**Early Government**

**George Washington**

Delegates to the Electoral College unanimously elected George Washington the first president of the United States in 1789 and again in 1792.He was initially inaugurated in New York City, which served as the nation's capital for Washington's first year in office. The government then moved to Philadelphia. Congress eventually approved plans for a new capital city to be built along the Potomac River between Virginia and Maryland. President Washington himself chose the site but, ironically, was the only president never to live there. The new capital was eventually named Washington, D.C.

Following his election, Washington quickly chose several men that he trusted to serve in key positions within his administration. These individuals served as the first presidential cabinet in history (the cabinet is a body of department heads who serve as the president's key advisors and/or representative in specific areas). Among them, Washington selected Thomas Jefferson, who had recently returned from serving as ambassador to France, to be his secretary of state. He also chose Alexander Hamilton, a devout Federalist and trusted aid to Washington during the Revolutionary War, to serve as secretary of the treasury.

**Hamilton's Economic Plan**

Washington's new presidency faced several challenges. When the new U.S. government took power in 1789, the nation was deep in debt and the value of the new currency was low. Alexander Hamilton developed a plan to help.

Hamilton's economic plan proposed that the federal government take on state debts that were largely due to the war.

To raise revenue, Hamilton wanted tax on whiskey. He reasoned that such a tax would not only raise money, but would also serve to demonstrate the power of the federal government. He also supported tariffs (taxes on imports).

Not only did he believe that these tariffs would raise much needed money, he also saw them as necessary to strengthen and protect U.S. business interests from foreign competition. Hamilton believed this was necessary to give U.S. manufacturers a chance to succeed. Finally, Hamilton proposed establishing a national bank. Hamilton had a loose interpretation of the Constitution and believed that its necessary and proper clause gave the government the right to charter a bank if it was necessary to exercise its constitutional duties (in this case, coining money).

Hamilton's plan gained the support of President Washington, but it was not without controversy. Many opposed Hamilton's views. One such opponent was Washington's secretary of state and author of the Declaration of independence, Thomas Jefferson. Jefferson had a strict interpretation of the Constitution and argued that the federal government must restrict itself to those powers specifically stated in the document. Since the Constitution did not give the federal government the authority to open a national bank, Jefferson argued that it could not. Many southerners also opposed Hamilton's plan because they were against tariffs that would lessen competition from foreign countries and raise prices on finished goods. They also feared that such measures would encourage other countries to respond with tariffs of their own, thereby raising prices on southern exports and hurting the South's economy. Many saw Hamilton's plan as evidence that the federal government intended to support the business interests of a wealthy few over the needs of farmers who made up the bulk of the nation's population. Finally, the whiskey tax was very unpopular among farmers in the western regions of Pennsylvania, Maryland, Virginia, and North Carolina. Many of these farmers made their living converting grain into whiskey. Their protest eventually resulted in the Whiskey Rebellion. Pennsylvania farmers refused to pay the tax and resorted to violence. The uprising ended when President Washington organized a military force that marched into Pennsylvania and halted the resistance. While the event showed that the new government had the power to enforce its laws, it also led many farmers and frontiersmen to see Hamilton's form of government as tyrannical. More of them flocked to Thomas Jefferson as a defender of states' rights and a champion of their cause.

**Washington and Neutrality**

While the new U.S. government tried to establish itself, European powers, Great Britain and France, were once again at war with one another. President Washington, recognizing that the country could not afford a fight with either side, made a Proclamation of Neutrality, in which he stated that, the U.S. would not take sides. The conflict still had consequences for the United States, however. The British began intercepting U.S. ships they believed bound for France and impressing sailors (taking U.S. sailors captive and forcing them to serve the British). These actions were intended to injure the French, but they also hurt the United States' ability to trade and operate on the high seas. In response, Chief Justice John Jay went to London to broker an agreement with the British. To the disappointment of many in the U.S., Jay returned with a treaty that primarily benefited Great Britain and did little to further the interests of the United States.

