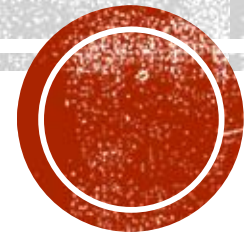
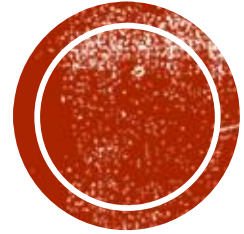


CHAPTER 7

APUSH – Mr. Muller





**AIM: HOW DOES A NEW
CONSTITUTIONAL
GOVERNMENT PAVE THE WAY
FOR THE NATION'S FUTURE?**

Do Now: “We should not look back unless it is to derive useful lessons from past errors, and for the purpose of profiting by dearly bought experience.”

-George Washington

2. The primary reason for the early struggles that confronted the Jamestown colony was the

- A. tyrannical rule of John Smith
- B. hostility of nearby Indians
- C. fact that colonizers were ill-equipped for survival
- D. nomadic tribes had virtually wiped out the supply of game in the area.
- E. inter-tribal warfare going on like in Mexico

3. The Northwest Ordinance of 1787...

- A. was an idealistic but impractical plan for settling the areas north of the Ohio frontier.
- B. had not lasting significance
- C. established the process by which new states could enter the union
- D. promised the Iroquois rights to their traditional hunting grounds.
- E. provided for women's rights



2. The primary reason for the early struggles that confronted the Jamestown colony was the

- A. tyrannical rule of John Smith
- B. hostility of nearby Indians
- C. fact that colonizers were ill-equipped for survival**
- D. nomadic tribes had virtually wiped out the supply of game in the area.
- E. inter-tribal warfare going on like in Mexico

3. The Northwest Ordinance of 1787...

- A. was an idealistic but impractical plan for settling the areas north of the Ohio frontier.
- B. had not lasting significance
- C. established the process by which new states could enter the union**
- D. promised the Iroquois rights to their traditional hunting grounds.
- E. provided for women's rights



GEORGE WASHINGTON

Directions: Write 4 facts on the video.

- 1.
- 2.
- 3.
- 4.



WASHINGTON

- Takes oath as new nation's first president on April 30, 1789.



The new nation faced serious economic problems



Debt from the Revolutionary War



Unstable currency



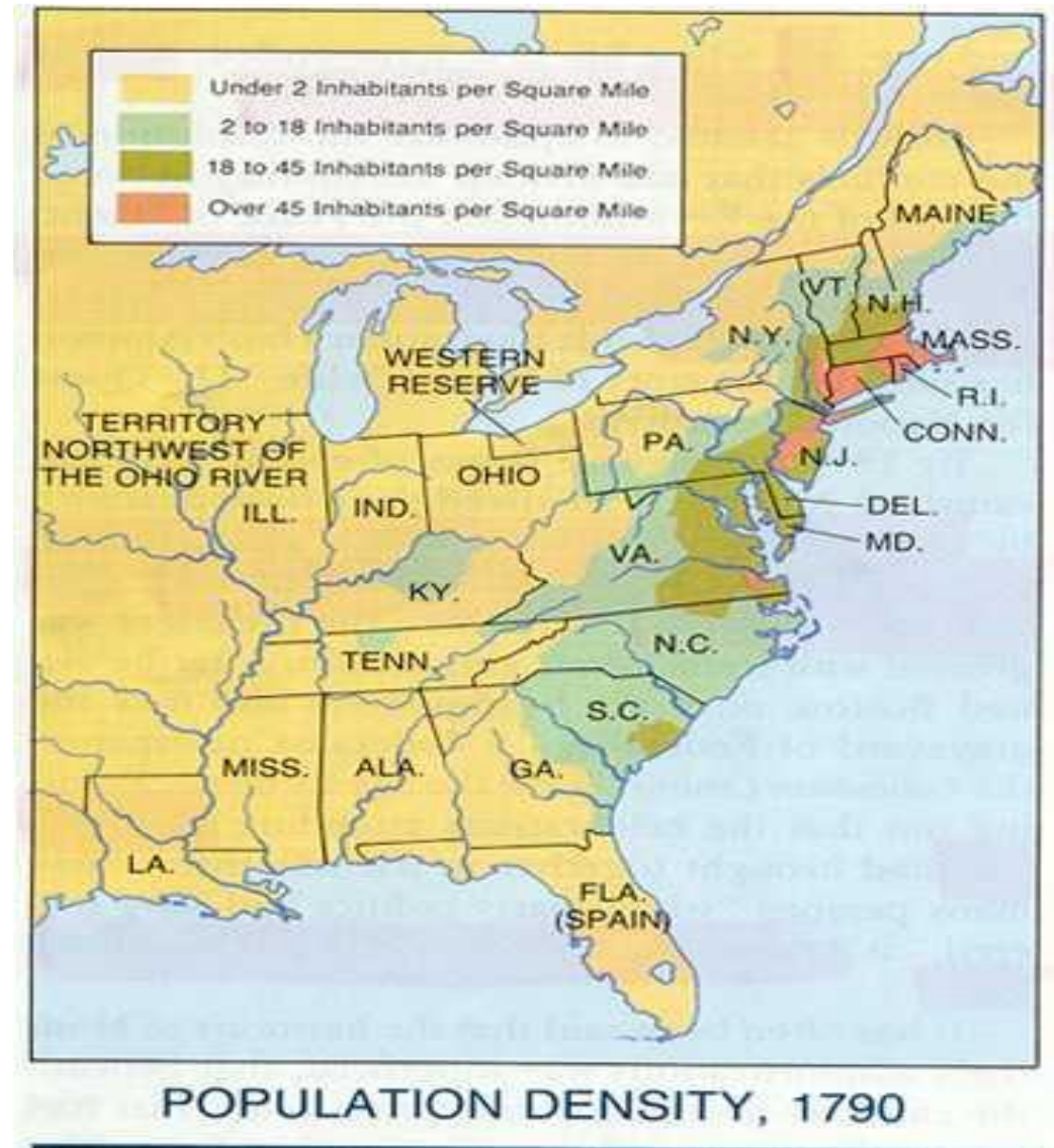
No national bank



No tax system in place



No income for the government



JUDICIARY ACT

- The Constitution says that there must be Supreme Court. The original supreme court had one Chief Justice and five Associate Justices. Today, there are eight Associate Justices and one Chief Justice.
- In 1789, Congress passes the **Judiciary Act** to organize the federal court system.



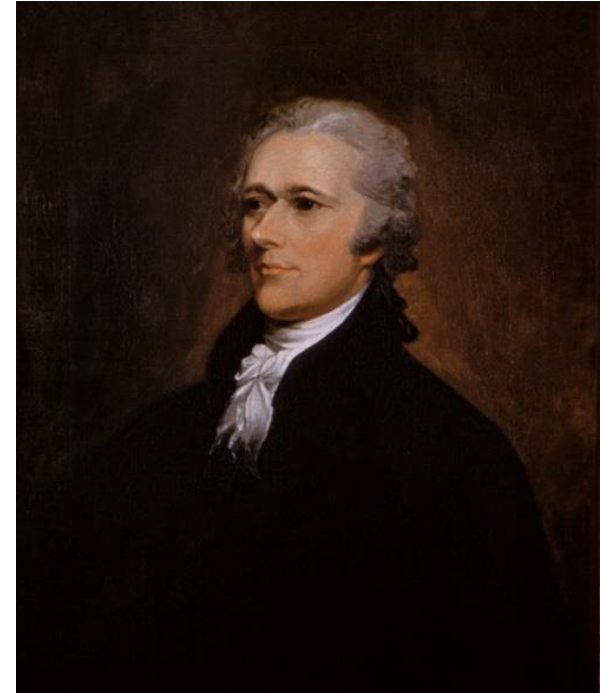
NATIONAL DEBT

- What is the National Debt? It is the total amount of money the government owes.
- People, businesses and other countries lend the government money by buying bonds.
- A Bond is a I.O.U where the government promises to repay the money loaned plus interest on a certain date.
- Does America have a National Debt? If so, how much it is?
 - **\$18,398,349,800,998**



HAMILTON'S PLAN

- Secretary of the Treasury - Alexander Hamilton has a plan to pay off all of the state and national debts.
- He wants the federal government to buy up all **bonds** (I.O.U.) issued by the national and the state governments. He plans to sell new bonds to pay off the old ones. When the economy improved, the government would then be able to pay off the new bonds.

