the executive branch.

**Judiciary Act**

The first Congress also had to decide how to set up the nation’s court system. The Constitution briefly mentioned a supreme court but had left further details about the courts to Congress.

Disagreements arose between those favoring a uniform, national legal system and those favoring state courts. The two groups reached a compromise in the **Judiciary Act of 1789**. With this act, Congress established a federal court system with 13 district courts and three circuit courts to serve the nation. State laws would remain, but the federal courts would have the power to reverse state decisions.

The Supreme Court would be the final authority on many issues. Washington nominated John Jay to lead the Supreme Court as chief justice, and the Senate approved Jay’s nomination. With the Judiciary Act, Congress had taken the first steps toward creating a strong and independent national judiciary.
**The Bill of Rights**

Americans had long feared strong central governments. They had fought a revolution to throw off one and did not want to replace it with another. Many people insisted the Constitution needed to include guarantees of personal liberties. Some states had supported the Constitution on the condition that a bill of rights be added.

To fulfill the promises made during the fight for ratification of the Constitution, James Madison introduced a set of amendments during the first session of Congress. Congress passed 12 amendments, and the states ratified 10 of them. In December 1791, these 10 amendments were added to the Constitution and became known as the **Bill of Rights**.

The Bill of Rights limits the powers of government. Its purpose is to protect the rights of individual liberty, such as freedom of speech, and rights of persons accused of crimes, including trial by jury. The Tenth Amendment protects the rights of states and individuals by saying that powers not specifically given to the federal government “are reserved to the States respectively, or to the people.” With the Tenth Amendment, Madison hoped to use the states as an important line of defense against a too-powerful national government. (See pages 244–245 for the entire text of the Bill of Rights.)

**Reading Check** Describing Why was the Bill of Rights created?

**Economics**

**Financial Problems**

Washington himself rarely proposed laws, and he almost always approved the bills that were passed by Congress. The first president concentrated on foreign affairs and military matters and left the government’s economic policies to his dynamic secretary of the treasury, Alexander Hamilton.

The new nation faced serious financial problems. The national debt—the amount the nation’s government owed—was growing. Hamilton tried to find a way to improve the government’s financial reputation and to strengthen the nation at the same time.
Hamilton’s Plan

In 1790 Hamilton proposed that the new government pay off the millions of dollars in debts owed by the Confederation government to other countries and to individual American citizens. The states had fought for the nation’s independence, Hamilton argued, so the national government should pay for the cost of their help. Hamilton also believed that federal payment of state debts would give the states a strong interest in the success of the national government.

Opposition to the Plan

Congress agreed to pay money owed to other nations, but Hamilton’s plan to pay off the debt to American citizens unleashed a storm of protest. When the government had borrowed money during the American Revolution, it had issued bonds—paper notes promising to repay the money in a certain length of time. While waiting for the payment, many of the original bond owners—shopkeepers, farmers, and soldiers—had sold the bonds for less than their value. They were purchased by speculators, people who risk money in order to make a larger profit. Hamilton proposed that these bonds be paid off at their original value. Opponents believed that Hamilton’s plan would make speculators rich, and

"\textit{established at the expense of national justice, gratitude, and humanity.}\" 

The original bond owners felt betrayed by the government because they had lost money on their bonds while new bond owners profited.

Even stronger opposition came from the Southern states, which had accumulated much less debt than the Northern states. Southern states complained that they would have to pay more than their share under Hamilton’s plan.

Compromise Results in a Capital

To win support for his plan, Hamilton compromised. He agreed to a proposal from Southern leaders to locate the new nation’s capital in the South after moving to Philadelphia while workmen prepared the new city for the federal government. A special district would be laid out between Virginia and Maryland along the banks of the Potomac River. This district became Washington, D.C. In return, Southerners supported his plan to pay off the state debts.

Reading Check Explaining Why did Hamilton’s plan to pay off the debt to American citizens cause such a storm of protest?

America’s Architecture

The Capitol is the seat of the United States Congress in Washington, D.C. Built on a hill popularly called Capitol Hill, the Capitol contains floor space equivalent to over 16 acres. The dome of the United States Capitol, finished in 1863, is one of the most famous landmarks in the United States. Other important parts of the Capitol include the Rotunda directly under the dome, the Senate Chamber in the north wing, the House Chamber in the south wing, and the National Statuary Hall.
Building the Economy

Hamilton made other proposals for building a strong national economy. He asked Congress to create a national bank, the Bank of the United States. Both private investors and the national government would own the Bank’s stock.

