

viewed Hamilton's program as benefiting only the rich at the expense of indebted farmers.

After much political wrangling and bargaining, Congress finally adopted the three major parts of Hamilton's plan in slightly modified form.

Debt. Jefferson and his supporters agreed to Hamilton's urgent insistence that the U.S. government pay off the national debt at face value and also assume payment of the war debts of the states. In return for Jefferson's support on this vital aspect of his plan, Hamilton agreed to Jefferson's idea to establish the nation's capital in the South along the Potomac River (an area that, after Washington's death, would be named Washington, D.C.).

Tariffs and excise taxes. The tariff rates set by Congress were lower than Hamilton had wanted. To raise enough revenue to pay the government's debts, Hamilton persuaded Congress to pass excise taxes, particularly on the sale of whisky.

National bank. Jefferson argued that the Constitution did not give Congress the power to create a bank. But Hamilton took a broader view of the Constitution, arguing that the document's "necessary and proper" clause authorized Congress to do whatever was necessary to carry out its enumerated powers. Washington supported Hamilton on the issue, and the proposed bank was voted into law. Although chartered by the federal government, the Bank of the United States was privately owned. As a major shareholder of the bank, the federal government could print paper currency and use federal deposits to stimulate business.

Foreign Affairs

Washington's first term as president (1789–1793) coincided with the outbreak of revolution in France, a cataclysmic event that was to touch off a series of wars between the new French Republic and the monarchies of Europe. Washington's entire eight years as president, as well as the four years of his successor, John Adams, were taken up with the question of whether to give U.S. support to (a) France, (b) France's enemies, or (c) neither side.

The French Revolution. Americans generally supported the French people's aspiration to establish a republic, but many were also horrified by reports of mob hysteria and mass executions. To complicate matters, the U.S.–French alliance remained in effect, although it was an alliance with the French monarchy, not with the revolutionary republic. Jefferson and his supporters sympathized with the revolutionary republic. Jefferson also argued that, because Britain was seizing American merchant ships bound for French ports, the United States should join France in its defensive war against Britain.

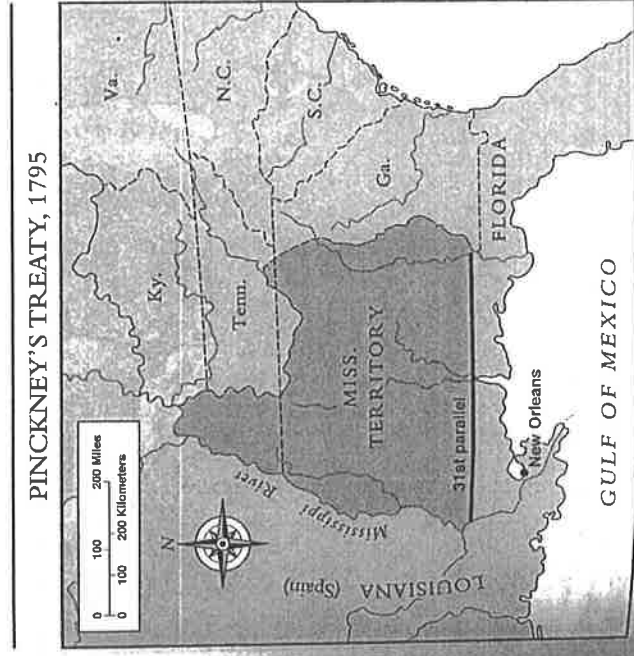
Proclamation of neutrality (1793). President Washington, however, believed that the young nation was not strong enough to engage in a European war. Resisting the popular clamor, in 1793 he issued a proclamation of U.S.

neutrality in the conflict. Thomas Jefferson resigned from the cabinet in disagreement with Washington's order.

"Citizen" Genêt. Objecting to Washington's policy, "Citizen" Edmond Genêt, the French minister to the United States, broke all the normal rules of diplomacy by appealing directly to the American people to support the French cause. So outrageous was his conduct that even Jefferson approved of Washington's request to the French government that they remove the offending diplomat. Recalled by his government, Genêt chose to remain in the United States, where he married and became a U.S. citizen.