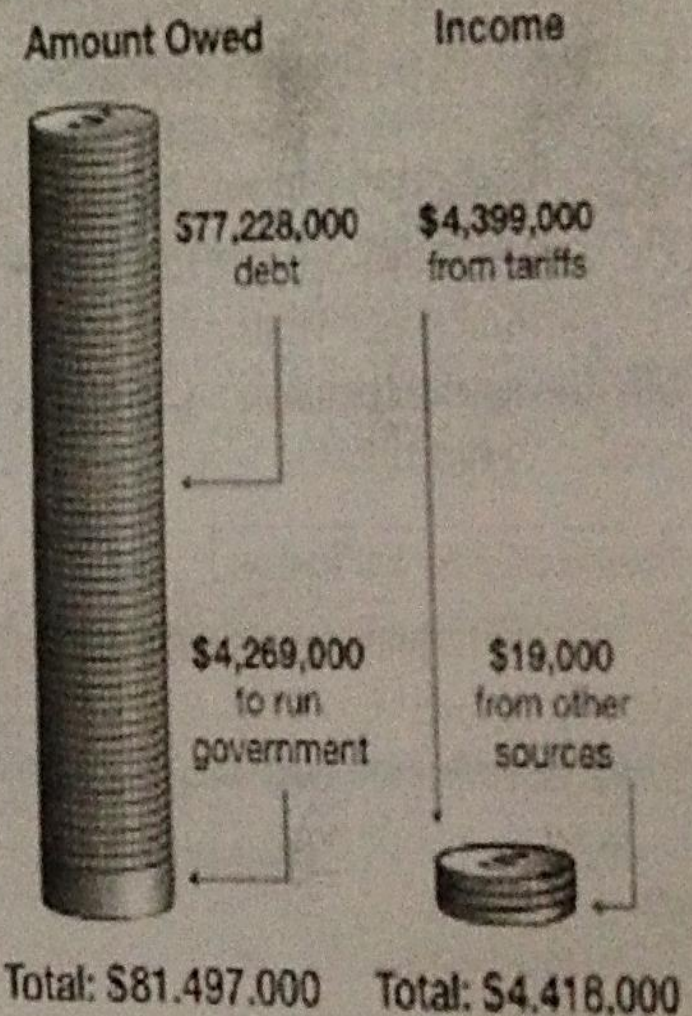


HAMILTON'S FINANCIAL PLAN

During Washington's presidency, the nation faced enormous debt from the American Revolution. Washington asked **Alexander Hamilton**, his Secretary of Treasury, to come up with a financial plan to deal with this problem. Hamilton had a number of ideas...

- **Tax on whiskey**
 - Raise money for the government.
- **Protective tariff** (tax on imported goods)
 - Raise money for the government
 - Help U.S. economy by encouraging Americans to buy American manufactured goods
- **National Bank (Bank of the United States)**
 - Give government a place to deposit money
 - Make loans to Americans, stimulating the economy
- **Pay off debts to individuals and states**
 - Buy back bonds from people who purchased them during the war. This would help establish nation's credit.
 - Pay off the debts of state governments.

A Nation in Debt, 1789-1791



Secretary of the Treasury Alexander Hamilton's plan for economic recovery

recovery



Federal government would repay both the national and state debts from the Revolution *(already in notes)*



A national bank would be created to issue money and make loans



A high tariff (tax on imports) would be enacted to protect American manufacturers



A federal tax would be placed on liquor to raise money for the Treasury

Congress of the United States,

B E G U N and held at the City of N E W - Y O R K,

On Wednesday the fourth of March, one thousand seven hundred and eighty-nine.

An ACT to establish the TREASURY DEPARTMENT.

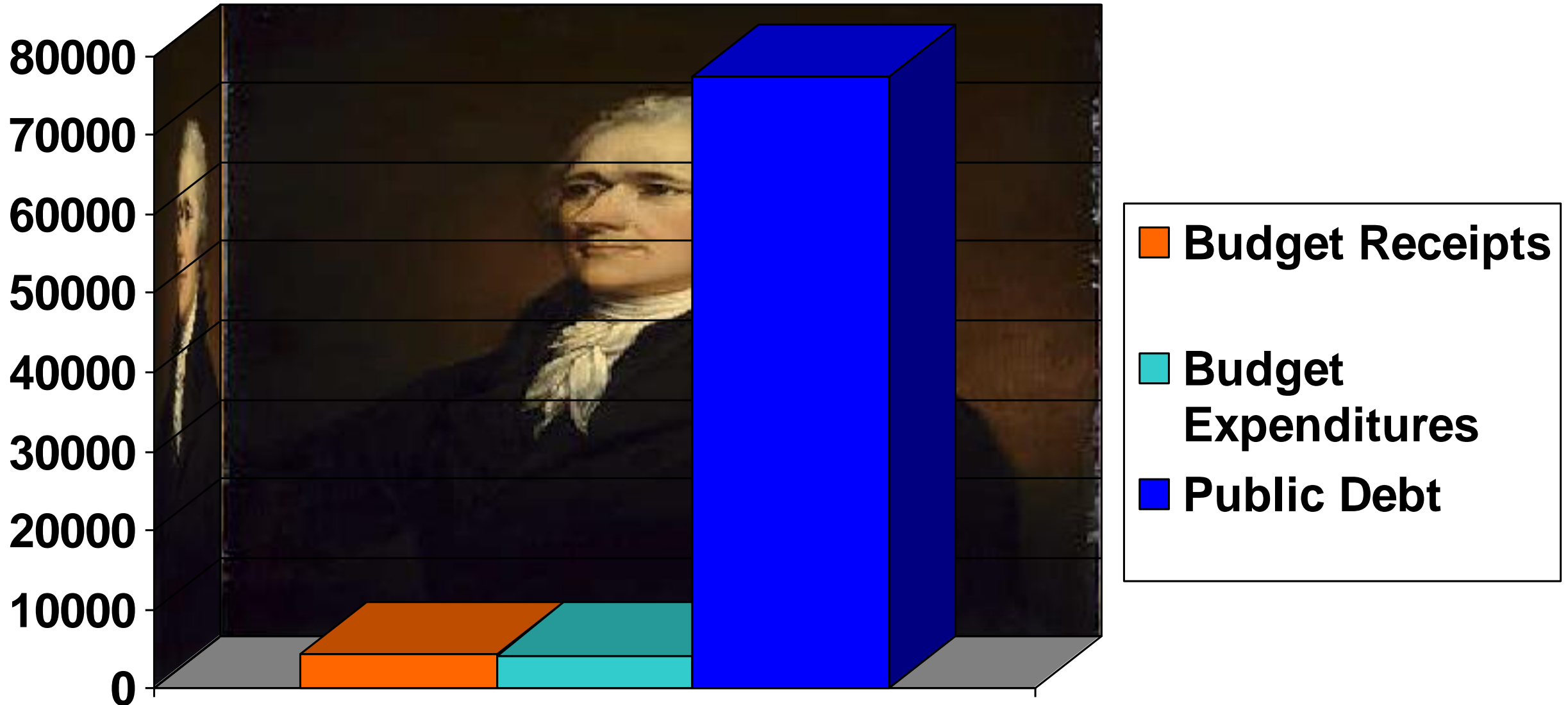
BE it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be a department of Treasury, in which shall be the following officers, namely; a Secretary of the Treasury, to be deemed head of the department, a Comptroller, an Auditor, a Treasurer, a Register, and an Assistant to the Secretary of the Treasury, which Assistant shall be appointed by the said Secretary.

And be it further enacted, That it shall be the duty of the Secretary of the Treasury to digest and prepare plans for the improvement and management of the revenue, and for the support of public credit; to prepare and report estimates of the public revenue, and the public expenditures; to superintend the collection of the revenue; to decide on the forms of keeping and stating accounts and making returns, and to grant under the limitations herein established, or to be hereafter provided, all warrants for monies to be issued from the Treasury, in pursuance of appropriations by law; to execute such services relative to the sale of the lands belonging to the United States, as may be by law required of him; to make report, and give information to either branch of the Legislature, in person or in writing (as he may be required) respecting all matters referred to him by the Senate or House of Representatives, or which shall appertain to his office; and generally to perform all such services relative to the finances, as he shall be directed to perform.

And be it further enacted, That it shall be the duty of the Comptroller to superintend the adjustment and preservation of the public accounts; to examine all accounts settled by the Auditor, and certify the balances arising thereon to the Register; to countersign all warrants drawn by the Secretary of the Treasury, which shall be warranted by law; to report to the Secretary the official forms of all papers to be issued in the different offices for collecting the public revenue, and the manner and form of keeping and stating the accounts of the several persons employed therein; he shall moreover provide for the regular and punctual payment of all monies which may be collected, and shall direct prosecutions for all delinquencies of officers of the revenue, and for debts that are, or shall be due to the United States.

