

# 1 Washington Heads the New Government

## TERMS & NAMES

- Judiciary Act of 1789
- Alexander Hamilton
- cabinet
- national bank
- Republican
- two-party system
- protective tariff
- excise tax

**LEARN ABOUT** the first steps taken by the Washington administration  
**TO UNDERSTAND** how key decisions set precedents for the nation's future.

## ONE AMERICAN'S STORY

George Washington had no desire to be president after the Constitutional Convention. His dream was to settle down to a quiet life at his Virginia estate, Mount Vernon. The American people had other ideas, though. They wanted a strong national leader of great authority as their first president. As the hero of the Revolution, Washington was the unanimous choice in the first presidential ballot. When the news reached him on April 16, 1789, Washington reluctantly accepted the call to duty. Two days later he set out for New York City to take the oath of office.

### A PERSONAL VOICE

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

GEORGE WASHINGTON, *The Diaries of George Washington*



George Washington

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

## The New Government Takes Shape

*“We are in a wilderness without a single footstep to guide us.”*

JAMES MADISON

Washington took charge of a political system that was a bold experiment. Never before had a nation tried to base a government on the ideals of republican rule and individual rights, ideals that stemmed from the theories of Enlightenment thinkers such as the English philosopher John Locke. These ideals were noble—but no one knew if a government based on the will of the people could really work.

Although the Constitution provided a strong foundation, it was not a detailed blueprint for governing. To create a working government, Washington and Congress had to make many practical decisions—such as how to raise revenues and provide for defense—with no precedent, or prior example, for American leaders to follow. Perhaps James Madison put it best: “We are in a wilderness without a single footstep to guide us.”

**JUDICIARY ACT OF 1789** One of the first tasks Washington and Congress tackled was the creation of a judicial system. The Constitution had authorized Congress to set up a federal court system, headed by a Supreme Court, but it failed to spell out the details. How many additional courts should there be? What would happen if federal court decisions conflicted with state laws?

The **Judiciary Act of 1789** answered these critical questions, creating a judicial structure that has remained essentially intact. This law provided for a Supreme Court consisting of a Chief Justice and five associate justices. It also set up three federal circuit courts and thirteen federal district courts throughout the country. (The numbers of justices and courts increased over time.) Section 25 of

THINK THROUGH HISTORY  
**A. Drawing Conclusions**  
Why did federal law have to be "the supreme Law of the Land" in the new nation?

the Judiciary Act, one of the most important provisions of the law, allowed state court decisions to be appealed to a federal court when constitutional issues were raised. This section guaranteed that federal laws remained "the supreme Law of the Land," as stated in Article 6 of the Constitution.

### WASHINGTON SHAPES EXECUTIVE BRANCH

At the same time that Congress shaped the judiciary, Washington faced the task of building an executive branch to help him make policies and carry out the laws passed by Congress. In 1789, when Washington took office, the executive branch of government consisted of only two officials, the president and the vice-president. To help these leaders govern, Congress created three executive departments: the Department of State, to deal with foreign affairs; the Department of War, to handle military matters; and the Department of the Treasury, to manage finances.

To head these departments, Washington chose capable leaders he knew and trusted. He picked Thomas Jefferson as secretary of state, **Alexander Hamilton** as secretary of the treasury, and Henry Knox, who had served as Washington's general of artillery during the Revolution, as secretary of war. Finally, he chose Edmund Randolph as attorney general, the chief lawyer of the federal government. These department heads soon became the president's chief advisers, or **cabinet**. Over time, meetings between the president and his cabinet became a regular feature of the executive branch.

## KEY PLAYERS



**ALEXANDER HAMILTON**  
1755–1804

Born into poverty in the British West Indies, Alexander Hamilton was orphaned at age 11 and went to work as a shipping clerk. He later made his way to New York, where he attended King's College (now Columbia University). He joined the army during the Revolution and became an aide to General Washington. Intensely ambitious, Hamilton quickly moved up in society. Although in his humble origins Hamilton was the opposite of Jefferson, he had little faith in the common citizen and sided with the interests of upper-class Americans. Hamilton said of Jefferson's beloved common people: "Your people, sir, is a great beast!"