The Fight Over the Bank

In 1792 there were only eight other banks in the nation. All eight had been established by state governments. Madison and Jefferson opposed the idea of a national bank. They believed it would benefit the wealthy. They also charged that the Bank was unconstitutional—that it was inconsistent with the Constitution. Hamilton argued that although the Constitution did not specifically say that Congress could create a bank, Congress still had the power to do so. In the end the president agreed with Hamilton and signed the bill creating the national bank.

Tariffs and Taxes

At the time, most Americans earned their living by farming. Hamilton thought the development of manufacturing would make America’s economy stronger. He proposed a tariff—a tax on imports—to encourage people to buy American products. This protective tariff would protect American industry from foreign competition.

The South, having little industry to protect, opposed protective tariffs. Hamilton did win support in Congress for some low tariffs to raise money rather than to protect industries. By the 1790s the revenue from tariffs provided 90 percent of the national government’s income.

The final portion of Hamilton’s economic program concerned the creation of national taxes. The government needed additional funds to operate and to make interest payments on the national debt. At Hamilton’s request Congress approved a variety of taxes, including one on whiskey distilled in the United States.

Hamilton’s economic program gave the national government new financial powers. However, his proposals split Congress and the nation. The opponents—including Jefferson and Madison—feared a national government with strong economic powers dominated by the wealthy class. They had a very different vision of what America should become.

Reading Check Comparing Summarize the arguments for and against protective tariffs.

SECTION 1 ASSESSMENT

Checking for Understanding

2. Reviewing Facts Name three things that Hamilton wanted to do to create a stable economic system and strengthen the economy.

Reviewing Themes
3. Government and Democracy What compromise did Congress reach in establishing a court system?

Critical Thinking

5. Comparing Re-create the diagram below. Compare the views of Hamilton and Jefferson. In the boxes, write “for” or “against” for each issue.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Hamilton</th>
<th>Jefferson</th>
</tr>
</thead>
<tbody>
<tr>
<td>National bank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Protective tariff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National taxes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Analyzing Visuals
6. Picturing History Examine the picture of the U.S. Capitol on page 261. The Capitol is one of the most widely recognized buildings in the world. What members of the government serve in the Capitol? What does the U.S. Capitol symbolize to you?

Expository Writing You have been given the task of choosing the first cabinet members. Write a job description for the secretaries of state, treasury, and war. Then interview classmates to see who would be best suited for each position.
Far removed from the bustle of trade and shipping along the Atlantic coast, farmers on the western frontier lived quite differently. In fact, western ways seemed almost primitive to travelers from the East. They seemed to notice only the poor roads and the boring diet of corn and salted pork. Living in scattered, isolated homesteads, frontier farmers were proud of their self-reliance. They wanted no “eastern” tax collectors heading their way.

The Whiskey Rebellion

Hamilton’s taxes led to rebellion in western Pennsylvania. The farmers were in an uproar over having to pay a special tax on the whiskey they made from surplus corn. In the backcountry most farmers lived by bartering—exchanging whiskey and other items they produced for goods they needed. They rarely had cash. How could they pay a tax on whiskey?

The farmers’ resistance was mostly peaceful—until July 1794, when federal officers stepped up efforts to collect the tax. Then a large mob of people armed with swords, guns, and pitchforks attacked tax collectors and burned down buildings.
The armed protest, called the Whiskey Rebellion, alarmed government leaders. President Washington and his advisers decided to crush the challenge. The rebellion collapsed as soon as the army crossed the Appalachian Mountains.

By his action, Washington served notice to those who opposed government actions. If citizens wished to change the law, they had to do so peacefully, through constitutional means. Government would use force when necessary to maintain the social order.

### How did the Whiskey Rebellion affect the way government handled protesters?

### Explaining

### Geography

### Struggle Over the West

The new government faced difficult problems in the West. The Native Americans who lived between the Appalachian Mountains and the Mississippi River denied that the United States had any authority over them. On many occasions Native Americans turned to Britain and Spain to help them in their cause. Both countries welcomed the opportunity to prevent American settlement of the region.