And be it further enacted, That it shall be the duty of the Treasurer to receive and keep the monies of the United States, and to disburse the same upon warrants drawn by the Secretary of the Treasury, countersigned by the Comptroller, recorded by the Register, and not otherwise; he shall take receipts for all monies paid by him, and all receipts for monies received by him, shall be endorsed upon warrants signed by the Secretary of the Treasury, without which warrant so signed, no acknowledgement for money received into the public Treasury shall be valid: And the said Treasurer shall render his accounts to the Comptroller quarterly (or oftener if required) and shall transmit a copy thereof, when settled, to the Secretary of the Treasury; he shall moreover, on the third day of every session of Congress, lay before the Senate and House of Representatives, fair and accurate copies of all accounts by him from time to time rendered to, and settled with the Comptroller as aforesaid, as also, a true and perfect account of the state of the Treasury; he shall at all times submit to the Secretary of the Treasury, and the Comptroller, or either of them, the inspection of the monies in his hands, and shall, prior to the entering upon the duties of his office, give bond, with sufficient sureties, to be approved by the Secretary of the Treasury and Comptroller, in the sum of one hundred and fifty thousand dollars, payable to the United States, with condition for the faithful performance of the duties of his office, and for the fidelity of the

Hamilton needed to pay off the large public debt. Chart indicates the receipts (income) could not cover the amount of the debt.




Government Finances: 1789-1791


PEOPLE AGAINST HAMILTON'S PLAN

- *James Madison* was against Hamilton's Plan.
- Madison argued that the plan was unfair because it would reward **speculators**.
 - Someone who is willing to invest money in something risky in the hope of making a large profit.

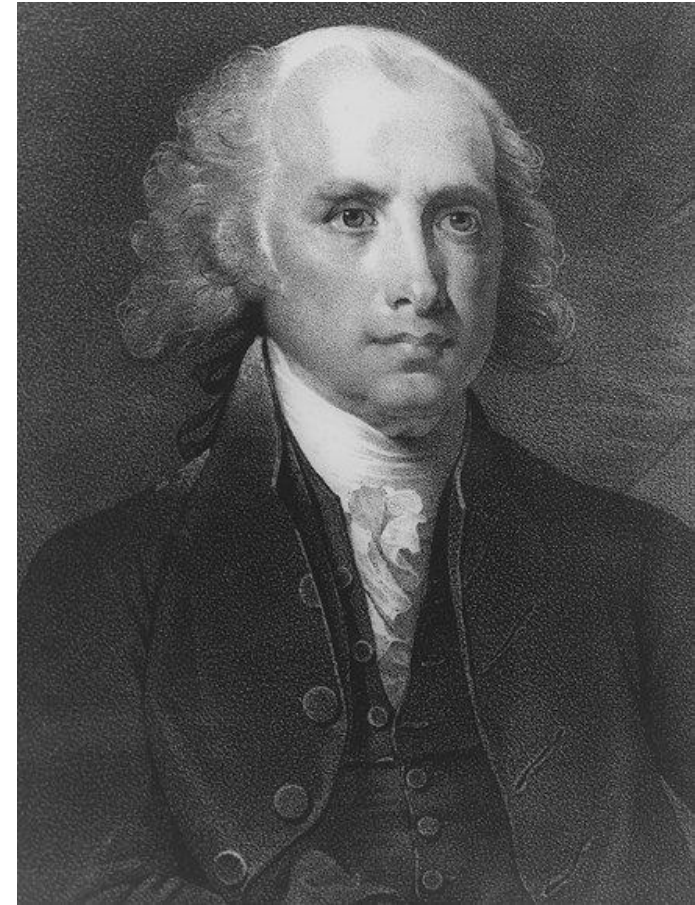
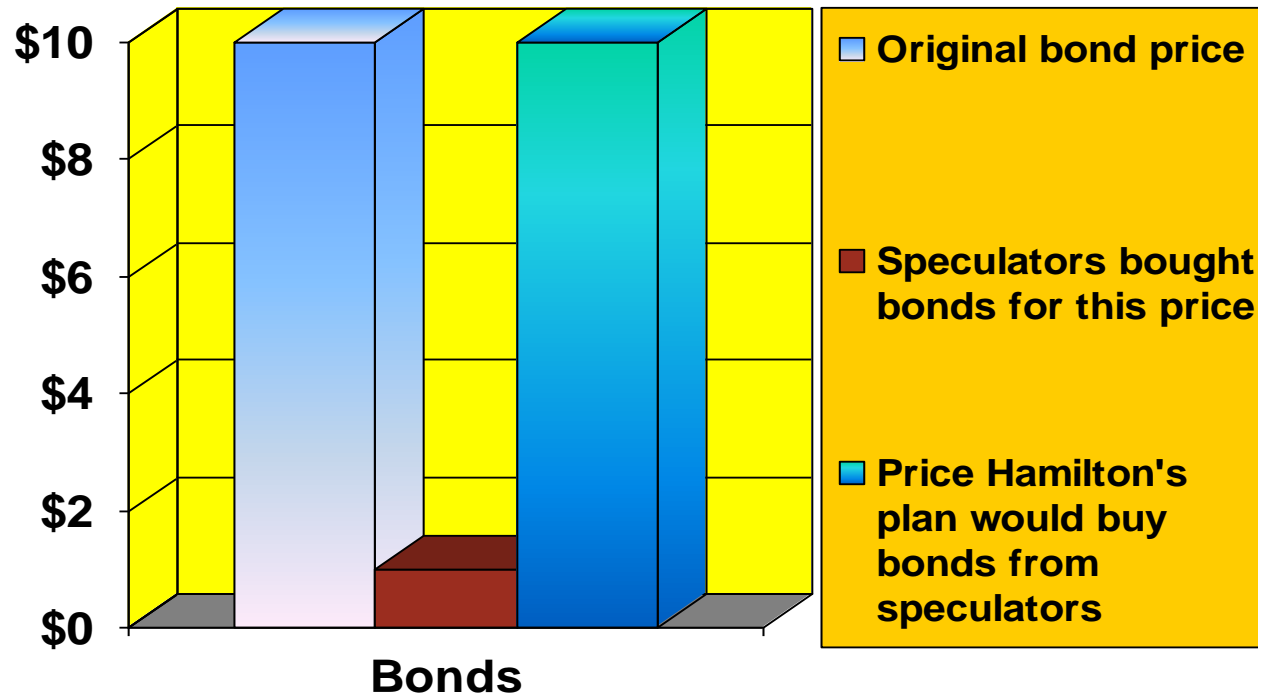


James Madison pointed out that Hamilton's plan would reward speculators.

 Speculators, investors who take risks, bought bonds from their original owners for a fraction of the face value.

 Hamilton's plan would pay the full value of the bonds to speculators, while the original owners, who patriotically risked their savings in the country's time of need, would get nothing.

 Congress agreed with Hamilton and assumed all debts.