The Jay Treaty (1794). Washington sent Chief Justice John Jay on a special mission to Britain to talk that country out of its offensive practice of searching and seizing American ships and impressing seamen into the British navy. After a year of negotiations, Jay brought back a treaty in which Britain agreed to evacuate its posts on the U.S. western frontier. But the treaty said nothing about British seizures of American merchant ships. Narrowly ratified by the Senate, the unpopular Jay Treaty angered American supporters of France, but it did maintain Washington's policy of neutrality which kept the United States at peace.

The Pinckney Treaty (1795). Totally unexpected was the effect that the Jay Treaty had on Spain's policy toward its territories in the Americas. Seeing the treaty as a sign that the United States might be drawing closer to Britain (a longtime foe), Spain decided to consolidate its holdings in North America.



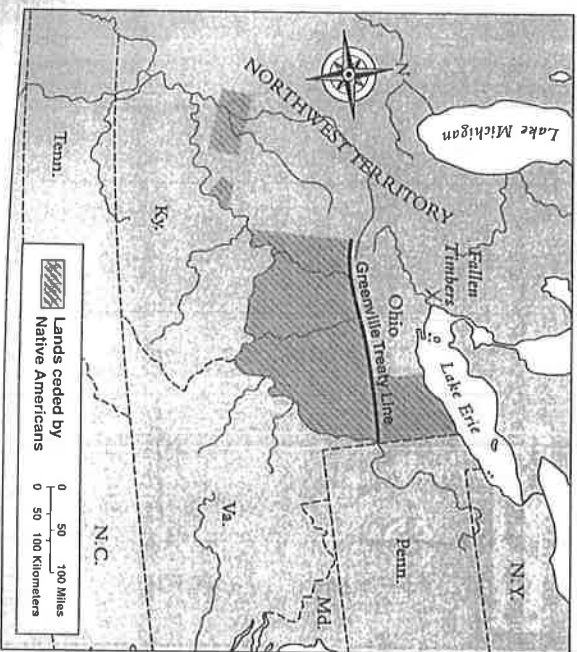
Thomas Pinckney, the U.S. minister to Spain, negotiated a treaty in 1763. Spain agreed to open the lower Mississippi River and New Orleans to American trade. The right of deposit was granted to Americans so that they could land their cargoes in New Orleans without paying duties to the Spanish government. Spain further agreed to accept the U.S. claim that Florida's northern boundary should be at the 31st parallel (not north of that line, as Spain had formerly insisted).

Domestic Concerns

In addition to coping with foreign challenges, stabilizing the nation's credit, and organizing the new government, Washington faced a number of domestic problems and crises.

Native Americans. Through the final decades of the 18th century, settlers crossed the Alleghenies and moved the frontier steadily westward into the Ohio Valley and beyond. The settlers encroached on the lands of Native Americans who resisted the westward movement as a threat to their existence. American on the frontier were incensed by evidence that the British were supplying the Native Americans with arms and encouraging them to attack the "intruding" Americans. In 1794 the U.S. army led by General Anthony Wayne defeated the Shawnee, Wyandot, and other Native American peoples at the Battle of Fallen Timbers in northwestern Ohio. The next year, the chiefs of the defeated