**The Rise of Political Parties**

Shortly before leaving office, President George Washington gave a farewell address in 1796 in which he emphasized three key points. First, Washington expressed his view that the United States should stay neutral and avoid permanent alliances with other nations. Second, he believed that good government is based on religion and morality. Third, he spoke about the dangers of forming political parties. He warned that political parties would cause people to work for their special interests rather than for the public good. Despite Washington's warnings, opposing political parties did indeed form. The Federalist Party was created even prior to the ratification of the Constitution. Alexander Hamilton, James Madison and John Adams were among its leaders. The Federalists supported ratification of the U.S. Constitution because they supported a strong national government. They also supported large landowners, merchants, and the interests of business over agriculture. Therefore, they supported tariffs and other measures meant to help U.S. businesses. Most New Englanders were Federalists. Meanwhile, the Republicans arose in opposition to the Federalists. Their leader was Thomas Jefferson. For this reason, they are sometimes referred to as "Jeffersonian Republicans "to distinguish them from today's Republican Party. The Jeffersonian Republicans favored stronger state governments and a weaker national government. For this reason, many of them originally opposed the Constitution because they feared it made the national government too strong.

In addition, the Republicans tended to favor the interests of small farmers and debtors, rather than those of business.

Therefore, they opposed many Federalist policies and saw them as an attempt by the wealthy upper class to limit economic opportunities for small landowners. Most Southerners were Jeffersonian Republicans.

**John Adams**

Following his second term as president, George Washington retired from public life. John Adams, the same man who had nominated Washington to serve as commanding general of the Continental Army and who had served him as vice president, now succeeded him as the nation's second president. He was a Federalist and, therefore, often found himself at odds with Thomas Jefferson. He also had to deal early on with a French government that was very angry over Jay's Treaty with the British. Although many in the U.S. saw the treaty as a weak document, it angered the French because they saw it as an alliance with Great Britain. In an attempt to improve U.S.-French relations, the United States sent three diplomats (Charles Pinckney, Elbridge Gerry, and John Marshall) to France. The three were not officially received, but after several days they were informed by an unofficial delegation that, with a bribe and the promise of a U.S. loan to France, they might be given access to French leaders. This infuriated off the U.S. representatives, who rejected the suggestion and returned home. It also angered citizens in the United States when they learned of what happened. The event was known as the XYZ Affair, because the unofficial French delegation consisted of three men known only as "X, Y, and Z."As a result, the US broke off its relations with France.

Realizing it could not remain both neutral and safe, the United States began building up its military force.

Fortunately, with the Convention of 1800, France and the United States were able to negotiate some of their differences, reopen trade, and re-establish diplomatic relations. The convention also formally ended the US-French alliance that had existed since the revolution, making the U.S. officially neutral. The US could now engage in trade without appearing to violate a treaty with France or aid a war against Great Britain.

**Federalist and Republican Hostilities**

The Federalists in Congress passed several laws during John Adams' administration that alarmed Jeffersonian Republicans. The Naturalization Act required foreign immigrants to live in the United States for fourteen years before they could be US citizens. The Alien Act allowed the government to arrest, detain or remove foreigners deemed untrustworthy. Of even greater concern was the Sedition Act that severely limited free speech and expression. Federalists often used the Alien and Sedition Acts to silence critics (usually Republicans). These acts tended to help the Federalists because immigrants who had been in the country for only a short time were usually poorer and often drawn to the Republicans who represented the "common man." Under these laws, such people could not vote in elections. Jefferson and others saw these acts as abuses of power. He and James Madison (a former Federalist) produced a response to the Alien and Sedition Acts in the form of the Virginia and Kentucky Resolutions. These resolutions stated that if a state believed a federal law to be unconstitutional, then it did not have to obey or enforce it. The resolution was so named because the state legislatures of Virginia and Kentucky adopted it. The idea that individual states have such a right came to be known as the doctrine of nullification, because it claims that states can nullify a national law that they believe violates the Constitution. The debate surrounding states' rights versus federal authority ultimately played a major role in events leading up to the Civil War.

**Election of 1800 (Jefferson vs. Adams)**

The battle between the Federalists and Republicans culminated in the election of 1800. It was a nasty election that pitted the Federalist president against Thomas Jefferson. Republicans accused Adams of wanting to be a king (a huge insult so soon after the revolution) while Federalists proclaimed Jefferson to be an anarchist (someone who is against any structure of government). When the Electoral College finally voted, two Republican candidates, Thomas Jefferson and Aaron Burr, ended up tied with73 votes each. As a result, the House of Representatives had to decide the winner. In an ironic twist, Alexander Hamilton played a major factor in deciding who won. Although Hamilton did not agree with Jefferson's politics, he hated Aaron Burr as a person. Hamilton supported Thomas Jefferson, making him the third president of the United States. Burr never forgave Hamilton for his decision and the two remained at odds. They ultimately met in a duel, with Burr shooting and killing Hamilton.