**THOMAS JEFFERSON**  
1743–1826

The writer of the Declaration of Independence, Thomas Jefferson began his political career at age 26, when he was elected to Virginia's colonial legislature. In 1779, he was elected governor of Virginia, and in 1785 he was appointed minister to France. He served as secretary of state from 1789 to 1793. A Southern planter, Jefferson was also an accomplished scholar, the architect of Monticello (his Virginia house), an inventor (of, among other things, a machine that made copies of letters), and the founder of the University of Virginia in 1819. Despite his elite background and his ownership of slaves, he was a strong ally of the small farmer and average citizen.

## Hamilton and Jefferson Debate

Washington appointed both Hamilton and Jefferson to executive posts not only because they were brilliant thinkers, but also because they had very different political ideas. By having both men in his cabinet, Washington ensured a range of opinion in his administration. However, the differences between the two also caused bitter disagreements, many of which centered on Hamilton's plan for the economy.

**HAMILTON AND JEFFERSON IN CONFLICT** Political divisions in the new nation were great. No two men embodied these differences more than Hamilton and Jefferson. Hamilton believed in a strong central government led by a prosperous, educated elite of upper-class citizens. Jefferson distrusted a strong central government and the rich. He favored strong state and local governments rooted in popular participation. Hamilton believed that commerce and industry were the keys to a strong nation. Jefferson favored a society of farmer-citizens.



# Contrasting Views of the Federal Government

## HAMILTON

- Concentrating power in federal government
- Fear of mob rule
- Strong national government
- Republic of a wise elite
- Loose interpretation of the Constitution
- National bank constitutional (loose interpretation)
- Economy based on shipping and manufacturing
- Payment of national and state debts (favoring creditors)
- Supporters: merchants, manufacturers, landowners, investors, lawyers, clergy



## JEFFERSON

- Sharing power with state and local governments
- Fear of absolute power or ruler
- Limited national government
- Democracy of virtuous farmers and tradespeople
- Strict interpretation of the Constitution
- National bank unconstitutional (strict interpretation)
- Economy based on farming
- Payment of only the national debt (favoring debtors)
- Supporters: the "plain people" (farmers, tradespeople)



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

Overall, Hamilton's vision of America was that of a country much like Great Britain, with a strong central government, commerce, and industry. In general, Hamilton's views found more support in the North, particularly New England, whereas Jefferson's views won endorsement in the South and the West.

**HAMILTON'S ECONOMIC PLAN** As secretary of the treasury, Hamilton's job was to set in order the nation's finances and to put the nation's economy on a firm footing. To do this, he proposed a plan to manage the country's debts and a plan to establish a national banking system.

The public debt of the United States in 1790 (most of it incurred during the Revolution) was many millions of dollars, according to Hamilton's calculations in his *Report on Public Credit*. The national government was responsible for about two-thirds of this debt, and individual states were responsible for the rest. The new nation owed some of the debt to foreign governments and some to private citizens, including soldiers who had received bonds—certificates that promised payment plus interest—for their service during the war.

Hamilton proposed to pay off the foreign debt and to issue new bonds to cover the old ones. He also proposed that the federal government assume the debts of the states, a suggestion that made many people in the South furious because some Southern states had already paid off most of their debts. Southerners resented assumption of state debts because they thought that they would be taxed to help pay the debts incurred by the Northern states. Although this would increase the federal debt, Hamilton reasoned that assuming state debts would give creditors—the people who originally loaned the money—an incentive to support the new federal government. If the government failed, these creditors would never get their money back.

**PLAN FOR A NATIONAL BANK** This line of reasoning also motivated Hamilton's proposal for a **national bank** that would be funded by both the federal government and wealthy private investors. This bank would issue paper money and handle tax receipts and other government funds. By drawing wealthy investors into the venture, Hamilton hoped to tie them to the country's welfare.