THE TREATY OF GREENVILLE, 1795



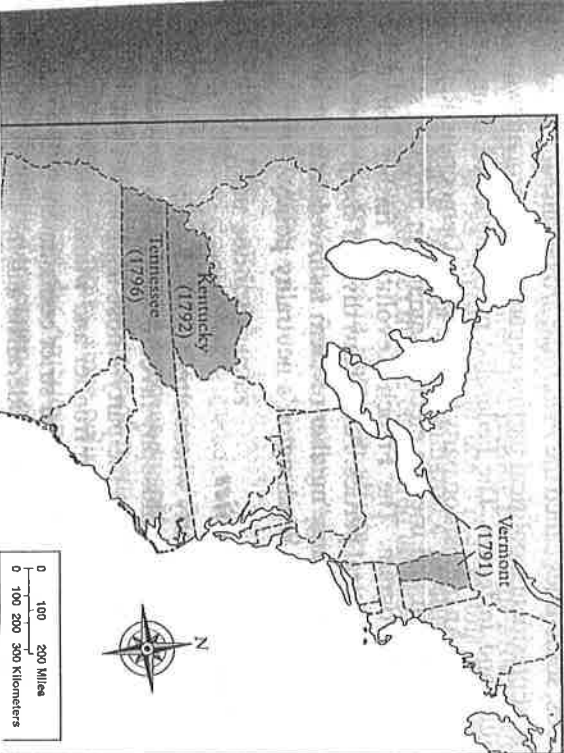
peoples agreed to the Treaty of Greenville, in which they surrendered claims to the Ohio Territory and promised to open it up to settlement.

The Whisky Rebellion (1794). Was the new federal government strong enough to deal successfully with rebellion against its own laws? In western Pennsylvania, the refusal of a group of farmers to pay the federal excise tax on whisky seemed to pose a major challenge to the viability of the U.S. government under the Constitution. The rebelling farmers could ill afford to pay a tax on the whisky that they distilled from surplus corn. Rather than pay the tax, they defended their "liberties" by attacking the revenue collectors.

Washington responded to this crisis by federalizing 15,000 state militia-men and placing them under the command of Alexander Hamilton. The show of force had its intended effect, causing the Whisky Rebellion to collapse without any bloodshed on either side. Some Americans applauded Washington's action, contrasting it with the previous government's helplessness to do anything about Shays' Rebellion. Among westerners, however, the military action was widely resented and condemned as an unwarranted use of force against the common people. The government's chief critic, Thomas Jefferson, gained in popularity as a champion of the western farmer.

Western lands. In the 1790s, with the Jay Treaty and the victory at the Battle of Fallen Timbers, the federal government gained control of vast tracts of land. Congress encouraged the rapid settlement of these lands by passing

NEW STATES IN THE UNION, 1791-1796



the Public Land Act in 1796, which established orderly procedures for dividing and selling federal lands at reasonable prices.

The process for adding new states to the Union, as set forth in the Constitution, also went smoothly. In 1791 Vermont became the first new state, followed by Kentucky in 1792 and Tennessee in 1796.

John Adams' Presidency

Even as Washington was writing his Farewell Address, political parties were active in every state to gain majorities in the two houses of Congress and to line up enough electors from the various states to elect the next president. The vice president, John Adams, was the Federalists' candidate, while former secretary of state Thomas Jefferson was the choice of the Democratic-Republicans.

Adams won by just three electoral votes. Jefferson became vice president since the Constitution as originally written provided that the candidate receiving the second highest number of electoral votes would become the vice president. (The method for selecting a vice president was changed by the Twelfth Amendment in 1804.)

The XYZ Affair

Troubles abroad related to the French Revolution presented Adams with the first major challenge of his presidency. Americans were angered by reports that U.S. merchant ships were being seized by French warships and privateers. Seeking a peaceful settlement, Adams sent a delegation to Paris to negotiate with the French government. Certain French ministers, known only as X, Y, and Z because their names were never revealed, requested bribes as the basis for entering into negotiations. The American delegates indignantly refused. Newspaper reports of the demands made by X, Y, and Z infuriated many Americans, who now clamored for war against France. "Millions for defense, but not one cent for tribute" became the slogan of the hour. One faction of the Federalist party, led by Alexander Hamilton, hoped that by going to war the United States could gain French and Spanish lands in North America.

President Adams, on the other hand, resisted the popular sentiment for war. Recognizing that the U.S. Army and Navy were not yet strong enough to fight a major power, the president avoided war and sent new ministers to Paris.