Washington worried about European ambitions in the Northwest Territory. He hoped that signing treaties with the Native American tribes in the area would lessen the influence of the British and Spanish. American settlers ignored the treaties and continued to move onto lands promised to the Native Americans. Fighting broke out between the two groups.

Washington sent an army under General Arthur St. Clair to restore order in the Northwest Territory. In November 1791, St. Clair’s forces were badly beaten by Little Turtle, chief of the Miami people. More than 600 American soldiers died in a battle by the Wabash River.

Many Americans believed that an alliance with France would enable them to defeat the combined forces of the British, Spanish, and Native Americans in the West. The British, who still had forts in the region, wanted to hold on to the profitable fur trade. The possibility of French involvement in the region pushed the British to make a bold bid for control of the West. In 1794 the British government urged Native Americans to destroy American settlements west of the Appalachians. The British also began building a new fort in Ohio.

### Battle of Fallen Timbers

The Native Americans demanded that all settlers north of the Ohio River leave the territory. Washington sent another army headed by Anthony Wayne, a former Revolutionary War general, to challenge their demands. In August 1794 his army defeated over 1,000 Native Americans under Shawnee chief Blue Jacket at the Battle of Fallen Timbers (near present-day Toledo, Ohio). The Battle of Fallen Timbers crushed the Native Americans’ hopes of keeping their land. In the Treaty of Greenville (1795), the Native Americans agreed to surrender most of the land in present-day Ohio.

### How did Native American groups do to fight more effectively in the Northwest?

### Describing

### Problems With Europe

Shortly after Washington was inaugurated in 1789, the French Revolution began. At first most Americans cheered upon hearing the news. The French had helped the Americans in their struggle for independence, and their revolution seemed to embody many of the ideals of the American Revolution.

By 1793 the French Revolution had turned bloody. The leaders had executed the king and queen of France and thousands of French citizens. Public opinion in the United States started to divide. The violence of the French Revolution, as well as its attack on religion and disregard of individual liberties, offended many Americans. Others hailed the new republic as a copy of the United States.

When Britain and France went to war in 1793, some Americans, particularly in the South, sympathized with France. Others, especially manufacturers and merchants who traded with the British, favored Britain. Hamilton, Adams, and their supporters generally sided with the
British. Jefferson was pro-French. A French victory, Jefferson reasoned, would help drive the British out of North America.

Washington hoped that the nation could maintain its neutrality—that is, that it would not take sides in the conflict between France and Britain. As time went on, however, neutrality became increasingly difficult.

**Washington Proclaims Neutrality**

The French tried to involve the United States in their conflict with Britain. In April 1793, they sent diplomat Edmond Genêt (zhuh•NAY) to the United States. His mission was to recruit American volunteers to attack British ships. President Washington took action to discourage American involvement. On April 22 he issued a Proclamation of Neutrality. It prohibited American citizens from fighting in the war and barred French and British warships from American ports. Genêt’s plans eventually failed, but he did manage to sign up a few hundred Americans to serve on French ships. These ships seized British vessels and stole their cargoes before Washington ended their adventures by closing American ports.

Outraged by the French attacks at sea, the British began capturing American ships that traded with the French. The British also stopped American merchant ships and forced their crews into the British navy. This practice, known as impressment, infuriated the Americans. British attacks on American ships and sailors, along with the challenge in the West, pushed the nation closer to war with Great Britain.

**A Controversial Treaty**

President Washington decided to make one last effort to come to a peaceful solution with Britain. He sent John Jay, chief justice of the Supreme Court, to negotiate.

The British were willing to listen to Jay’s proposals. War with the United States would only make it harder to carry on the war with France, and the United States was Britain’s best market.

Upon signing the Treaty of Greenville, 12 Native American nations received $20,000 worth of goods to share. How did the treaty affect white settlement?
In Jay’s Treaty the British agreed to withdraw from American soil, to pay damages for ships they had seized, and to allow some American ships to trade with British colonies in the Caribbean. The treaty also provided for settlement of debts from before 1776.

Despite these gains few Americans approved of Jay’s Treaty. They protested that the treaty did not deal with the issue of impressment and did not mention British interference with American trade. Although Washington found fault with the treaty, he realized it would end an explosive crisis with Great Britain. He sent the treaty to the Senate, which narrowly approved it after a fierce debate.