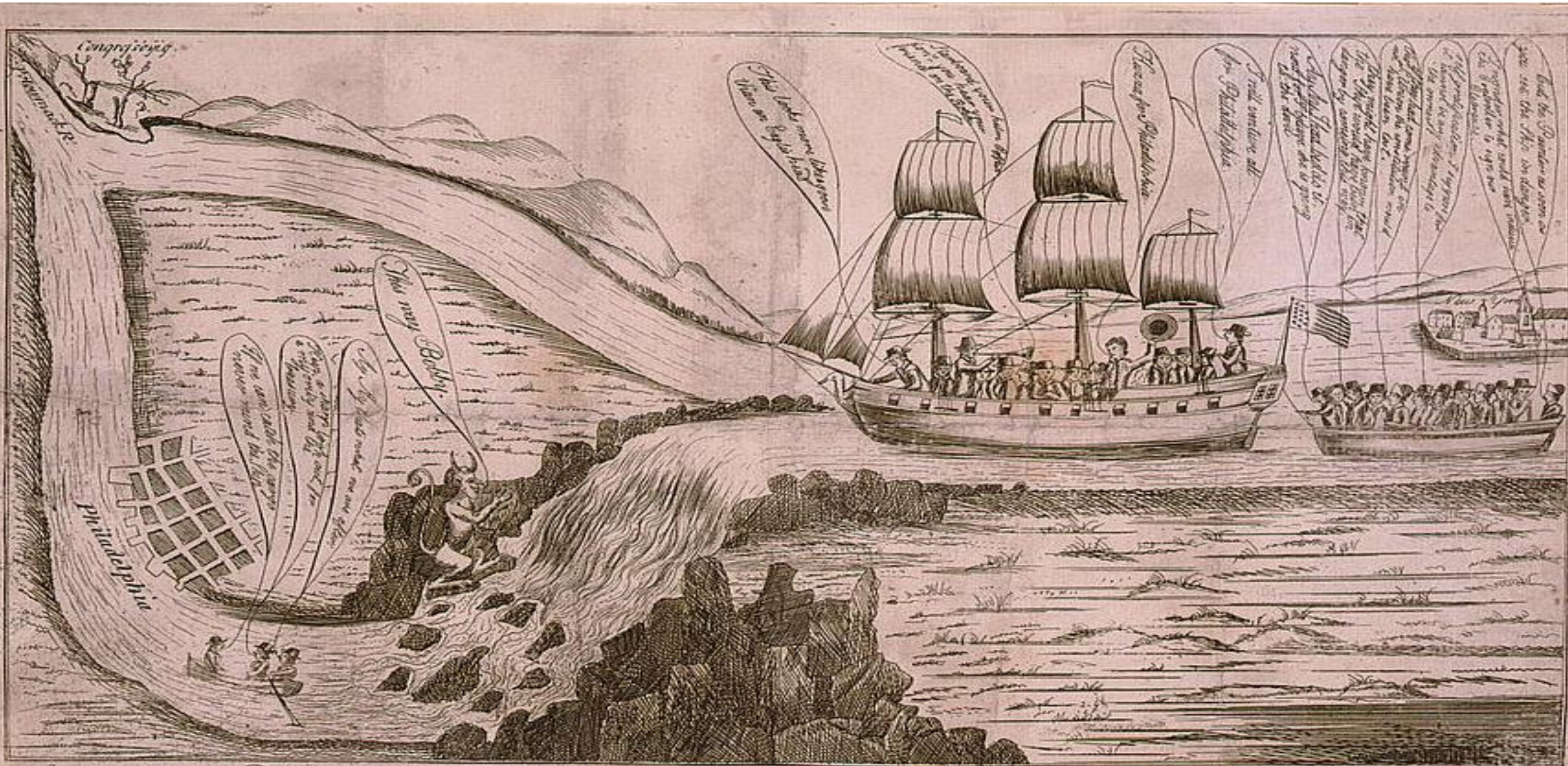
Madison

HAMILTON'S COMPROMISE

- Hamilton agreed if southerners would agree to his plan then the nation's capital would be moved from New York City to a place in Virginia. Today, this place is called Washington, D.C.
- While the capital was being built in Virginia, the capital was moved from New York to Philadelphia.




This political cartoon from 1790 criticizes the move from Philadelphia to Washington D.C.





Congress Embarked on board the Ship Constitution of America bound to Conogochegue by way of Philadelphia.

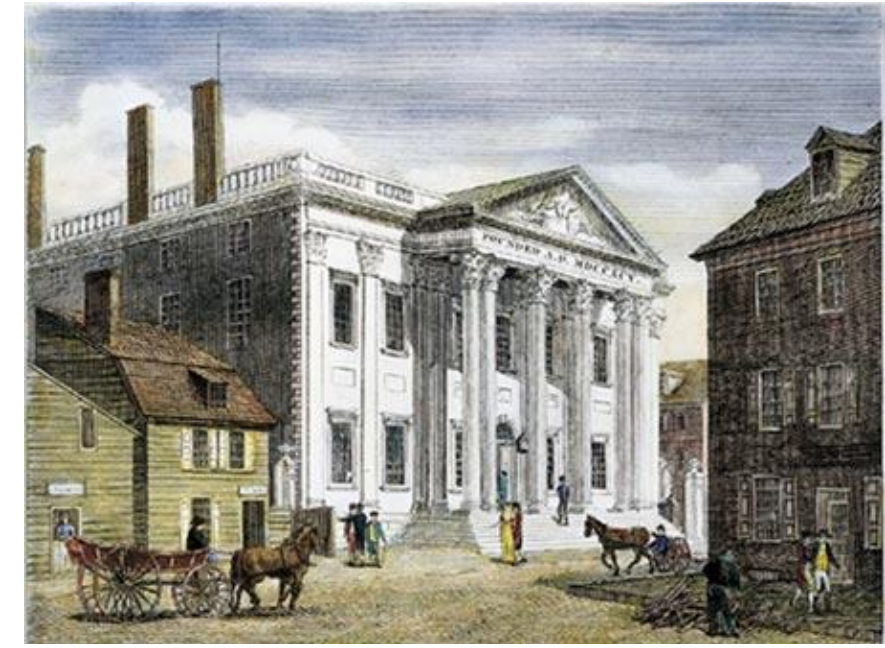
Hamilton proposed a national bank to stabilize the new economy

 In February 1791, the First Bank of the U.S. received a national charter for 20 years.

 The Bank had the right to **issue notes or currency** up to \$10 million.

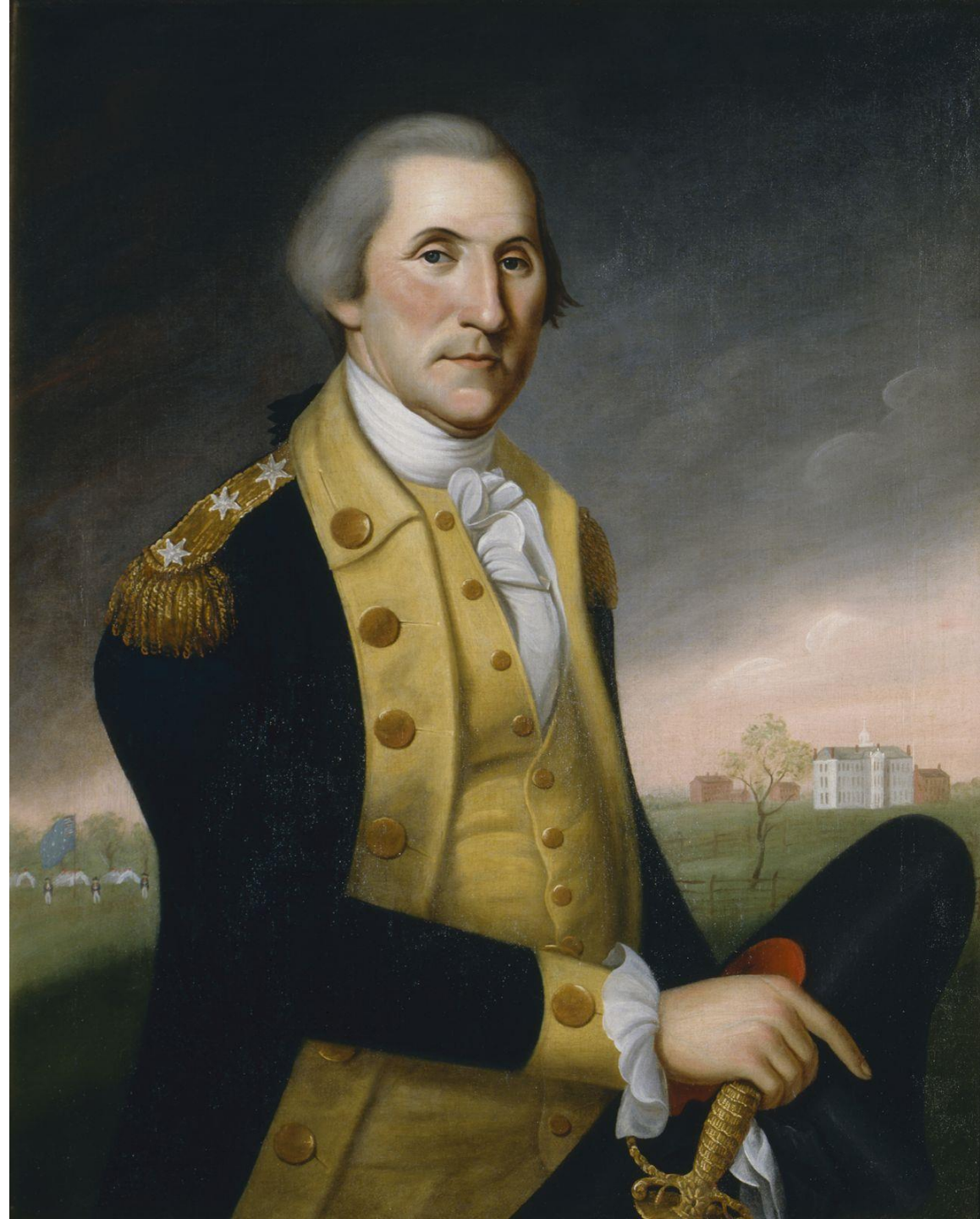
 Its major functions were to supply **loans**, be a depository for federal monies to be transferred between cities, and be a clearing agent for payments on the national debt.

