

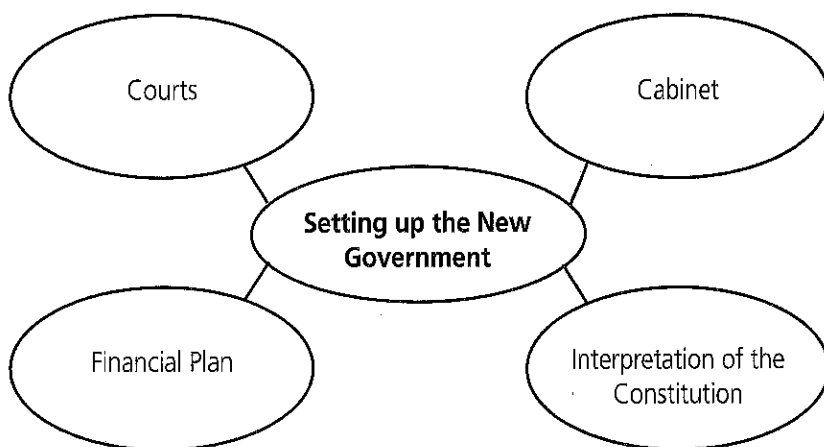
Washington's Presidency

BEFORE YOU READ

In the last chapter, you read about how the Constitution was ratified. In this section, you will learn how the first president and Congress of the United States set up the nation's new government.

AS YOU READ

Use this diagram to take notes on setting up the new government in the United States.



TERMS & DEFINITIONS

- inaugurate** To swear into office
- Federal Judiciary Act** The act that created a court system and divided authority between the state and federal courts
- cabinet** Heads of the departments that help the president lead the nation
- tariff** Tax on imported foreign goods

Washington Takes Office (pages 293–294)

What difficulty did Washington face as the first president?

George Washington was **inaugurated**, or sworn in, as the nation's first president. John Adams became vice-president. Washington faced a difficult task. He knew his actions as president would set an example. Congress agreed that Washington should be called "Mr. President" rather than by a title that would suggest he was a king. Congress also had to settle differences about how to run the new government.

1. Why was Washington's task as the nation's first president difficult?

Setting Up the Courts; Washington's Cabinet (pages 294–295)

Why did Congress pass the Federal Judiciary Act? Congress had many matters to decide that were not spelled out in the Constitution. One problem was how to divide authority between the state and federal courts. Congress passed the **Federal Judiciary Act** of 1789. This act gave the Supreme Court six members: a chief justice and five associate judges. The current number is nine. The act also provided for other lower federal courts. John Jay was appointed Chief Justice.

The Constitution gave Congress the power to create departments to help the president. The president appointed the heads of these departments, which became his **cabinet**. Washington chose Henry Knox as secretary of war, Thomas Jefferson as secretary of state, and Alexander Hamilton as secretary of the treasury. To help him with matters of law, Washington picked Edmund Randolph as attorney general. These department leaders were

called together to advise Washington. Since then, other presidents have followed this example.

2. What was the Federal Judiciary Act?

Economic Problems; Hamilton's Financial Plan (pages 295–297)

Why did Hamilton want to tax imported goods?

Alexander Hamilton, secretary of the treasury, had to straighten out the nation's finances. First, the U.S. government needed to pay its war debts to France, the Netherlands, Spain, and merchants and private citizens in the United States. State governments also had war debts. By 1789, the *national debt* was more than \$52 million.

Most government leaders agreed that the nation must repay its debts to win the respect of both foreign nations and its own citizens. Foreign nations would do business with the United States if they saw that the country would pay its debts.

Hamilton's financial plan showed his belief in a strong central government. He thought the national government should be stronger than the state governments. He also believed that government should encourage business and industry. Hamilton believed that the nation's economic well-being depended on them.

In 1790, Hamilton proposed his financial plan to Congress. The plan included the following steps to improve the nation's finances: 1) paying off all war debts (including state debts); 2) raising government *revenues*; 3) creating a national bank.

Sectional differences arose over repayment of state debts. Many Southern states had already repaid their debts and resented being asked to help pay Northern states' debts. Hamilton asked Thomas Jefferson to help him gain Southern support. They reached a *compromise*. In exchange for Southern support of the plan, Northerners agreed to place the nation's capital in the South. Washington, D.C., was built on the Potomac River between Virginia and Maryland.

Hamilton favored **tariffs**—taxes on imported foreign goods. Tariffs had two purposes: they raised money for the government and encouraged the

growth of American industry. The government placed the highest taxes on foreign goods that Americans used in large quantities. This ensured a steady flow of income to the government, and encouraged people to buy less expensive American-made goods.