Hamilton's proposals aroused a storm of controversy. Opponents of a national bank, including James Madison, claimed that the bank would forge an unhealthy alliance between the government and wealthy business interests. Madison also argued that since the Constitution made no provision for a national bank, Congress had no right to authorize it. This argument began the debate between those who favored a loose (or broad) interpretation of the

**THINK THROUGH**  
**B. Contrast**  
How did Jefferson's and Hamilton's views of government differ?

**THINK THROUGH**  
**C. Analyzing Issues** Why did the new nation need to pay off its debts?

**WASHINGTON, D.C.**

There is a movement today to make the District of Columbia a state. A majority of voters in Washington, D.C., have supported statehood. A constitutional convention met and drew up a state constitution, which was approved by the District's voters. Washington's voters have also approved a new state name—*New Columbia*. The proposed constitution has been sent to the U.S. Congress but no vote on the issue has yet been taken.

In the past, residents of the District had only limited rights to participate in government. In 1973 an act of Congress established the District's present system of local government. This includes a mayor and city council elected by the people. The federal government, however, has final authority in all governmental matters in the District.

President Washington (right) meets with his first cabinet (from left to right) Henry Knox, secretary of war; Thomas Jefferson, secretary of state; Edmund Randolph (with back turned), attorney general; and Alexander Hamilton, secretary of treasury.

Constitution and those who favored a strict (or narrow) interpretation, a vital debate that has continued throughout U.S. history. In the end, however, Hamilton convinced Washington and a majority in Congress to accept his views, and the federal government established the Bank of the United States.

**THE DISTRICT OF COLUMBIA** To win support for his debt plan from Southern states, Hamilton offered a suggestion: What if the nation's capital were moved from New York City to a new city in the South, on the banks of the Potomac River? The South had always been concerned about domination by the more urban North, so this idea pleased Southerners, particularly Virginians such as Madison and Jefferson, who believed that a Southern site for the capital would make the government more responsive to their interests. With this incentive, Virginians agreed to back the debt plan. In 1790, the debt bill passed Congress, along with authorization for the construction of a new national capital in the District of Columbia.

Pierre L'Enfant, a French engineer, drew up plans for the new capital. L'Enfant was later fired by George Washington for being obstinate. He was replaced by Andrew Ellicott, who redrew L'Enfant's plan, but kept much of the grand vision. An African-American surveyor, Benjamin Banneker, assisted Ellicott with the surveying work. They made their plan on a grand scale, incorporating boulevards, traffic circles, and monuments reminiscent of European capitals. (See American Studies on page 192.) By 1800, the capital had been moved to its new site on the Potomac, between Maryland and Virginia.

**The First Political Parties**

President Washington tried to remain above the arguments between Hamilton and Jefferson and to encourage them to work together despite their basic differences. These differences were so great however, that the two men continued to clash over government policy; their conflict divided the cabinet and fueled the growing division in national politics.

**FEDERALISTS AND REPUBLICANS** The split in Washington's cabinet helped give rise to the country's first political parties. The two parties formed around one of the key issues in American history—the power and size of the federal government in relation to state and local governments. Those who shared Hamilton's vision of a strong central government called themselves Federalists. Those who supported Jefferson's vision of strong state governments called themselves **Republicans**. No relation to today's Republican Party, Jefferson's Republicans—later called Democratic Republicans—were in fact the ancestors of today's Democratic Party. Republicans believed in a limited central government, an agrarian economy, strong state governments, and a democratic system based on broader popular participation.

These parties originated as political clubs or groups, which met to discuss issues and spread their opinions. For the 1792 election, the Republicans did not field a candidate to oppose Washington, whose own views clearly leaned toward the Federalist side. However, the very existence of political parties worried many leaders, including Washington, who saw



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**THINK THROUGH HISTORY**  
**D. Contrasting**  
 How did the Federalists and Republicans differ from each other?



parties as a danger to national unity. At the close of his presidency, Washington criticized what he called “the spirit of party.”