Treaty With Spain

When Jay’s Treaty was made, Spanish leaders realized that the United States and Great Britain could work together against the Spanish Empire in North America. Thomas Pinckney was sent to Spain to try to settle the differences between the two nations. In 1795 Pinckney’s Treaty gave the Americans free navigation of the Mississippi River and the right to trade at New Orleans.

Washington’s Farewell

In September 1796, Washington announced he would not seek a third term. By choosing to serve only two terms, Washington set a precedent that later presidents would follow.

Plagued with a variety of ailments, the 64-year-old president looked forward to retirement at Mount Vernon. He also felt troubled over the divisions that had developed in American politics and with what he considered a grave danger to the new nation—the growth of political parties.

Washington’s “Farewell Address” was published in a Philadelphia newspaper. In it he attacked the evils of political parties and entanglement in foreign affairs. He also urged his fellow citizens to

“observe good faith and justice toward all nations . . . Tis our policy to steer clear of permanent alliances.”

Washington’s parting words influenced the nation’s foreign policy for more than 100 years. The text is still read aloud in the United States Senate each year on Washington’s birthday. (See page 615 of the Appendix for an excerpt from Washington’s Farewell Address.)

Reading Check Describing Why did many Americans protest Jay’s Treaty?

Reading Check Explaining What was the impact of Washington’s Farewell Address?

Tribute to George Washington

In September 1796, Washington announced he would not seek a third term. By choosing to serve only two terms, Washington set a precedent that later presidents would follow.

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Descriptive Writing A tribute is a speech showing respect and gratitude. Write a one-paragraph tribute that you might have delivered if you had been asked to speak at George Washington’s funeral.
The First Political Parties

Main Idea
By the election of 1796, two distinct political parties with different views about the role of the national government had formed.

Key Terms
partisan, implied powers, caucus, alien, sedition, nullify, states’ rights

Reading Strategy
Classifying Information As you read Section 3, create a diagram like the one below and list the differences between the Federalists and the Democratic-Republicans.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Federalists</th>
<th>Democratic-Republicans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role of federal government</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Read to Learn
• how political parties got started and what positions they supported.
• how John Adams and Thomas Jefferson became candidates of opposing parties in the election of 1796.

Section Theme
Government and Democracy Different values fueled the rise of the nation’s first political parties.

preview of Events
1796 Federalists nominate Adams for president; Democratic-Republicans nominate Jefferson
1797 John Adams becomes president
1798 Congress passes Alien and Sedition Acts
1800 Convention of 1800

AN American Story

The Washington presidency was known for its dignity and elegance. The president rode in a coach drawn by horses and accompanied by mounted attendants. He and his wife, Martha, lived in the finest house in Philadelphia, the new nation’s capital. They entertained a great deal, holding weekly receptions. Each year a ball was held on Washington’s birthday. The president wore a black velvet suit with gold buckles, yellow gloves, powdered hair, an ostrich plume in his hat, and a sword in a white leather sheath. Despite these extravagances, Washington’s character and military record were admired by most Americans.

Opposing Views
Although hailed by Americans as the nation’s greatest leader, George Washington did not escape criticism during his two terms as president. From time to time, harsh attacks on his policies and on his personality appeared in newspapers. One paper even called Washington “the scourge and the misfortune of his country.”
Most attacks on Washington had come from supporters of Thomas Jefferson. They were trying to discredit the policies of Washington and Hamilton by attacking the president. By 1796 Americans were beginning to divide into opposing groups and to form political parties.

Washington had denounced political parties and warned that they would divide the nation. To others it seemed natural that people would disagree about issues and that those who held similar views would band together.

In Washington’s cabinet Hamilton and Jefferson often took opposing sides on issues. They disagreed on economic policy and foreign relations, on the power of the federal government, and on interpretations of the Constitution. Even Washington had been partisan—favoring one side of an issue. Although he believed he stood above politics, Washington usually supported Hamilton’s positions.

Political Parties Emerge

In Congress and the nation at large, similar differences existed. By the mid-1790s, two distinct political parties had taken shape.

The name Federalist had first described someone who supported ratification of the Constitution. By the 1790s the word was applied to the group of people who supported the policies of the Washington administration.

Generally Federalists stood for a strong federal government. They admired Britain because of its stability and distrusted France because of the violent changes following the French Revolution. Federalist policies tended to favor banking and shipping interests. Federalists received the strongest support in the Northeast, especially in New England, and from wealthy plantation owners in the South.