Hamilton called for the creation of a national bank. A national bank would give the government a safe place to keep money, make loans to government and businesses, and issue *bank notes*.

3. Why did Hamilton favor tariffs?

Interpreting the Constitution (page 297)

How did Hamilton interpret the Constitution?

Thomas Jefferson and James Madison believed that the Constitution discouraged the concentration of power in the federal government. The writers of the Constitution had tried to make the document general enough so that it would be flexible. Therefore disagreements sometimes arose over the document's meaning.

The debate over Hamilton's plan for a national bank exposed differences about how to interpret the Constitution. Madison and Jefferson argued that the Constitution did not give the government the power to set up a bank. They believed in the strict construction of the Constitution. They stated that the government has only those powers that the Constitution clearly says it has. Therefore, if the Constitution does not mention a national bank, the government cannot create one.

Hamilton disagreed. He favored a loose construction of the Constitution. He argued that the bank was necessary to carry out the government's duties. According to this view, where a power has been created by the Constitution, the "necessary and proper" clause (the elastic clause) permits it to be exercised flexibly. Hamilton won the debate, and the Bank of the United States was set up in 1791.

4. What was Hamilton's interpretation of the Constitution?

9

Section 2 (pages 298–302)

Challenges to the New Government

BEFORE YOU READ

In the last section, you read about decisions made in setting up the new republic of the United States.

In this section, you will learn how Washington established central authority at home and avoided war with European powers.

AS YOU READ

Use this chart to take notes on the challenges facing the United States as a new nation.

BATTLE / TREATY	RESULTS

TERMS & NAMES

Battle of Fallen Timbers Clash between native tribes and the federal army

Treaty of Greenville Agreement between 12 Native American tribes and the U.S. government

Whiskey Rebellion Rebellion in 1794 by farmers in western Pennsylvania against the tax on whiskey

French Revolution A conflict for liberty and equality in France

neutral Not taking sides in a conflict

Jay's Treaty Agreement in which the British gave up their forts on the Northwest frontier and paid damages for American vessels they had seized

Pinckney's Treaty Agreement with Spain that gave Americans certain rights

Securing the Northwest Territory

(pages 298–299)

Why was there trouble in the land between the Appalachian Mountains and the Mississippi River? The 1783 Treaty of Paris tried to resolve the claims to the land between the Appalachian Mountains and the Mississippi River. But a few years later, trouble arose again in this area known as the Trans-Appalachian West. Spain, Britain, the United States, and Native Americans each claimed parts of the area.

Spain claimed much of North America west of the Mississippi, Florida, and the Port of New Orleans. This port was key to trade for American settlers in the West. The settlers carried goods to market by flatboat down the Mississippi to New Orleans. The Spanish threatened to close the port. They stirred up trouble between the white settlers and Native American groups in the Southeast.

In violation of the Treaty of Paris, the British held forts north of the Ohio River. The strongest resistance

to white settlement came from Native Americans in the Northwest Territory. They hoped to join together to form an independent Native American nation bordered by the Ohio River to the south and Canada to the north. Britain encouraged them in order to maintain its access to the fur in these territories.

1. Who claimed land in the Trans-Appalachian West?

Battle of Fallen Timbers (pages 299–300)

How did the Battle of Fallen Timbers affect the Native Americans?

Washington sent troops, headed by Anthony Wayne, to the Ohio Valley in order to secure the Northwest. The Native Americans did not have strong leadership or an overall battle plan. They were defeated by Wayne's troops in the **Battle of Fallen Timbers**. The

British refused to help the Native Americans. This battle crushed Native American hope of keeping their land. They signed the **Treaty of Greenville** in 1795. They agreed to surrender much of present-day Ohio and Indiana to the U.S. government.

2. What was the result of the Battle of Fallen Timbers?

The Whiskey Rebellion (pages 300–301)

What was the Whiskey Rebellion?

A conflict arose over the government’s tax on whiskey. Farmers were against the tax because whiskey—and the grain it was made from—were important products. Farmers could more easily carry whiskey to market than the grain it was made from. Whiskey was used by farmers as money to trade for other goods. In 1794, a group of farmers in western Pennsylvania rebelled against the tax. Washington sent an army to crush the **Whiskey Rebellion**. Washington showed that the government had the power and the will to enforce its laws.

3. What caused the Whiskey Rebellion?

The French Revolution; Remaining Neutral (pages 301–302)

What was Jay’s Treaty?