 The government, as the largest stockholder, shared the profits, but had no direct participation in the management.



PROCLAMATION OF NEUTRALITY

- 1793, Washington proclaims a policy of **Neutrality**. Why?
 - French Revolution occurring.
 - Although British still seizing American ships, some Americans believe should join.
 - Jefferson disagreed and left the cabinet.



Neutrality Proclamation: April 1793

France asked the U.S. to honor the 1778 treaty granting France the right to use American ports as bases to attack British ships.

Jefferson was in favor of honoring the French request. Hamilton, on the other hand, said the treaty had been made with the executed French king so the treaty was no longer valid.

At the conclusion of the debate President Washington issued the Neutrality Proclamation stating that the U.S. was neutral and would not aid either France or Great Britain.

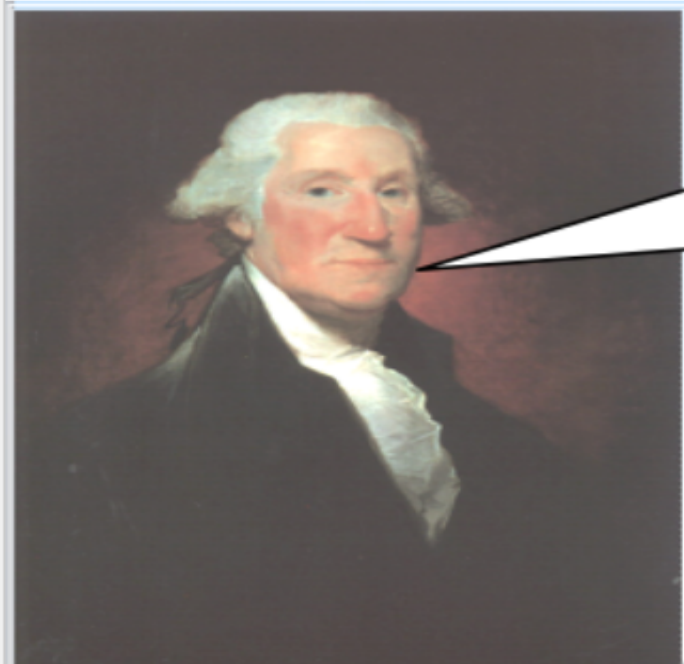
The Neutrality Proclamation was seen as a victory of Hamilton (pro-British) over Jefferson (pro-French).



“It is the sincere wish of the United States to have nothing to do with...the squabbles of European nations”

President George Washington, 1793

Foreign Policy: France



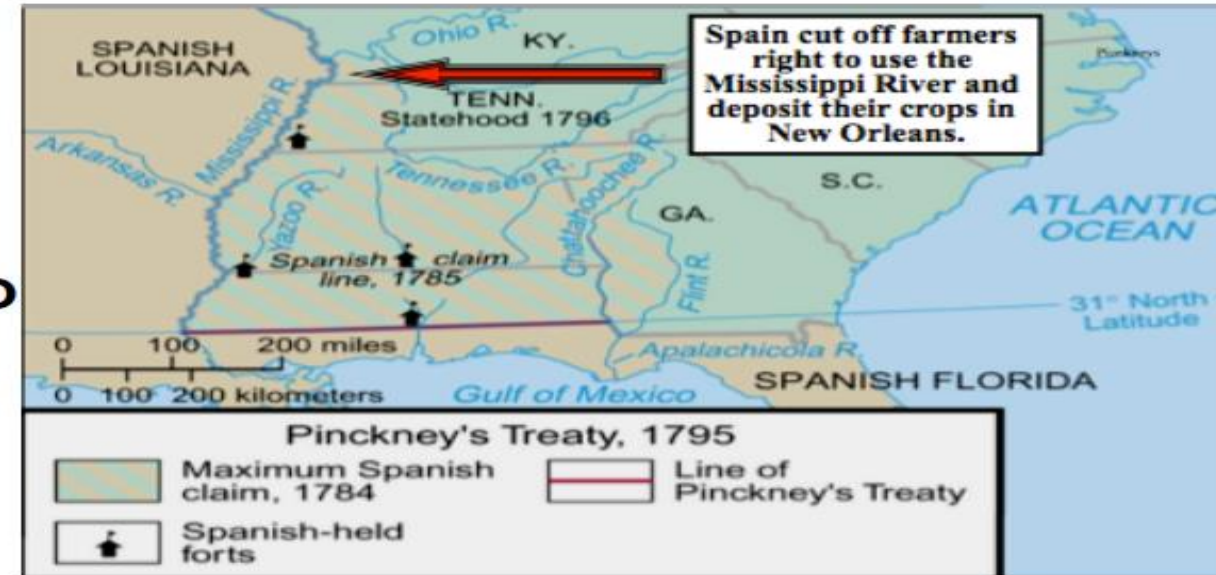
**I DON'T REALLY
WANT TO
FIGHT **NO
MORE!****

**In 1793 Washington
issued his
**NEUTRALITY
PROCLAMATION****

- French Revolution deeply divided America
 - Should the U.S. help France?
 - Federalist: concerned about violence & wanted to avoid war with England
 - Democratic Republicans: extension of our own fight for liberty & England was seizing American ships
- Washington issued **Proclamation of Neutrality** (1793) declaring the U.S. neutral
- French minister to the U.S. **Citizen Edmond Genet** traveled in the U.S. trying to convince people to support France

Foreign Policy Issues: England & Spain

- **England** continued to cause the U.S. problems: 1) **Impressment**, 2) **occupied forts** in the west
- Chief Justice John Jay sent to England to negotiate
- **Jay's Treaty** (1794): British agreed to leave the forts on the frontier
 - Said nothing about stopping Britain's harassment of American ships or Native issue
 - Does keep the U.S. neutral!
- **Spain** had previously blocked American access to the Mississippi river
- **Pinckney treaty** (1795) Spain agrees to allow the U.S. usage of the Miss. River and the port of New Orleans
 - Made the northern boundary of Florida the 31st parallel





THE JAY TREATY (1794)

- Washington sends Chief Justice John Jay on a secret mission to Britain to stop them from capturing American ships.
- Jay comes back with a treaty that outlines Britain agreeing to evacuate all posts on the U.S. western frontier, but doesn't mention anything about seizing American ships.



PINCKNEY TREATY (1795)

- Thomas Pinckney, the U.S. minister to Spain negotiated a treaty in which Spain agreed to open the lower Mississippi River and New Orleans to American trade.
- U.S. can now transfer cargo in N.O. without paying Spain duties.
- Spain **ALSO** agrees to new boundary for Florida at 31st parallel.



AMERICAN INDIANS

- Natives upset over settlers encroachment on their lands.
- Shawnee, Delaware, Iroquois, and some Miami tribe member under war chief Little Turtle (Northwest Confederacy) attack Americans, and lose at the Battle of the Fallen Timbers in Northwest Ohio.



Native Americans

- Native American land continued to be encroached upon by settlers moving west
- Native tribes formed the **Northwest Confederacy** under the Miami chief **Little Turtle**
- **Battle of Fallen Timbers** (1794) natives defeated by U.S. army led by General Anthony Wayne
- **Treaty of Greenville** (1795): defeated tribes gave up claim to Ohio Territory



WHISKEY REBELLION

- Congress passes a tax on all liquor made in the country.
- Many farmers were upset over the tax. Farmers refuse to pay the tax. Tax collectors were attacked
- The government under President Washington quickly responded by sending troops to force the farmers to give up their weapons and stop attacking tax collectors.



Whiskey Rebellion

Rebels tarring and feathering whiskey tax collectors



FAMOUS WHISKEY INSURRECTION IN PENNSYLVANIA. 1794

A federal whiskey tax collector is tarred and feathered after rebels burned his home.



Flag used by
whiskey
rebellion forces

President Washington, riding a white horse, reviews his troops at Carlisle, Pennsylvania, in September 1794 in preparation to move against the Whiskey Rebellion.