Efforts to turn public opinion against Federalist policies began seriously in late 1791 when Philip Freneau (Freh•NOH) began publishing the National Gazette. Jefferson, then secretary of state, helped the newspaper get started. Later he and Madison organized people who disagreed with Hamilton. They called their party the Republicans, or the Democratic-Republicans.

The Republicans wanted to limit government’s power. They feared that a strong federal government would endanger people’s liberties. They supported the French and condemned what they regarded as the Washington administration’s pro-British policies. Republican policies appealed to small farmers and urban workers, especially in the Middle Atlantic states and the South.

Citizenship

Views of the Constitution

One difference between Federalists and Republicans concerned the basis of government power. In Hamilton’s view the federal government had implied powers, powers that were not expressly forbidden in the Constitution.
Hamilton used the idea of implied powers to justify a national bank. He argued that the Constitution gave Congress the power to issue money and regulate trade, and a national bank would clearly help the government carry out these responsibilities. Therefore, creating a bank was within the constitutional power of Congress.

Jefferson and Madison disagreed with Hamilton. They believed in a strict interpretation of the Constitution. They accepted the idea of implied powers, but in a much more limited sense than Hamilton did: Implied powers are those powers that are “absolutely necessary” to carry out the expressed powers.

**The People’s Role**

The differences between the parties, however, went even deeper. Federalists and Republicans had sharply opposing views on the role ordinary people should play in government.

Federalists supported representative government, in which elected officials ruled in the people’s name. They did not believe that it was wise to let the public become too involved in politics. Hamilton said:

“The people are turbulent and changing. . . . They seldom judge or determine right.”

Public office, Federalists thought, should be held by honest and educated men of property who would protect everyone’s rights. Ordinary people were too likely to be swayed by agitators.

In contrast, the Republicans feared a strong central government controlled by a few people. They believed that liberty would be safe only if ordinary people participated in government. As Jefferson explained:

“I am not among those who fear the people; they, and not the rich, are our dependence [what we depend on] for continued freedom.”

**Washington’s Dilemma**

Washington tried to get his two advisers to work out their differences. Knowing Jefferson was discontented, Washington wrote:

“I have a great sincere esteem and regard for you both, and ardently wish that some line could be marked out by which both [of] you could walk.”

Nevertheless, by 1793 Jefferson was so unhappy that he resigned as secretary of state. In 1795, Alexander Hamilton resigned, too, as secretary of the treasury. The rival groups and their points of view moved further apart.

**The Election of 1796**

In the presidential election of 1796, candidates sought office for the first time as members of a party. To prepare for the election, the Federalists and the Republicans held meetings called **caucuses**. At the caucuses members of

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**Differences Between the First Political Parties**

<table>
<thead>
<tr>
<th>Federalists</th>
<th>Democratic-Republicans</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leader:</strong> Alexander Hamilton</td>
<td>Thomas Jefferson</td>
</tr>
<tr>
<td><strong>Favored:</strong></td>
<td><strong>Favored:</strong></td>
</tr>
<tr>
<td>• Rule by the wealthy class</td>
<td>• Rule by the people</td>
</tr>
<tr>
<td>• Strong federal government</td>
<td>• Strong state governments</td>
</tr>
<tr>
<td>• Emphasis on manufacturing</td>
<td>• Emphasis on agriculture</td>
</tr>
<tr>
<td>• Loose interpretation of the Constitution</td>
<td>• Strict interpretation of the Constitution</td>
</tr>
<tr>
<td>• British alliance</td>
<td>• French alliance</td>
</tr>
<tr>
<td>• National bank</td>
<td>• State banks</td>
</tr>
<tr>
<td>• Protective tariffs</td>
<td>• Free trade</td>
</tr>
</tbody>
</table>

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Analyzing Information

Which leader would American business owners favor, and why?
Congress and other leaders chose their party’s candidates for office. The Federalists nominated Vice President John Adams as their candidate for president and Charles Pinckney for vice president. The Republicans put forth former secretary of state Jefferson for president and Aaron Burr for vice president. Adams and Jefferson, who had been good friends, became rivals. The Federalists expected to carry New England. The Republicans’ strength lay in the South, which would give most of its votes to Jefferson.