The Alien and Sedition Acts

Public anger against France strengthened the Federalists in the congressional elections of 1798. Winning a majority of seats in both houses, they hoped to take advantage of their victory by enacting laws that would restrict their political opponents, the Democratic-Republicans. Toward this end, the

The Constitution and the New Republic, 1787-1800

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Federalists adopted these laws: (1) the *Naturalization Act*, which increased from five to 14 the number of years required for immigrants to qualify for U.S. citizenship because most immigrants voted Democratic-Republican, (2) the *Alien Acts*, which authorized the president to deport any aliens considered dangerous and to detain any enemy aliens in time of war, and (3) the *Sedition Act*, which made it illegal for newspaper editors to criticize either the president or Congress and imposed heavy penalties (fines or imprisonment) for editors who violated the law.

The Kentucky and Virginia Resolutions

Republicans argued that the Alien and Sedition Acts violated rights guaranteed by the First Amendment of the Constitution. In 1799, however, the Supreme Court had not yet established the principle of judicial review (see Chapter 7). Republican leaders challenged the legislation of the Federalist Congress by enacting nullifying laws of their own in the state legislatures. The Kentucky legislature adopted a resolution that had been written by Thomas Jefferson, and the Virginia legislature adopted a resolution introduced by James Madison. Both resolutions declared that the states had entered into a "compact" in forming the national government, and, therefore, if any act of the federal government broke the compact, a state could nullify the federal law. Although only Kentucky and Virginia adopted nullifying resolutions in 1799, they set forth an argument and rationale that would be widely used in the nullification controversy of the 1830s (see Chapter 10).

The immediate crisis over the Alien and Sedition Acts faded because of two developments:

1. The Federalists lost their majority in Congress after the election of 1800, and the new Republican majority either allowed the acts to expire or repealed them.
2. The Supreme Court under John Marshall asserted its power as the court of last resort in deciding whether or not a certain federal law was constitutional.

Dear Wonderful Students,

Answer all questions on a separate sheet of paper. Do not write on the packet. You should work individually and put everything in your own words. Work copied from the handout or another student will receive a zero.

Foreign Affairs:

1. Why do you think Americans "generally supported the French people's aspiration to establish a republic"?
2. Describe the two reasons Jefferson and his supporters "Democratic-Republicans" sided with the French rebels.
3. If Jefferson and the Democratic-Republicans sided with the French rebels, with whom did Hamilton and the Federalists side?
4. What did the Proclamation of Neutrality 1793 say?
5. Why did Washington keep America out of the French Revolution?
6. Who was "Citizen" Genet?
7. What did "Citizen" Genet do?
8. What was the American reaction to Genet?
9. Why was John Jay sent to Britain?
10. What did the Jay Treaty not include?
11. What was the American reaction to the Jay Treaty?
12. Do you think the Jay Treaty was a success or failure? Why or why not?
13. What was Spain's reaction to the Jay Treaty?
14. Describe the three terms of the Pinckney Treaty.

Domestic Concerns:

15. What was Britain encouraging Native Americans to do?
16. What happened at the Battle of Fallen Timbers?
17. What were the terms of the Treaty of Greenville?
18. What was the significance of the Whiskey Rebellion?
19. What was the Public Land Act of 1796?

John Adams' Presidency

20. Why did Jefferson become Adams' Vice President?
21. What potential problems do you see arising from Jefferson becoming Adams' VP?
22. Why did the XYZ Affair cause Americans to want to go to war with France?
23. Do you think Adams made the right decision by not going to war with France over the XYZ Affair?
24. Define the Alien and Sedition Acts.
25. Why did many Americans oppose the Alien and Sedition Acts?
26. What did the Kentucky and Virginia Resolutions say?
27. What was the "compact theory" cited in the resolutions?
28. What is nullification?
29. What do you think was the most significant event George Washington dealt with as president? Why?
30. What do you think was the most significant event John Adams dealt with as president? Why?

Give the packet back to Coach Davis. Turn in your answers at the beginning of class tomorrow.

REMINDERS:

Tomorrow (Thursday):

- this is due
- Ch. 8 note check
- Ch. 8 Quiz
- Columbus Day Paragraph due

Friday and Monday: Time Period 3 Test