WASHINGTON RETIRES

- In 1796, Washington writes his Farewell Address. In his address Washington warns America to:
 - Remain *neutral* in its relations with other countries
 - *Avoid* political parties.
 - *Avoid* alliances
 - Not to fall into *Sectionalism*



Washington died on December 14, 1799

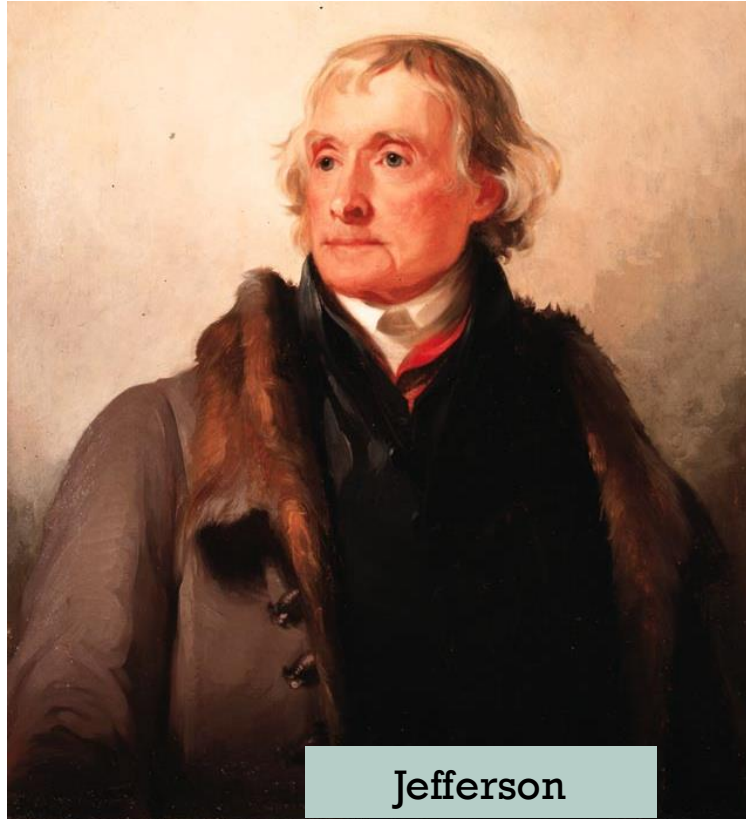
John Marshall informs Congress: "First in war, first in peace, first in the hearts of his countrymen."



From an engraving in the year 1799 by M. Harris, in the North of the American States of the United States of America.
Illustration: Breuckelstein & Kaufmann, Washington.
DEATH OF WASHINGTON, DEC: 14. A. D. 1799.
LITH. & PUB. BY N. CURRIER, 2 SPRUCE ST. N. Y.

The first political parties emerged

- ② During the debate over ratification of the Constitution, two organized groups emerged, the Federalists and the Anti-Federalists.
- ② Washington opposed political parties, but they soon surfaced within his own Cabinet.
- ② Jefferson's supporters became the Democrat-Republicans while Hamilton's became the Federalists.



Major areas of difference	Federalists	Democrat-Republicans
Leaders of the party	Alexander Hamilton, John Adams and John Marshall	Thomas Jefferson, James Madison
Belief about who was most fit to run the country	Rich, educated, "well-born" men of high social position (upper class)	Men of talent, a meritocracy, which is a government ruled by ability (merit) rather than by wealth, race or class
Strongest level of government	Strong federal government	Strong state governments, with limited federal power
Foreign affairs	Favored Britain	Favored France
Geographic areas of support	New England	South and West
Main supporters	Merchants, manufacturers	Farmers, artisans (workers)
Federal bank	In favor, because Congress had power to collect taxes and would stabilize currency	Against, because Constitution did not grant Congress that power, too much federal power
Voting rights	Must own property to vote	Vote open to all adult white males

DIFFERENT VIEWS

Federal or State Government

- Hamilton wants a federal government with more power than the states
- Jefferson wants a weak federal government. He fears the federal government would take the powers the Constitution gave the states



2ND PRESIDENT OF THE UNITED STATES

- John Adams wins – **Federalist**
- Thomas Jefferson – comes in second and becomes Vice President. Thomas Jefferson is a Republican
- President and the Vice President are from two different political parties. The two men cannot agree on much.



The Adams Administration

- ❖ 1796 election
- ❖ XYZ Affair
- ❖ Federalist Party splits
- ❖ Alien and Sedition Acts
- ❖ Virginia and Kentucky Resolutions

Election of 1796

 The first election with active political parties.

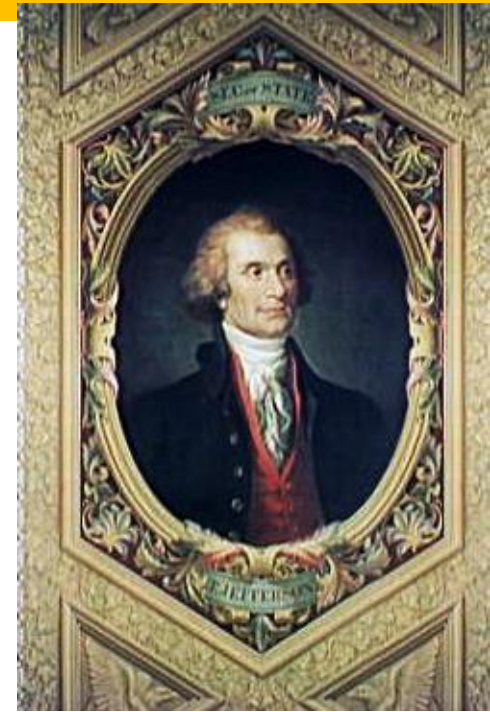
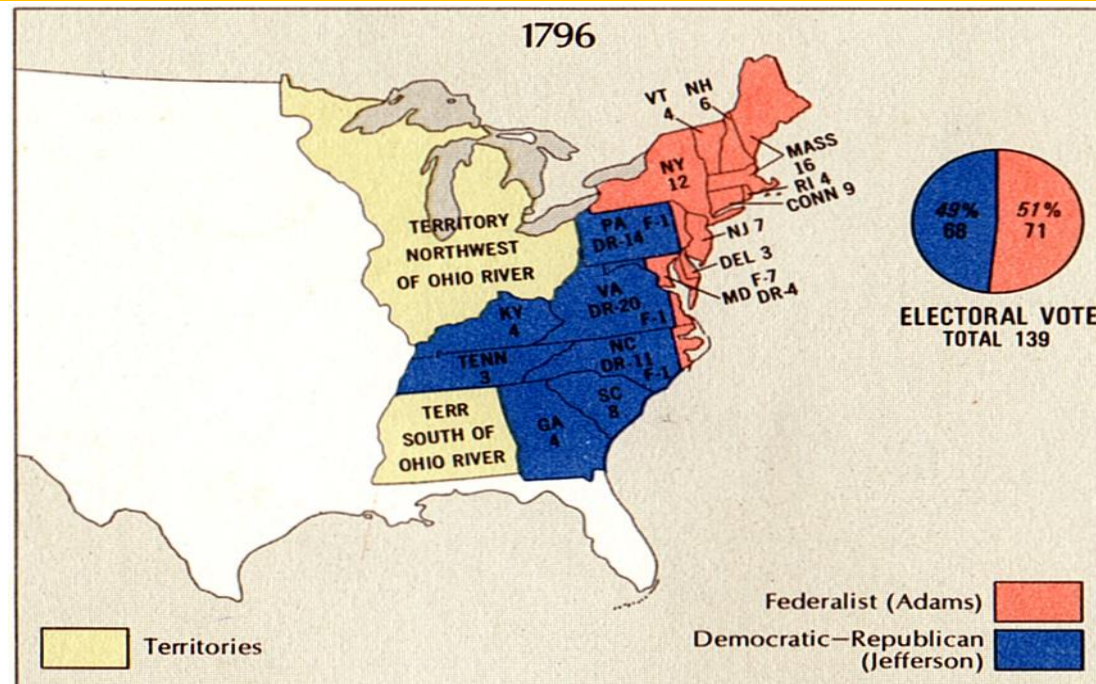
 The Federalist candidate, John Adams, received the most votes in the Electoral College and became president. His vice presidential running mate, Thomas Pinckney, did not get as many votes as the Democrat-Republican candidate Thomas Jefferson, so Jefferson became vice president.

 The 1796 and 1800 elections were the only two in history where the president and vice president were from different parties.



JOHN ADAMS.

President of the United States of America.



JOHN ADAMS AS PRESIDENT

■ XYZ Affair:

French ships seize American ships and hold them for ransom.


- French foreign minister: Charles Maurice de Talleyrand sends three secret agents to offer America a deal. These agents are not named, so they are referred to as Agent X, Agent Y, and Agent Z.
- The French want America to pay a bribe. The Americans refuse.



XYZ AFFAIR

 By 1797, France had seized 300 American ships and ended diplomatic relations with the U.S.