In the end Adams received 71 electoral votes, winning the election. Jefferson finished second with 68 votes. Under the provisions of the Constitution at that time, the person with the second-highest number of electoral votes became vice president. Jefferson therefore became the new vice president. The administration that took office on March 4, 1797, had a Federalist president and a Republican vice president.

President John Adams

John Adams had spent most of his life in public service. One of Massachusetts’s most active patriots, he later became ambassador to France and to Great Britain. He helped to negotiate the Treaty of Paris that ended the Revolution. Under Washington, he served two terms as vice president.

The XYZ Affair

When Adams took office, he inherited the dispute with France. The French regarded Jay’s Treaty, signed in 1794, as an American attempt to help the British in their war with France. To punish the United States, the French seized American ships that carried cargo to Britain.

Adams wanted to avoid war with France. In the fall of 1797, he sent a delegation to Paris to try to resolve the dispute. French foreign minister Charles de Talleyrand, however, refused to meet with the Americans. Instead, Talleyrand sent three agents who demanded a bribe and a loan for France from the Americans. “Not a sixpence,” the Americans replied and sent a report of the incident to the United States. Adams was furious. Referring to the three French agents as X, Y, and Z, the president urged Congress to prepare for war. The incident became known as the XYZ affair.

Undeclared War With France

Congress responded with a program to strengthen the armed forces. It established the Navy Department in April 1798 and set aside money for building warships. Congress also increased the size of the army. George Washington was appointed commanding general.

Between 1798 and 1800, United States and French naval vessels clashed on a number of occasions, although war was not formally declared. Adams’s representatives negotiated an agreement with France in September 1800 that ensured peace.

In the view of most Americans, France had become an enemy. The Republican Party, friendly toward France in the past, hesitated to turn around and condemn France. As a result, in the 1798 elections, Americans voted some Republicans out of office.
Alien and Sedition Acts

The threat of war with France made Americans more suspicious of *aliens*, immigrants living in the country who were not citizens. Many Europeans who came to the United States in the 1790s supported the ideals of the French Revolution. Some Americans questioned whether these aliens would remain loyal if the United States went to war with France.

Federalists in Congress responded with strict laws to protect the nation’s security. In 1798 they passed a group of measures known as the Alien and Sedition Acts. *Sedition* refers to activities aimed at weakening established government.

Citizenship

Domestic and Foreign Affairs

For some Americans, fears of a strong central government abusing its power seemed to be coming true. The Republicans looked to the states to preserve the people’s liberties and stand up to what they regarded as Federalist tyranny. Madison and Jefferson drafted documents of protest that were passed by the Virginia and Kentucky legislatures.

The Virginia and Kentucky Resolutions of 1798 and 1799 claimed that the Alien and Sedition Acts could not be put into action because they violated the Constitution. The Kentucky Resolutions further suggested that states might *nullify*—legally overturn—federal laws considered unconstitutional.

The resolutions affirmed the principle of *states’ rights*—limiting the federal government to those powers clearly assigned to it by the Constitution and reserving to the states all other powers not expressly forbidden to them. The issue of states’ rights would arise again and again in the nation’s early history.

As the election of 1800 approached, the Federalists found themselves under attack. They urged Adams to step up the war with France. They hoped to benefit politically from the
patriotic feelings that war would unleash. Adams refused to rush to war, especially for his own political gain. Instead he appointed a new commission to seek peace with France.

In 1800 the French agreed to a treaty and stopped attacks on American ships. Although the agreement with France was in the best interest of the United States, it hurt Adams’s chance for re-election. Rather than applauding the agreement, Hamilton and his supporters now opposed their own president. With the Federalists split, the Republican prospects for capturing the presidency improved. The way was prepared for Thomas Jefferson in the election of 1800.

Reading Check Summarizing How did the peace agreement with France affect the Federalists?
Why Learn This Skill?
Sometimes determining a sequence of events can be confusing, particularly when many events occur at the same time. A flowchart can help you understand what is going on in a series of events.

Learning the Skill
Flowcharts show the steps in a process or a sequence of events. For example, a flowchart could be used to show the movement of goods through a factory, of people through a training program, or of a bill through Congress. The following steps explain how to read a flowchart:

• Read the title or caption of the flowchart to find out what you are studying.
• Read all of the labels or sentences on the flowchart.
• Look for numbers indicating a sequence, or arrows showing the direction of movement.