#### A PERSONAL VOICE

It serves always to distract the public councils and enfeeble the public administration. It agitates the community with ill-founded jealousies and false alarms; kindles the animosity of one part against another; foment[s] [incites] occasionally riot and insurrection. It opens the door to foreign influence and corruption. . . .

GEORGE WASHINGTON, Farewell Address, 1796

Despite criticism, the two parties had continued to develop. The **two-party system**—initially Federalists and Republicans—was well established by the time Washington left office.

**THE WHISKEY REBELLION** During Washington’s second term, an incident occurred that reflected the tension between federal and regional interests. Previously, Congress had passed a **protective tariff**, an import tax on goods produced in Europe. This tax brought in a great deal of revenue, but Secretary Hamilton wanted more. So he pushed through an **excise tax**—a tax on a product’s manufacture, sale, or distribution—to be levied on the manufacture of whiskey.

Most whiskey producers were small frontier farmers. Their major crop was corn. Corn was too bulky to carry across the Appalachian Mountains and sell in the settled areas along the Atlantic. Therefore, the farmers distilled the corn into whiskey, which could be more easily sent to market on the backs of mules.

Since whiskey was the main source of cash for these frontier farmers, Hamilton knew that the excise tax would make them furious. And it did. In 1794, farmers in western Pennsylvania refused to pay the tax. They beat up federal marshals in Pittsburgh, and they even threatened to secede from the Union.

Hamilton looked upon the Whiskey Rebellion as an opportunity for the federal government to show that it could enforce the law along the western frontier. Accordingly, some 15,000 militiamen were called up. Accompanied by Washington part of the way and by Hamilton all the way, the federal troops hiked over the Alleghenies and scattered the rebels without the loss of a single life.

The Whiskey Rebellion was a milestone in the consolidation of federal power in domestic affairs. At the same time, the new government was also facing critical problems and challenges in foreign affairs—particularly in its relations with Europe and with Native American peoples west of the Appalachians.



A group of rebels in the Whiskey Rebellion tar and feather a tax collector.

**THINK THROUGH HISTORY**  
**E. Analyzing Issues** Why was the Whiskey Rebellion important for the federal government?

## Section 1 Assessment

### 1. TERMS & NAMES

Identify:

- Judiciary Act of 1789
- Alexander Hamilton
- cabinet
- national bank
- Republican
- two-party system
- protective tariff
- excise tax

### 2. SUMMARIZING

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

Federalists	Republicans

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

### 3. EVALUATING

How would you judge President Washington’s decision to put two such opposed thinkers as Hamilton and Jefferson in his cabinet?

**THINK ABOUT**

- both men’s merits
- their philosophies
- the conflicts that developed

### 4. ANALYZING

Would you have supported Hamilton’s economic plan? Explain why or why not.

**THINK ABOUT**

- the money problems the nation faced
- other problems the nation faced

## 2 Foreign Affairs Trouble the Nation

**LEARN ABOUT** key international issues in the late 18th century  
**TO UNDERSTAND** how the United States developed its foreign policy.

### TERMS & NAMES

- neutrality
- Edmond Genêt
- Thomas Pinckney
- Little Turtle
- John Jay
- sectionalism
- XYZ Affair
- Alien and Sedition Acts
- nullification

### ONE AMERICAN'S STORY

Gouverneur Morris, the man responsible for the final draft of the Constitution, witnessed one of the great events of history—the French Revolution. He arrived in Paris in early 1789. On July 14, a mob stormed the Bastille, the infamous French prison, releasing the prisoners and killing the prison governor. Not long afterward, Morris got a close look at revolutionary violence. Walking on a Paris street, he came upon a mob parading the dismembered body of a royal official:

#### A PERSONAL VOICE

The Head and Body of Mr. de Foulon are introduced in Triumph. The Head on a Pike, the Body dragged naked on the Earth. Afterwards this horrible Exhibition is carried thro the different Streets. His crime [was] to have accepted a Place in the Ministry. This mutilated form of an old Man of seventy five is shewn to Bertier, his Son in Law, the Intend't. [another official] of Paris, and afterwards he also is put to Death and cut to Pieces, the Populace carrying about the mangled Fragments with a Savage Joy.