In 1789, the French launched the **French Revolution** in search of liberty and equality. At first the United States strongly supported the struggle. The struggle turned violent, however. King Louis XVI and thousands of French citizens were killed. Also,

France declared war with Britain, Spain, and Holland. Britain led the fight against France.

The war put the United States in an awkward position. France had been America’s ally against the British. Also, a 1778 treaty bound France and the United States together. And many saw France’s revolution as proof that the American cause was justified. Thomas Jefferson felt that a move to crush the French Revolution was an attack on liberty everywhere. Other Americans thought that British trade was too important to the American economy to risk war. As a result, Washington decided the United States would remain **neutral**. This meant it would not side with one country or another. Congress then passed a law forbidding Americans to help either side.

In 1792, Britain began seizing the cargoes of American ships. This made it hard for the United States to remain neutral. So, Washington sent Chief Justice John Jay to England to persuade the British to end the seizures of American ships. Jay also tried to get them to give up their forts on the Northwest frontier. News of the Battle of Fallen Timbers helped Jay convince the British to give up the forts by 1796. In **Jay’s Treaty**, the British also agreed to pay damages for American vessels they had seized. Jay’s treaty was unpopular. This was mainly because he did not convince the British to open trade with the British West Indies to Americans.

In 1795, **Pinckney’s Treaty** with Spain gave Americans the right to travel freely on the Mississippi River and to store goods at the port of New Orleans without paying custom duties. Also, Spain accepted the 31st parallel as the northern boundary of Florida and the southern boundary of the United States.

4. What did the British agree to in Jay’s Treaty?

The Federalists in Charge

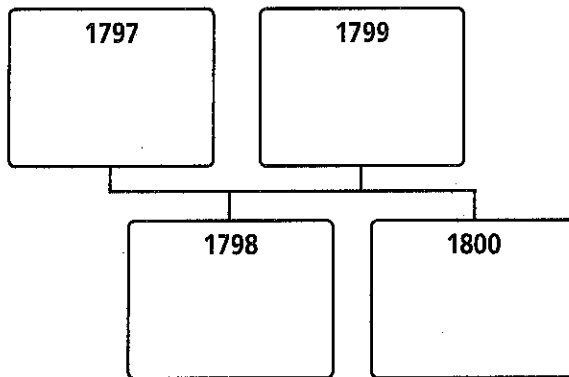
BEFORE YOU READ

In the last section, you read about the challenges facing the United States in its first few years.

In this section, you will read how political divisions between Alexander Hamilton and Thomas Jefferson led to the formation of political parties.

AS YOU READ

Use this time line to take notes on the events during John Adams's presidency.



TERMS & NAMES

foreign policy Relations with the governments of other countries

political party A group of people who try to promote ideas and influence government, and back candidates for office

XYZ Affair Three French agents (referred to as X, Y, and Z) attempted to obtain a bribe from American representatives in Paris

Alien and Sedition Acts Acts that targeted aliens and newspapers

states' rights Theory that says states had the right to judge when the federal government had passed an unconstitutional law

Washington Retires; Growth of Political Parties (pages 303–304)

What kind of foreign policy did Washington favor?
In George Washington's farewell address, he warned that political disagreements could weaken the nation. He warned against the formation of political parties.

He also gave parting advice on **foreign policy**—relations with the governments of other countries. He urged the United States to remain neutral because agreements with foreign nations might work against American interests.

Thomas Jefferson and James Madison debated with Hamilton about how to interpret the Constitution and on economic policy. Hamilton favored the British government and opposed the French Revolution. Jefferson and Madison thought the opposite. Hamilton wanted a strong central government. Jefferson and Madison thought such a government would lead to *tyranny*. Finally, Hamilton wanted an America in which trade, manufacturing, and cities grew. Jefferson and

Madison wanted an America of planters and farmers.

These differences on foreign and domestic policy led the nation to form political parties. A **political party** is a group of people who try to promote ideas and influence government. It also backs candidates for office. Jefferson and Madison founded the Democratic-Republican Party. This party reflected their belief in democracy and the republican system. Hamilton and his supporters formed the Federalist Party.

1. Why did Washington favor neutrality with other countries?

John Adams Takes Office (page 305)

Who became president and vice-president in 1796?
In 1796, the Federalists chose John Adams as their

candidate for president. The Democratic-Republicans chose Jefferson. Adams won the electoral vote for president. Since the Constitution said the runner-up should become vice-president, Jefferson—Adams’s chief rival—became vice-president. Therefore, the country had a Federalist president (John Adams) and a Democratic-Republican vice-president (Thomas Jefferson).

