Washington Retires

Washington had come to the presidency greatly admired by the American people. Throughout his eight years in office (1789–1797), he had tried to serve as a symbol of national unity. In large part, he succeeded. During his second term, however, opponents of Jay’s Treaty led attacks on the president. Thomas Paine called Washington “treacherous in private friendship . . . and a hypocrite in public life” because he failed to support the French Revolution.

Washington saw such attacks as the outcome of political disagreements. In his farewell address, he warned that such differences could weaken the nation. Despite his advice, political parties became a part of American politics.
Americans listened more closely to Washington’s parting advice on foreign policy—relations with the governments of other countries. He urged the nation’s leaders to remain neutral and “steer clear of permanent alliances with any portion of the foreign world.” He warned that agreements with foreign nations might work against U.S. interests. His advice served to guide U.S. foreign policy into the twentieth century.

**Growth of Political Parties**

Despite Washington’s warning against political parties, Americans were deeply divided over how the nation should be run. During Washington’s first term (1789–1792), Hamilton and Jefferson had hotly debated the direction the new nation should take. Then Jefferson returned to Virginia in 1793. During Washington’s second term, Madison took Jefferson’s place in the debates with Hamilton.

Both sides disagreed on how to interpret the Constitution and on economic policy. Hamilton favored the British government and opposed the French Revolution. Jefferson and Madison were the opposite. Hamilton fought for a strong central government. Jefferson and Madison feared such a government might lead to tyranny. They had different visions of what the nation should become. Hamilton wanted a United States in which trade, manufacturing, and cities grew. Jefferson and Madison pictured a rural nation of planters and farmers.

These differences on foreign and domestic policy led to the nation’s first political parties. A **political party** is a group of people that tries to promote its ideas and influence government. It also backs candidates for office. Together, Jefferson and Madison founded the Democratic-Republican Party. The party name reflected their strong belief in democracy and the republican system. Their ideas drew farmers and workers to the new party. Hamilton and his friends formed the Federalist Party. Many Northern merchants and manufacturers became Federalists.

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The First Political Parties

<table>
<thead>
<tr>
<th>FEDERALISTS</th>
<th>DEMOCRATIC-REPUBLICANS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong national government</td>
<td>Limited national government</td>
</tr>
<tr>
<td>Fear of mob rule</td>
<td>Fear of rule by one person or a powerful few</td>
</tr>
<tr>
<td>Loose construction (interpretation) of the Constitution</td>
<td>Strict construction (interpretation) of the Constitution</td>
</tr>
<tr>
<td>Favored national bank</td>
<td>Opposed national bank</td>
</tr>
<tr>
<td>Economy based on manufacturing and shipping</td>
<td>Economy based on farming</td>
</tr>
<tr>
<td>Supporters: lawyers, merchants, manufacturers, clergy</td>
<td>Supporters: farmers, tradespeople</td>
</tr>
</tbody>
</table>

**SKILLBUILDER Interpreting Charts**

1. Which economic interests were served by the Federalists?
2. Which party favored a ruling elite? Which put more trust in the common people?
John Adams Takes Office
In 1796, the United States held its first elections in which political parties competed. The Federalists picked Washington’s vice-president, John Adams, as their candidate for president. An experienced public servant, Adams had been a leader during the Revolution and at the Continental Congress. He had also been a diplomat in France, the Netherlands, and Britain before serving with Washington. The Democratic-Republicans chose Jefferson.

In the electoral college, Adams received 71 votes and Jefferson 68. The Constitution stated that the runner-up should become vice-president. Therefore, the country had a Federalist president and a Democratic-Republican vice-president. Adams became president in 1797. His chief rival, Jefferson, entered office as his vice-president. In 1800, Adams became the first president to govern from the nation’s new capital city, Washington, D.C.

Problems with France
When Washington left office in 1797, relations between France and the United States were tense. With Britain and France still at war, the French began seizing U.S. ships to prevent them from trading with the British. Within the year, the French had looted more than 300 U.S. ships.

Although some Federalists called for war with France, Adams hoped talks would restore calm. To this end, he sent Charles Pinckney, Elbridge Gerry, and John Marshall to Paris. Arriving there, they requested a meeting with the French minister of foreign affairs. For weeks, they were...
ignored. Then three French agents—later referred to as X, Y, and Z—took the Americans aside to tell them the minister would hold talks. However, the talks would occur only if the Americans agreed to loan France $10 million and to pay the minister a bribe of $250,000. The Americans refused. “No, no, not a sixpence,” Pinckney shot back.

Adams received a full report of what became known as the **XYZ Affair**. After Congress and an outraged public learned of it, the press turned Pinckney’s words into a popular slogan: “Millions for defense, not one cent for tribute!” In 1798, Congress canceled its treaties with France and allowed U.S. ships to seize French vessels. Congress also set aside money to expand the navy and the army.

### The Alien and Sedition Acts

The conflict with France made Adams and the Federalists popular with the public. Many Democratic-Republicans, however, were sympathetic to France. One Democratic-Republican newspaper called Adams “the blasted tyrant of America.” In turn, Federalists labeled Democratic-Republicans “democrats, mobcrats, and other kinds of rats.”

Angered by criticism in a time of crisis, Adams blamed the Democratic-Republican newspapers and new immigrants. Many of the immigrants were Democratic-Republicans. To silence their critics, the Federalist Congress passed the **Alien and Sedition Acts** in 1798. These acts targeted aliens—immigrants who were not yet citizens. One act increased the waiting period for becoming a U.S. citizen from 5 to 14 years. Other acts gave the president the power to arrest disloyal aliens or order them out of the country during wartime. A fourth act outlawed sedition, saying or writing anything false or harmful about the government.

With these acts, the Federalists clamped down on freedom of speech and the press. About 25 Democratic-Republican newspaper editors were
charged under this act, and 10 were convicted of expressing opinions damaging to the government. A Vermont congressman, Matthew Lyon, was also locked up for saying that the president should be sent “to a mad house.” The voters re-elected Lyon while he was in jail.

The Democratic-Republicans, led by Jefferson and Madison, searched for a way to fight the Alien and Sedition Acts. They found it in a theory called states’ rights. According to this theory, states had rights that the federal government could not violate. Jefferson and Madison wrote resolutions (or statements) passed by the Kentucky and Virginia legislatures in 1798 and 1799. In the Kentucky Resolutions, Jefferson proposed nullification, the idea that a state could nullify the federal law within the state. In the Virginia Resolutions, Madison said a state could interpose, or place, itself between the federal government and its citizens. These resolutions declared that the Alien and Sedition Acts violated the Constitution. No other states supported Kentucky and Virginia. However, within two years the Democratic-Republicans won control of Congress, and they either repealed the Alien and Sedition Acts or let them expire between 1800 and 1802.

**Peace with France**

While Federalists and Democratic-Republicans battled at home, the United States made peace with France. Although war fever was high, Adams reopened talks with France. This time the two sides quickly signed the Convention of 1800, an agreement to stop all naval attacks. This treaty cleared the way for U.S. and French ships to sail the ocean in peace.

Adams’s actions made him enemies among the Federalists. Despite this, he spoke proudly of having saved the nation from bloodshed. “I desire no other inscription over my gravestone than: ‘Here lies John Adams, who took upon himself the responsibility of the peace with France in the year 1800.’ “ Adams lost the presidential election of 1800 to Thomas Jefferson. You will read more about Jefferson in the next chapter.