GOUVERNEUR MORRIS, quoted from his journal

At first Morris sympathized with the French revolutionaries and their calls for “liberty, equality, fraternity.” Then, as the violence escalated, Morris turned against the French Revolution. The young nation, too, took different views of the events underway in France as it debated whether or not to support the French Revolution.



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

### U.S. Response to Events in Europe

Most Americans initially supported the French Revolution because, like the American Revolution, it was inspired by the ideal of republican rule. Heartened by the American struggle against royal tyranny, the French set out to create a government based on the will of the people. The alliance between France and the United States, created by the Treaty of 1778, served as an additional bond between the two nations. The official attitude of the United States toward the French Revolution was one of the most important foreign policy questions that the young nation faced.

**REACTIONS TO FRENCH REVOLUTION** Despite the bonds between the nations, Americans soon became divided over the Revolution. In early 1793, a radical group called the Jacobins seized power in France. They beheaded the French king, Louis XVI, and launched the Reign of Terror against their opponents, sending moderate reformers and royalists alike to the guillotine. These events led many Americans to question their support of the Revolution.

In an excess of revolutionary zeal, the Jacobins also declared war on other monarchies, including Great Britain. Because of their alliance with the United States, the French expected American help. The American reaction tended to



split along party lines. Republicans, such as Thomas Jefferson and James Madison, wanted to honor the 1778 treaty and support France. Federalists, such as Alexander Hamilton, wanted to back the British. President Washington took a middle position. On April 22, 1793, he issued a declaration of **neutrality**, a statement that the United States would support neither side in the conflict. Hamilton and Jefferson came to agree, recognizing that war was not in the new nation's interest.

Earlier in April, the French had sent a young diplomat, **Edmond Genêt**, to win American support. Instead of following diplomatic procedure and presenting his credentials to the Washington administration, Genêt began to recruit Americans for the war effort against Great Britain.

This violation of American neutrality and diplomatic protocol outraged Washington, who demanded that the French recall Genêt. By then, however, Genêt's political backers had fallen from power in Paris. Fearing for his life, the young envoy remained in the United States and became a U.S. citizen. Although Jefferson protested against Genêt's actions, Federalists called Jefferson a radical because he supported France. Frustrated by these attacks and by his ongoing feud with Hamilton, Jefferson resigned from the cabinet in 1793.

**TREATY WITH SPAIN** While the Washington administration tried to steer a middle course between Britain and France, it also pursued negotiations with Spain. The United States wanted to secure land claims west of the Appalachian Mountains and to gain shipping rights on the Mississippi River. To do this, it needed to come to an agreement with Spain, which still held Florida and the Louisiana Territory, a vast area of land west of the Mississippi River. Spain was worried about possible joint British-American action against the Louisiana Territory. Sensing that Spain might be willing to strike a deal, U.S. ambassador **Thomas Pinckney** pushed for a treaty.

Pinckney's Treaty of 1795 included virtually every concession that the Americans desired. Spain gave up all claims to land east of the Mississippi (except Florida) and recognized the 31st parallel as the northern boundary of Florida. Spain also agreed to open the Mississippi River to American traffic and allow American traders to use the port of New Orleans. This treaty was important because it helped pave the way for U.S. expansion west of the Appalachians.

**THINK THROUGH HISTORY**  
**A. Analyzing Motives** Why did the United States want to maintain its neutrality?

**THINK THROUGH HISTORY**  
**B. Recognizing Effects** Why did the United States want access to the Mississippi River?

## Native Americans Resist White Settlers

Pioneers had been moving west of the Appalachians since before the Revolution. After the war, pioneers in even greater numbers migrated west in pursuit of fertile and abundant land. They assumed that the 1783 Treaty of Paris, in which Great Britain had ceded its land rights west of the Appalachians, gave them free rein to settle the area.