 President Adams hoped to resume normal relations and sent three American diplomats to Paris to meet with the Charles Maurice de Talleyrand, the French Minister of Foreign Affairs.

 The American diplomats were initially ignored, then told by three French agents known as “X, Y, and Z” they had to pay a personal bribe of \$250,000 (3.5 million in 2005 dollars) to Talleyrand and loan \$12 million (\$178 million in 2005 dollars) to France before official negotiations could begin. They also demanded a formal apology for remarks made by President Adams about Talleyrand.

 The American diplomats felt those terms were insulting to the U.S. and left France

1799 cartoon shows the five leaders of the French government as a hydra demanding “Money, Money, Money.” The three American diplomats tell him “...we will not give you six pence (pennies).”



British cartoon from the time shows America being robbed by French leaders demanding bribes to open negotiations. In the background “John Bull,” symbol for Great Britain, watches from a hill.



America

Bribe money, “diplomatic perquisites”

An unofficial, undeclared naval “Quasi-War” broke out between the U.S. and France, 1798-1800



When news of the XYZ demands were made public, there was an immediate cry for war against France.



“Millions for defense, but not one cent for tribute (money demanded by France)” was the slogan heard all over the country.



Despite calls for war, President Adams took a sensible approach and an official, declared war was avoided.



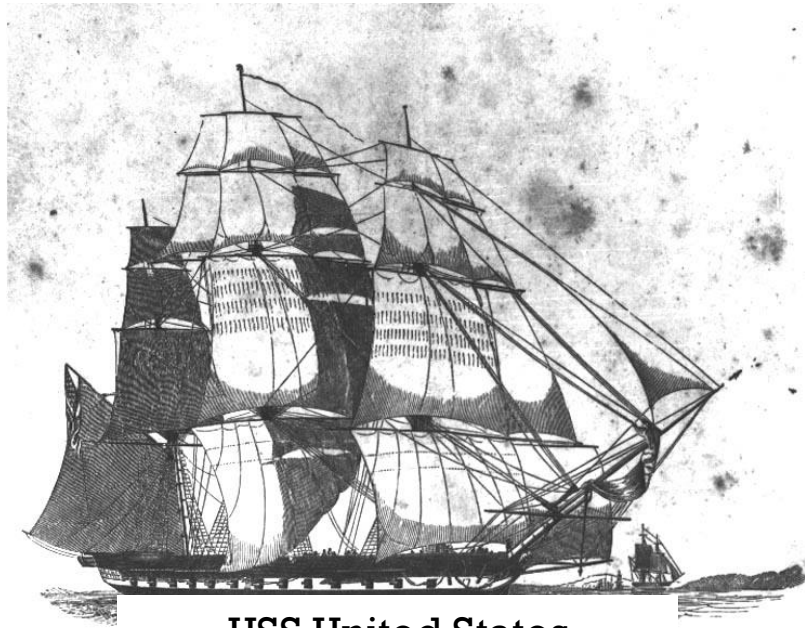
Congress authorized money for new warship construction. These new ships would join the three existing frigates.



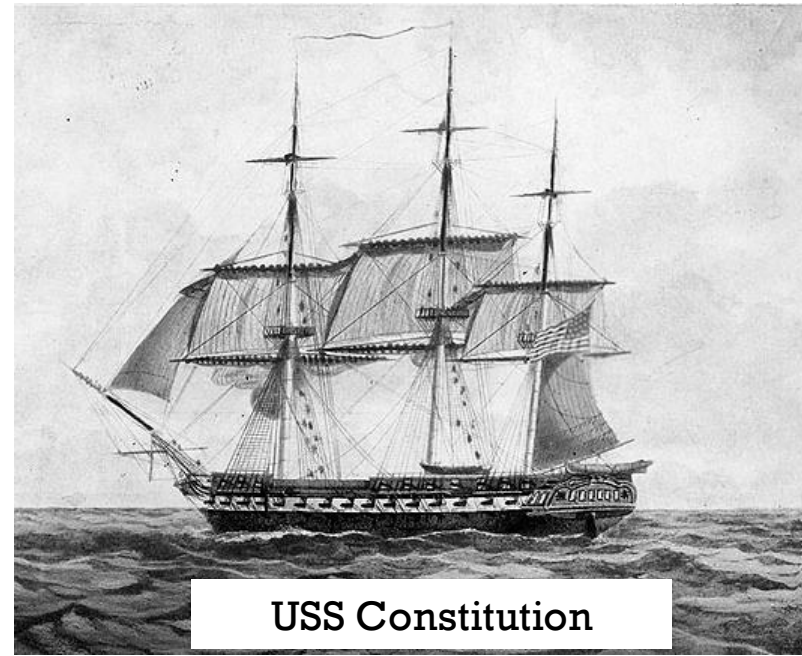
In addition, merchant ships were permitted to carry cannon, and soon there was a fleet of 400 armed merchantmen who were privateers.



The U.S. Navy was instructed to begin attacking and capturing French ships and the Quasi-War began.



USS United States



USS Constitution



USS Constellation



West Indies: location where the naval war took place

Battles between French and American ships in the West Indies. The U.S. captured 85 French ships compared to one U.S. ship lost during the 2½ years of the Quasi-War with France.



ALIEN AND SEDITION ACTS

- The Alien Act allowed the President to expel any alien (foreigner) thought to be dangerous to the country.
- Sedition Act: citizens could be fined or put in jail if they criticized the government or its officials.
 - Sedition means stirring up rebellion against a government



*He, in a trice, struck Lyon three
Upon his head, enoug' for.*

*Who seized the logs to ease his wrongs,
That Gifford thus engag'd for.*

*Congress Hall,
in Philad^a Feb. 15, 1794.*

THE RIGHTS OF STATES

- Republicans believed that the Alien and Sedition Acts were unconstitutional (against the constitution)
- Thomas Jefferson argued that states had the right to nullify (cancel) a law passed by the federal government.
- Kentucky and Virginia pass the **Kentucky and Virginia Resolutions** which said that each state has an equal right to judge for itself whether a law is unconstitutional.
 - This is not the case today. Only, the United States Supreme Court can decide if a law is unconstitutional.



States vs. Federal Government

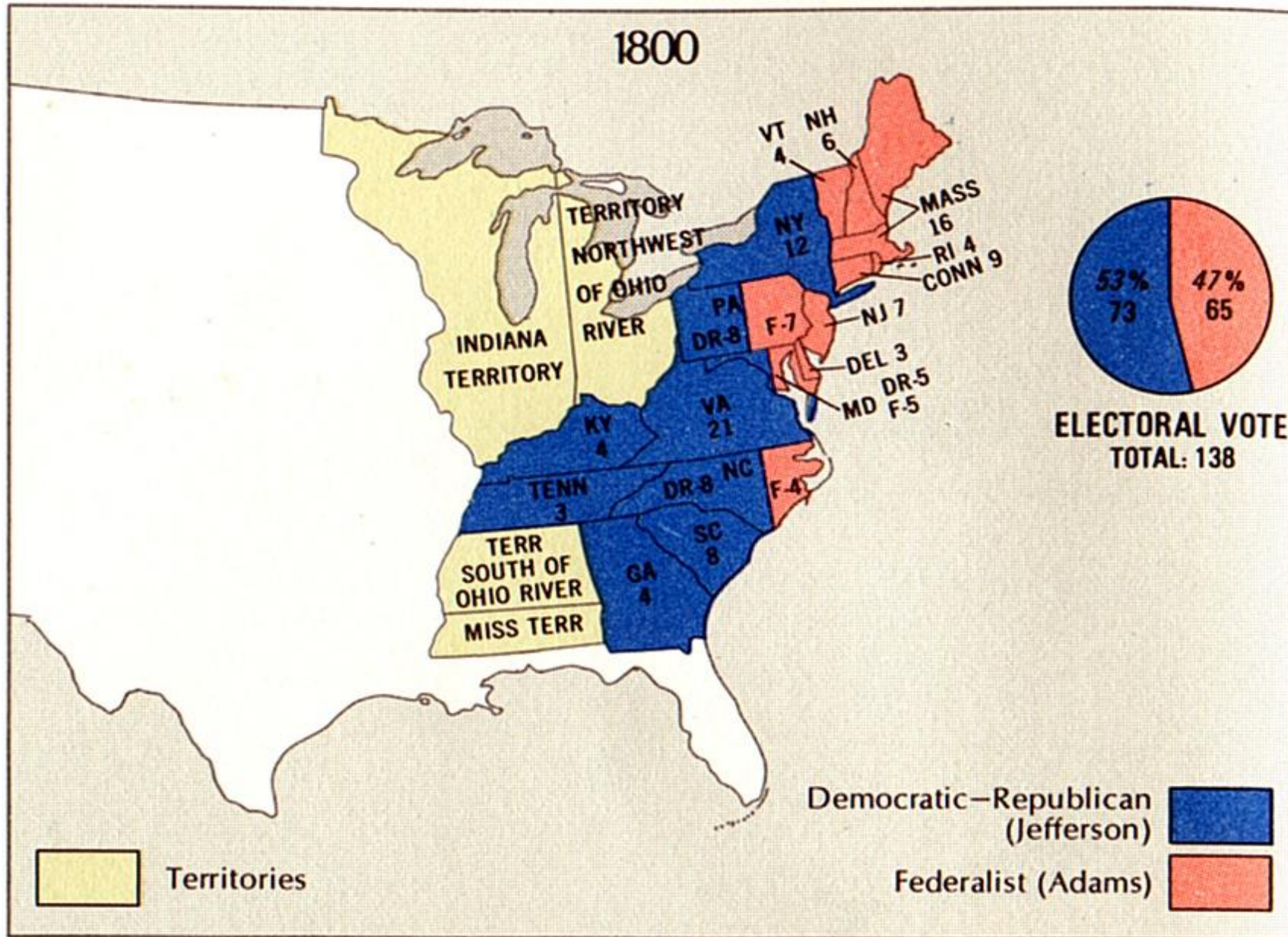
Alien & Sedition Acts (1798)