2. Why did rival candidates become president and vice-president?

Problems with France (pages 305–306)

What was the XYZ affair?

When Washington left office in 1797, relations with France were tense. The French began seizing American ships to prevent them from trading with the British. Adams sent Pinckney, Elbridge Gerry, and John Marshall to Paris to meet with the French Minister of Foreign Affairs. The French ignored them until three agents—later referred to as X, Y, and Z—told the Americans that the minister was ready to hold talks if the Americans agreed to loan France ten million dollars and pay the minister a bribe.

The Americans refused. A report of this incident became known as the **XYZ Affair**. In 1798, Congress canceled its treaty with France and allowed American ships to seize French vessels. Congress also set aside money to expand the navy and army.

3. What was the result of the XYZ Affair?

The Alien and Sedition Acts; Peace with France (pages 306–307)

Why did Congress pass the Alien and Sedition Acts?

The conflict with France made Adams and the Federalists popular with the public. Democratic-Republicans criticized the Federalists. To silence their critics, whom they identified as newspapers and new immigrants, the Federalist Congress passed the **Alien and Sedition Acts** in 1798. The acts targeted aliens—immigrants who were not yet citizens. One of the acts outlawed sedition—saying or writing anything false or harmful about the government. The Federalists clamped down on freedom of speech and the press.

Democratic-Republicans fought the Alien and Sedition Acts by developing a theory called **states’ rights**. According to this theory, states had the right to judge when the federal government had passed an unconstitutional law.

Resolutions, or statements of belief, written by Jefferson and Madison passed the Kentucky and Virginia legislatures in 1798 and 1799. These stated that the Alien and Sedition Acts violated the Constitution. No other states supported the resolutions. Congress repealed the Alien and Sedition Acts and let them *expire* within two years when the Democratic-Republicans won control of Congress.

Adams opened talks with France, and peace was made. The treaty, called the Convention of 1800, cleared the way for American and French ships to sail the ocean in peace. Adams’s actions made him many enemies, and he lost the presidential election of 1800 to Jefferson.

4. Why did Jefferson and Madison write the Kentucky and Virginia resolutions?

Glossary/After you Read

bank notes Paper money that could be used as currency

compromise A dispute settled by each side's giving up some of its demands

expire To end

national debt Money owed by a country

resolutions Statements of belief

revenue Source of income

tyranny Oppressive power

violation The act of going against something or someone

Terms & Names

A. If the statement is true, write "true" on the line. If it is false, change the underlined word or words to make it true.

- _____ 1. George Washington was inaugurated as the nation's first president.
- _____ 2. President George Washington appointed the heads of the departments, which became his Supreme Court.
- _____ 3. Alexander Hamilton favored bank notes, or taxes on imported foreign goods.
- _____ 4. The land between the Appalachian Mountains and the Mississippi River was called the Trans-Appalachian West.
- _____ 5. The Battle of Fallen Timbers was the clash over the Northwest Territory in which the Native Americans were defeated by a federal army.
- _____ 6. The United States remained neutral in the French Revolution.
- _____ 7. Jay's Treaty gave Americans the right to travel freely on the Mississippi River.
- _____ 8. The Federalists were a political party that tried to promote their ideas and influence government.
- _____ 9. Immigrants who are not yet citizens are known as agents.
- _____ 10. Sedition is saying or writing anything false or harmful about the government.

B. Write the letter of the name or term that matches the description.

- | | |
|--------------------------|-------------------------|
| a. French Revolution | d. foreign policy |
| b. states' rights | e. Whiskey Rebellion |
| c. Federal Judiciary Act | f. Treaty of Greenville |

- _____ 1. The act that created a court system and divided authority between the state and federal courts

- _____ 2. Agreement between 12 Native American tribes and the United States to surrender much of present-day Ohio and Indiana
- _____ 3. A conflict for liberty and equality in France
- _____ 4. Relations with the governments of other countries
- _____ 5. Theory that says states have the right to judge when the federal government had passed an unconstitutional law

Main Ideas

1. What economic problems did the United States face after the Revolutionary War?

2. What three steps did Hamilton's financial plan include?

3. Why did Washington crush the Whiskey Rebellion?

4. Why was it difficult for the United States to remain neutral during the French Revolution?

5. How did the Democratic-Republicans react to the Alien and Sedition Acts?

Thinking Critically

Answer the following questions on a separate sheet of paper.

1. How would the United States be different today if Washington had agreed with Madison and Jefferson's interpretation of the Constitution?
2. Do you think Americans should have listened to Washington's warning about political parties? Why or why not?