But the British still maintained forts in the Northwest Territory—an area that included what is now Ohio, Indiana, Illinois, Michigan, and Wisconsin—in direct violation of the treaty. In addition to this continued British presence, the settlers met fierce resistance from the original inhabitants.

**FIGHTS IN THE NORTHWEST** Native Americans in the Northwest Territory never accepted the provisions of the Treaty of Paris. They continued to claim their tribal lands and demanded direct negotiations with the United States. They also took heart from the presence of British troops, who encouraged their resistance. When white settlers moved into their territory, the Native Americans often attacked them.

To gain control over the area that would become Ohio, the federal government sent an army led by General Josiah Harmar. In 1790, Harmar's troops clashed with a confederacy of Native American groups led by a Miami chieftain

*“We have beaten the enemy twice under different commanders.”*

**LITTLE TURTLE**



## British Forts on U. S. Land, 1783–1794



### GEOGRAPHY SKILLBUILDER

**LOCATION** What is one common feature of the locations of most of the British forts on this map?

**HUMAN-ENVIRONMENT INTERACTION** Why would this feature be of great importance to an army?

named **Little Turtle**. The Native Americans won that battle. The following year, the Miami Confederacy inflicted an even worse defeat on a federal army led by General Arthur St. Clair.

**BATTLE OF FALLEN TIMBERS** Finally, in 1792, Washington appointed General Anthony Wayne to lead federal troops against the Native Americans. Known as “Mad Anthony” for his reckless courage, Wayne spent an entire year drilling his men. Greatly impressed, Little Turtle said of Wayne

### A PERSONAL VOICE

We have beaten the enemy twice under different commanders. . . . The Americans are now led by a chief who never sleeps. . . . We have never been able to surprise him. . . . It would be prudent to listen to his offers of peace.

**LITTLE TURTLE**, Miami chieftain, in a speech to his allies

The other chiefs did not agree with Little Turtle and replaced him with a less able leader. On August 20, 1794, Wayne defeated the Miami Confederacy at the Battle of Fallen Timbers, near present-day Toledo, Ohio. After the battle, Wayne’s army marched defiantly past the British Fort Miami, only two miles away, and then built an American post nearby.

This victory ended Native American resistance in Ohio. The following year, the Miami Confederacy signed the Treaty of Greenville, agreeing to give up most of the land in Ohio in exchange for an annual payment of \$10,000. This settlement continued a pattern in which Native Americans received much less for their land than it was worth from settlers and the government. Meanwhile, in the Northwest Territory, new sources of conflict were developing between Britain and the United States.

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



The Miami war chief Little Turtle negotiates with General Anthony Wayne.



Although Jay's Treaty, signed on November 19, 1794, was a diplomatic victory, the treaty provoked outrage at home. For one thing, it allowed the British to continue their fur trade on the American side of the U.S.-Canadian border. This angered Western settlers.

Another point was even more controversial. Jay had gone to London to negotiate neutral shipping rights for American vessels trading in the Caribbean. Because the United States had not taken sides in the British-French conflict, Americans believed that their ships had the right to free passage. The British, however, had seized a number of these ships, confiscating their crews and cargo. Jay's Treaty did not resolve this problem, and Americans were furious. Nevertheless, the treaty managed to pass the Senate.

**THINK THROUGH HISTORY**  
**C. Recognizing Effects** How did events in the Northwest Territory affect U.S. relations with Britain?

## Adams Provokes Criticism



Portrait of a young John Adams by Joseph Badger (1708-1765).

The bitter political fight over Jay's Treaty, along with the growing division between Federalists and Republicans, convinced Washington not to seek a third term in office. In his Farewell Address, he urged the United States to "steer clear of permanent alliances" with other nations. Then, in 1797, he retired to his home at Mount Vernon.

