

CHAPTER 6 Section 1 (pages 182–187)

Washington Heads the New Government

BEFORE YOU READ

In the last section, you learned how the country ratified the Constitution.

In this section, you will see how the nation’s leaders organized the new government.

AS YOU READ

Use this chart to take notes on the differences between Hamilton’s and Jefferson’s approach to government.

TERMS AND NAMES

Judiciary Act of 1789 Law that set up the national court system

Alexander Hamilton An early Federalist leader

Cabinet Chief advisers of the president

Bank of the United States A national bank funded by the federal government and wealthy investors

Democratic-Republicans Jefferson’s political party and ancestors of today’s Democratic Party

two-party system Political system where two political parties compete for power

protective tariff Tax on imported goods to protect domestic business

excise tax Tax on goods produced within the country

HAMILTON	JEFFERSON
<i>believed in a strong central government</i>	

The New Government Takes Shape (pages 182–183)

What steps did Washington and Congress take?

The first president of the country under the new government was George Washington. The task ahead of him and Congress was a difficult one. Although the Constitution provided a strong foundation, it was not a detailed blue print for govern-

ing. There was no precedent, or prior example, of how to make this new government work. That job was left up to the nation’s leaders.

One of the first steps Washington and Congress took was to create a judicial system. **The Judiciary Act of 1789** established a national court system. This law allowed state court decisions to be *appealed* to a federal court when constitutional issues were raised.

Washington and Congress also 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 Treasury to manage finances. To head these departments, Washington chose strong leaders. He chose Thomas Jefferson as secretary of state. He picked Henry Knox as secretary of war, and **Alexander Hamilton** as secretary of the treasury. These department heads soon became the president's chief advisers, or **Cabinet**.

1. Why was the task of governing such a difficult one for Washington and Congress?

Hamilton and Jefferson Debate

pages 184–186)

Why did Hamilton and Jefferson disagree?

Secretary of State Thomas Jefferson and Secretary of Treasury Alexander Hamilton disagreed on the direction the nation should take. Hamilton wanted a strong central government. He also called for an economy that helped trade and industry. Jefferson wanted a weak central government. He also wanted an economy that favored farmers. The industrial North backed Hamilton. The largely agricultural South backed Jefferson.

Hamilton wanted to set up the **Bank of the United States**. This bank would be funded by the federal government and wealthy *investors*. The bank would issue paper money. It also would handle tax receipts and other government funds. Hamilton believed that if wealthy people invested in the nation's bank, they would become more committed to helping the new government succeed. Thomas Jefferson and James Madison opposed the plan for a national bank. They argued that it would create an alliance between government and wealthy business interests.

In the end, Hamilton convinced Congress to pass his plan for a national bank. He won support from the Southern lawmakers by agreeing to build the nation's new capital in the South, in Washington, D.C.

2. How did Hamilton and Jefferson's views of government and the economy differ?

The First Political Parties and Rebellion (pages 186–187)

Who led the first political parties?

The differences between Hamilton and Jefferson led to the nation's first political parties. Hamilton and supporters of a strong central government were called Federalists. Jefferson and those who believed that state governments should be stronger than the federal government were called Republicans. They later referred to themselves as **Democratic-Republicans**. (This party was the ancestor of today's Democratic party.) These groups served as the basis for the nation's **two-party system**. Under this system, two main political parties compete for power.

As the nation's two political parties formed, Congress passed two important taxes. One was a **protective tariff**. It placed a tax on goods *imported* from Europe. This tax brought in a great amount of revenue for the federal government. But Hamilton wanted more tax money. He pushed through an **excise tax**, or sales tax, on whiskey. Small frontier farmers produced most of the nation's whiskey. They became so angry about the tax that they attacked the tax collectors. Their actions became known as the Whiskey Rebellion.

Hamilton wanted to show the nation that the federal government could enforce the law on the frontier. As a result, he employed federal troops to put down the Whiskey Rebellion.

3. What action did Congress take that it had been unable to do under the Articles of Confederation?