Practicing the Skill
Read the flowchart on this page. It shows a sequence of events that took place in the Northwest Territory. Analyze the information in the flowchart, then answer the following questions.

1. What symbol is used to show the sequence of the events?
2. What actions taken by the British set off the sequence of events that are reflected in the title of the chart?
3. What action did Washington take in response to trouble in the Ohio Valley?
4. What information from the chapter could you add to the flowchart to continue the sequence of events?

Applying the Skill
Making a Flowchart Imagine that a student who is new to your school asks you how to sign up for a sport or social club. Draw a flowchart outlining the steps the student should follow.

Glencoe’s Skillbuilder Interactive Workbook CD-ROM, Level 1, provides instruction and practice in key social studies skills.
Reviewing Key Terms

On graph paper, create a word search puzzle using the following terms. Crisscross the terms vertically and horizontally, then fill in the remaining squares with extra letters. List the definition of each term below the puzzle as clues. Share your puzzle with a classmate.

1. precedent
2. cabinet
3. tariff
4. neutrality
5. impressment
6. caucus
7. sedition
8. states’ rights

Reviewing Key Facts

9. Why did Hamilton want national taxes? Why did some oppose the taxes?
10. What was the importance of the Judiciary Act of 1789?
11. What caused farmers in western Pennsylvania to revolt during the Whiskey Rebellion?
12. According to Hamilton, what are implied powers?
13. What actions by France led to an undeclared war with the United States?
14. Who was elected president in 1796? Who was elected vice president?

Critical Thinking

15. Analyzing Themes: Government and Democracy
   Refer to the grievances listed in the Declaration of Independence. How were these grievances addressed in the Bill of Rights?
16. Analyzing Information
   What did President Washington say in his Farewell Address about political parties and foreign policy?
17. Comparing
   Re-create the diagram below. Compare the positions of the Federalists and Democratic-Republicans on the national bank. In the boxes list the leaders and their positions.

<table>
<thead>
<tr>
<th>National Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Federalists</strong></td>
</tr>
<tr>
<td>Leader:</td>
</tr>
<tr>
<td>Position:</td>
</tr>
</tbody>
</table>
**Economics Activity**

24. **Math Practice** When you deposit money in a bank, you receive interest—a payment for lending money to the bank. To figure simple interest, you need to know what the interest rate is. Say, for example, a local bank is offering simple interest on savings accounts at 6 percent per year. If you deposit $100, how much will you have in the account at the end of one year? At the end of four years?

**Technology Activity**

25. **Using a Computerized Card Catalog** Search your local library’s computerized card catalog for sources on Mount Vernon, George Washington’s home. Find the sources on the library shelves, then use the information you found to write a two-paragraph description that Washington might have written if he had ever wanted to sell his home.

**Alternative Assessment**

26. Review the chapter and make a list of the differences between the Federalist and Republican parties. Based on your list, create a symbol to represent each of the parties.

**Practicing Skills**

**Reading a Flowchart** Alexander Hamilton promoted the creation of a national bank. Study the flowchart below. Then answer the questions that follow.

**How Banks Work Today**

People deposit savings in banks and receive interest.

Workers receive payment for work.

Banks loan money to businesses and receive interest.

Businesses use loan money to make products and pay workers.

18. What is used to show the sequence of events?
19. What happens after workers receive payment for work?
20. What two parts on this flowchart show who receives interest on their money?

**Geography and History Activity**

Study the map on page 265. Then answer the questions that follow.

21. **Movement** In which direction did St. Clair’s troops move?
22. **Location** Along what river was Ft. Washington located?

**Citizenship Cooperative Activity**

23. **Researching** Work in groups of four to discuss and develop answers to these questions:
   - How does the Bill of Rights reflect the principle of limited government?
   - What are two individual rights protected in the Bill of Rights?
   - Why would it be necessary to change the Constitution?

**Standardized Test Practice**

Directions: Choose the best answer to the following question.

Certain grievances listed in the Declaration of Independence were addressed in the Bill of Rights. Which amendment addressed the quartering of troops?

A 1st Amendment  
B 3rd Amendment  
C 8th Amendment  
D 12th Amendment

**Test-Taking Tip**

Read the question carefully. The 12th Amendment was not part of the Bill of Rights, so it can be eliminated as a possibility.