The Early National Period lasted from 1789 to 1824. The new government was tested economically, politically and globally, to see if our republic could last.
Served as president from 1789-1797
His power was tested under the Whiskey Rebellion
He established the tradition of serving only two terms.
After his term, the first political parties developed over the issue of a national bank!
DIFFERENT VIEWS OF ECONOMIC AND FOREIGN POLICY ISSUES LED TO THE DEVELOPMENT OF THE FIRST AMERICAN POLITICAL PARTIES.
**KEY ISSUES:**

<table>
<thead>
<tr>
<th>What happened?</th>
<th>The National Bank</th>
<th>Jay’s Treaty (1794)</th>
<th>The “undeclared war” on France</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What happened?</strong></td>
<td>The goal was to create a national bank to help the government manage its money and the economy.</td>
<td>John Jay negotiated with Britain – dispute over British presence west of Appalachian Mts.</td>
<td>John Adams opposed France – The “XYZ Affair” and passed the Alien and Sedition Acts</td>
</tr>
<tr>
<td><strong>Federalist Position</strong></td>
<td>Supported the bank – it seemed necessary and proper!</td>
<td>Supported – Brits agreed to leave military, but permitted to traders to stay</td>
<td>Grew in opposition to France – many wanted war and alliance with Britain</td>
</tr>
<tr>
<td><strong>Democratic-Republican Position</strong></td>
<td>Opposed the bank – seemed to benefit only the rich and was too much power for the central government.</td>
<td>Opposed – wanted the British completely gone</td>
<td>Grew to support France as potential trade partner and better ally.</td>
</tr>
</tbody>
</table>
Federalists were led by John Adams and Alexander Hamilton.

Hamilton wanted a National Bank to help establish a stronger economy— he was a “loose constructionist”.

Believed in a strong national government and a commercial economy.

Supported by bankers and businessmen in the Northeast.
THE DEMOCRATIC-REPUBLICANS: ANTI-BANK

- Led by Thomas Jefferson
- Jefferson opposed the bank because the power to create it was in the Constitution—he was a "strict constructionist"
- Believed in a weak national government and agricultural economy
- Supported by farmers, artisans and frontiersmen in the South
Election was close, but won by Jefferson
First time power was transferred between parties PEACEFULLY.
It also proved that political parties were going to be permanent in America

This election was nearly lost by Jefferson. He actually tied with his running mate, Burr, as the Electoral College proved it could not handle political parties. An amendment was added to the Constitution to “solve” this problem.