In the presidential election of 1796, Americans faced a new situation: a contest between opposing parties. The Federalists nominated Vice-President John Adams for president and Thomas Pinckney for vice-president. The Republicans chose Thomas Jefferson, with Aaron Burr as his running mate.

In the election, Adams received 71 electoral votes, while Jefferson received 68. Because the Constitution stated that the runner-up should become vice-president, the country found itself with a Federalist president and a Republican vice-president. What had seemed sensible when the Constitution was written had become a problem because of the unexpected rise of political parties.

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

**ADAMS TRIES TO AVOID WAR** Soon after taking office, President Adams faced his first crisis: a looming war with France. The French government, which regarded the Jay Treaty as a violation of the French-American alliance, refused to receive the new American ambassador and began to seize American ships bound for Britain. Adams sent a three-man team to Paris to negotiate a solution.

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

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

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

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

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

The fourth measure, the Sedition Act, set fines and jail terms for anyone expressing opinions considered damaging to the government. Under the terms of this act, the federal government prosecuted and jailed a number of Republican editors, publishers, and politicians. Outraged Republicans called the laws a violation of freedom of speech guaranteed by the First Amendment.

**THINK THROUGH HISTORY**  
**D. Summarizing**  
 How did the Alien and Sedition Acts threaten political freedoms?

**VIRGINIA AND KENTUCKY RESOLUTIONS** The two main Republican leaders, Jefferson and James Madison, decided to organize opposition to the Alien and Sedition Acts by appealing to the states. Madison drew up a set of resolutions that were adopted by the Virginia legislature, while Jefferson wrote resolutions that were approved in Kentucky. The Kentucky Resolutions in particular asserted the principle of **nullification**—that states had the right to nullify, or consider void, any act of Congress that they deemed unconstitutional. Virginia and Kentucky viewed the Alien and Sedition Acts as unconstitutional because they violated the First Amendment and deprived citizens of their rights.

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

**THINK THROUGH HISTORY**  
**E. Hypothesizing**  
 What issues that arose during the Adams administration might continue to trouble the nation in the next administration?

**SKILLBUILDER**  
**INTERPRETING CHARTS**  
 According to the Virginia and Kentucky Resolutions, who has the right to determine the constitutionality of federal laws? If the country had accepted the principles of these Resolutions, how would the balance of power between federal and state governments have changed?

Federal and State Conflicts	
Alien and Sedition Acts	Virginia and Kentucky Resolutions
<ul style="list-style-type: none"> <li>The President is authorized to deport or imprison any alien considered "dangerous to the peace and safety of the United States."</li> <li>Fines and a prison sentence could be imposed on anyone trying to hinder the operation of the government or expressing "false, scandalous, and malicious statements" against the government.</li> </ul>	<ul style="list-style-type: none"> <li>Virginia and Kentucky claimed the right to declare null and void the Alien and Sedition Acts because they violated the Bill of Rights.</li> <li>Virginia and Kentucky claimed the right to declare null and void federal laws going beyond powers granted by the Constitution to the central government.</li> </ul>

## Section 2 Assessment

### 1. TERMS & NAMES

Identify:

- neutrality
- Edmond Genêt
- Thomas Pinckney
- Little Turtle
- John Jay
- sectionalism
- XYZ Affair
- Alien and Sedition Acts
- nullification

### 2. SUMMARIZING

List some of the disputes mentioned in this section. Indicate the dispute and each side's arguments.

DISPUTE	
One side	Other side

Then choose one dispute and defend one side's arguments.

### 3. EVALUATING

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

**THINK ABOUT**

- the intent of the First Amendment
- what was happening in Europe
- what was happening in America

### 4. ANALYZING

Should the United States have officially supported the French revolutionaries against the British? Support your opinion with examples from the text.

**THINK ABOUT**

- Federalist and Republican attitudes toward France and Great Britain
- the Reign of Terror
- U.S. gratitude to France for its support against Britain