**Washington Heads the New Government**

**KEY IDEA** During the Washington presidency, the United States sets up a completely new form of government.

The Constitution laid the outlines of a new government. President George Washington and the first Congress had to fill in the details. With the Judiciary Act of 1789, they created national courts. The law also declared that state court decisions could be appealed in federal courts if they raised constitutional issues. They created the departments of State, War, and the Treasury. The three department heads and the attorney general became the president’s advisers, or cabinet.

Secretary of State Thomas Jefferson and Secretary of Treasury Alexander Hamilton disagreed on the direction the nation should take. Hamilton believed in a strong central government and economic policies that favored commerce and industry. Jefferson preferred greater state power and policies that favored farmers. The North backed Hamilton and the South Jefferson.

Hamilton developed an ambitious economic plan. He wanted to establish a national bank, hoping that wealthy people, by investing in the bank, would become firmly committed to helping the new government succeed. He also wanted the federal government to take over state war debts. This angered Southern states, who had paid off most of their debt already.

Hamilton convinced Congress to enact his plan. He won support from Southern lawmakers by proposing that the nation’s capital be moved from New York City to a new site on the Potomac River. Congress created the District of Columbia, and plans for a new capital city were prepared.

The disagreements between Hamilton and Jefferson produced two political parties. Hamilton and supporters of a strong central government were called Federalists. Jefferson and those who wished to limit central power were called Republicans.

Farmers in western Pennsylvania protested a federal tax on whiskey. They resented the tax because turning corn into whiskey was their main source for cash. By using federal troops to squash the rebellion, Washington asserted the authority of the federal government.

**Foreign Affairs Trouble the Nation**

**KEY IDEA** During Washington’s second term and Adams’s single term, the United States wrestles with foreign affairs.

As the United States government took shape, the French government tumbled. Many Americans supported the French Revolution’s early appeal to liberty. Many, though, opposed the bloody Reign of Terror that followed. When France declared war on Britain, the government had to make a decision. Jefferson argued that America should repay French support during the Revolutionary War and support them. Hamilton urged helping the British. Washington kept the nation neutral.

Meanwhile, the United States negotiated a treaty with Spain. Spain gave up its claims to land east of the Mississippi River except for Florida.

Other problems loomed in the Northwest, however. The British—violating a treaty—kept forts in the area. As more whites settled the region, conflict broke out with Native Americans. General Anthony Wayne defeated the Miami tribe in the Battle of Fallen Timbers in 1794, ending Native American resistance in Ohio. About the same time, the British agreed to abandon their forts. Because the treaty did not resolve other issues, many westerners were angry.

Seeing increasing party conflict, Washington decided to retire. In a close election, Federalist John Adams defeated Jefferson and became president. Adams skillfully managed to keep the United States out of the European war—although doing so angered his own party. By signing the Alien and Sedition Acts, he angered the Republicans. These laws extended the time needed for an immigrant to become a citizen and allowed the government to punish anyone whose words or actions were consid-
timated dangerous. Jefferson and James Madison saw this as an attack on basic American rights. In the Virginia and Kentucky Resolutions, they argued that states had to right to declare a national law void if they disagreed with it. No other states took the same position, however.

**Jefferson Alters the Nation’s Course**

*KEY IDEA* Although Thomas Jefferson seeks to undo what he believes to be his predecessors’ abuses of power, he also strengthens the presidency.

The Republicans defeated the Federalists in the election of 1800. In a fluke, however, both Jefferson and Aaron Burr—the Republican candidate for vice-president—received the same number of electoral votes. Hamilton, who despised Burr, persuaded his supporters in the House of Representatives to vote for Jefferson.

As Jefferson took office, he urged the two parties to smooth over their differences. He took steps to reduce the power of the central government and to replace Federalist officials. The Federalists continued to be a power in the judicial branch, however. In his last days in office, Adams had appointed a number of Federalists to judgeships—positions that they held for life. Among them was John Marshall, named as Chief Justice of the Supreme Court.

Marshall’s Court soon issued an important decision. In Marbury v. Madison, Marshall wrote that the Supreme Court had the power of judicial review—the power to decide whether laws passed by Congress were constitutional or not.

Hamilton clashed once again with Burr in the election for governor of New York of 1804. Insulted by a Hamilton comment, Burr challenged him to a duel—and shot him dead.

As more and more settlers moved west, the population in the territories increased fourfold. Suddenly France decided to sell the Louisiana Territory, which stretched from the Gulf of Mexico north to Canada and west to the Rocky Mountains. By purchasing the land, the United States doubled in size. Jefferson sent Meriwether Lewis and William Clark, who led a team of soldiers and adventurers, to explore the new land. They traveled more than two years from St. Louis to present-day Oregon and back. They made notes on the terrain, the plants, and the animals they saw. They made contact with many Native American peoples.

**The War of 1812 Erupts**

*KEY IDEA* During the presidency of James Madison, Americans again fight the British.

During Jefferson’s second term, the war between France and Britain hurt the United States. Trying to prevent trade with the enemy, both nations seized American ships and their cargoes. Britain also took American sailors from the ships, forcing them into its navy, angering Americans further. To cut off the flow of supplies, Jefferson banned exports to other countries. Rather than hurting Britain, though, the embargo harmed American business. Congress ended the embargo.

James Madison followed Jefferson as president, but the situation worsened. Native Americans led by Tecumseh rose to fight settlers in the West. Although they were defeated, Tecumseh’s forces had received weapons from the British. As American anger built, members of Congress from the South and West—called war hawks—argued for war. In June 1812, Congress declared war against Britain.

The war did not go well for the Americans at first. Then a U.S. Navy fleet defeated the British on Lake Erie, and Americans retook Detroit. In 1814, though, the British entered Washington, burning the Capitol and the White House. Early in 1815, General Andrew Jackson defeated a British force in the Battle of New Orleans. Ironically, this victory came after negotiators had agreed on a peace. The Treaty of Ghent put an end to the fighting, although the two nations had not yet agreed on how to resolve their disputes.