- **REASON:** Passed by Federalist controlled Congress to limit the political opposition (Democratic-Republicans)
- **Naturalization Act:** increased time from 5 to 14 years for immigrants to become American citizens
- **Alien Act:** President could deport or arrest immigrants considered dangerous
- **SEDITION ACT:** made it illegal to criticize the government

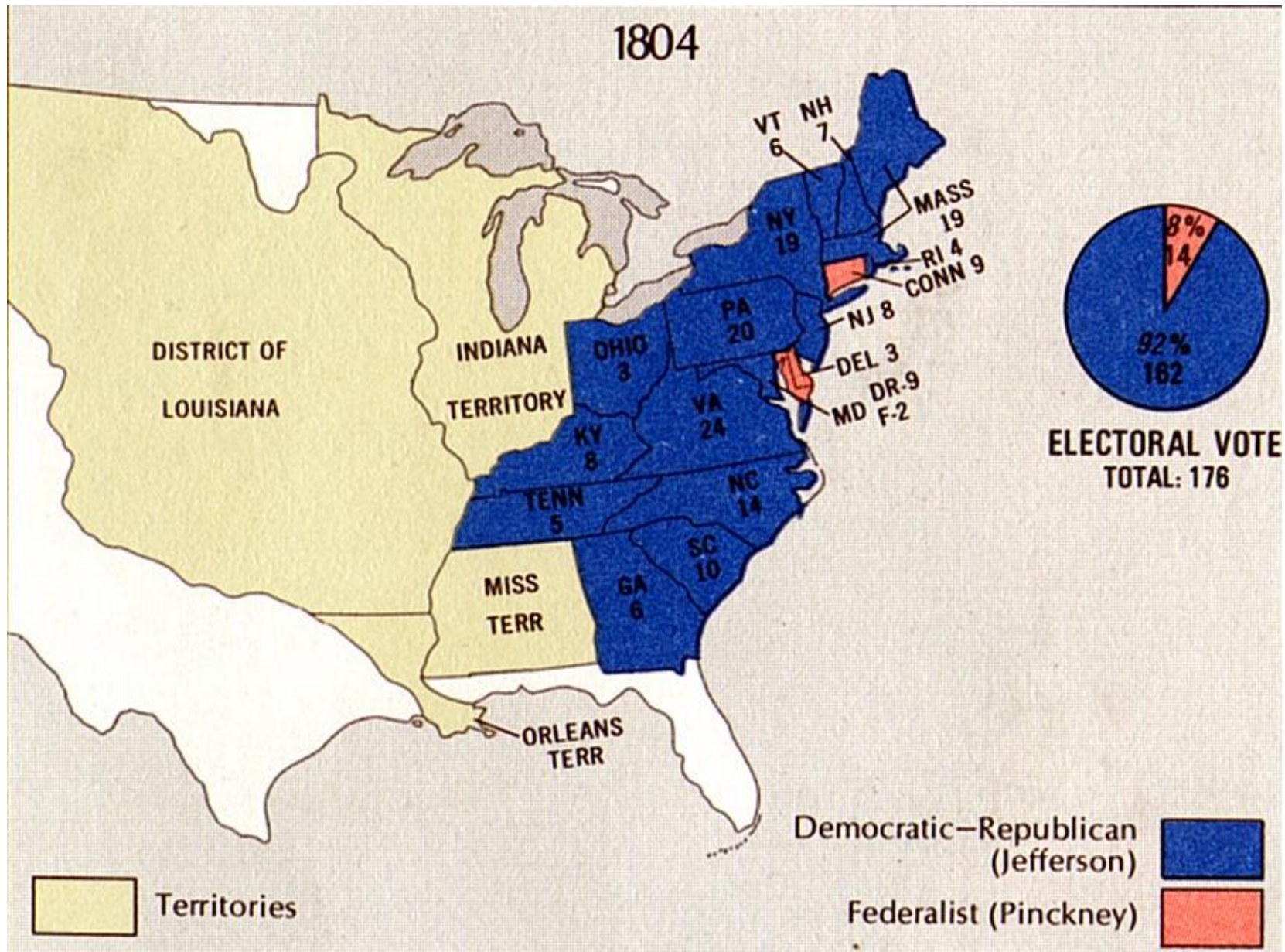
Kentucky & Virginia Resolutions

- **REASON:** To oppose federal laws that Democratic-Republicans felt were **unconstitutional**
- **Kentucky Resolution (Jefferson) & Virginia Resolution (Madison)** said a state could **nullify federal laws** passed by Congress they felt were unconstitutional
 - **Compact Theory:** states had made a compact with the national government
- **Argument of nullification will be used by South Carolina in the 1830s and used by southerners when they secede from the Union**

1800 election results



Jefferson was elected by a larger margin in 1804



"It is not denied that there are implied as well as express powers, and that the former are as effectually delegated as the latter.

"It is conceded that implied powers are to be considered as delegated equally with express ones. Then it follows, that as a power of erecting a corporation [such as a bank] may as well be implied as any other thing, it may as well be employed as an instrument or means of carrying into execution any of the specified powers. . . . But one may be erected in relation to the trade with foreign countries, or to the trade between the States . . . because it is the province of the federal government to regulate those objects, and because it is incident to a general sovereign or legislative power to regulate a thing, to employ all the means which relate to its regulation to the best and greatest advantage."

—Alexander Hamilton, *Constitutionality of the Bank of the United States*, 1791

1. Hamilton's constitutional argument was based on which of the following types of powers?
(A) Employed
(B) Expressed
(C) Implied
(D) Regulated
2. Which of the following benefited most directly from the bank that Hamilton strongly supported?
(A) Manufacturers
(B) Farmers
(C) State governments
(D) Slaveowners
3. Who of the following would be most critical of Hamilton's position on the bank?
(A) George Washington
(B) John Adams
(C) Thomas Jefferson
(D) Henry Knox

"Friends and Fellow Citizens: I should now apprise you of the resolution I have formed to decline being considered among the number of those out of whom a choice is to be made. . . .

"I have already intimated to you the danger of parties . . . with particular reference to . . . geographical discriminations. . . .

"Let it simply be asked—where is the security for property, for reputation, for life, if the sense of religious obligation desert the oaths. . . .

"As a very important source of strength and security, cherish public credit . . . avoiding likewise the accumulation of debt . . . which unavoidable wars may have occasioned . . . in mind that toward the payment of debt there must be . . . taxes. . . .

"By interweaving our destiny with that of any part of Europe, [we] entangle our peace and prosperity in the toils of European ambition, rivalry, interest, humor, or caprice. . . . It is our true policy to steer clear of permanent alliances with any portion of the foreign world."

—George Washington, Farewell Address, 1796

4. One of the strong reasons Washington and others warned against political parties was concern about
- (A) damages to the national reputation
 - (B) divisive sectionalism
 - (C) rights of property owners
 - (D) unavoidable wars
5. Which of the following did Washington believe was very important for the United States to avoid?
- (A) Excesses of patriotism
 - (B) Foreign alliances
 - (C) Raising taxes
 - (D) Religious obligations

PERIOD 3 REVIEW

