CHAPTER 10

Launching the New Ship of State, 1789–1800

PART I: REVIEWING THE CHAPTER

A. Checklist of Learning Objectives
After mastering this chapter, you should be able to:

1. State why George Washington was pivotal to inaugurating the new federal government.
2. Describe the methods and policies Alexander Hamilton used to put the federal government on a sound financial footing.
3. Explain how the conflict between Hamilton and Jefferson led to the emergence of the first political parties.
4. Describe the polarizing effects of the French Revolution on American foreign and domestic policy and politics from 1790 to 1800.
5. Explain the rationale for Washington's neutrality policies, including the conciliatory Jay's Treaty and why the treaty provoked Jeffersonian outrage.
6. Describe the causes of the undeclared war with France, and explain Adams's decision to seek peace rather than declare war.
7. Describe the poisonous political atmosphere that produced the Alien and Sedition Acts and the Kentucky and Virginia resolutions.
8. Describe the contrasting membership and principles of the Hamiltonian Federalists and the Jeffersonian Republicans, and how they laid the foundations of the American political party system.

B. Glossary
To build your social science vocabulary, familiarize yourself with the following terms.

1. census An official count of population; in the United States, the federal census occurs every ten years. "...the first official census of 1790 recorded almost 4 million people."
2. public debt The money owed by a government to individual or institutional creditors, also called the national debt. "...the public debt, with interest heavily in arrears, was mountainous."
3. cabinet The body of official advisers to the head of a government; in the United States, it consists of the heads of the major executive departments as designated by Congress. "The Constitution does not mention a cabinet. ..."
4. circuit court A court that hears cases in several designated locations rather than a single place; originally, in the United States, the higher courts of appeals were all circuit courts, and are still designated as such even though they no longer migrate. "The act organized ...federal district and circuit courts. ..."
5. fiscal Concerning public finances—expenditures and revenues. "His plan was to shape the fiscal policies of the administration. ..."
6. assumption In finance, the appropriation or taking on of monetary obligations not originally one's own. "The secretary made a convincing case for 'assumption.'"
7. excise A tax on the manufacture, sale, or consumption of certain products. "Hamilton ... secured from Congress an excise tax on a few domestic items, notably whiskey."

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8. **stock** The shares of capital ownership gained from investing in a corporate enterprise; the term also refers to the certificates representing such shares. “Stock was thrown open to public sale.”

9. **medium of exchange** Any item, metallic, paper, or otherwise, used as money. “They regarded [whiskey] as a . . . medium of exchange.”

10. **despotism** Arbitrary or tyrannical rule. “The American people, loving liberty and deploring despotism, cheered.”

11. **impress** To force people or property into public service without choice; to conscript. “They . . . impressed scores of seamen into service on British vessels . . .”

12. **assimilation** The merging of diverse cultures or peoples into one; especially, the merging of a smaller or minority community into a larger one. “The drastic new law violated the traditional American policy of open-door hospitality and speedy assimilation.”

13. **witch-hunt** An investigation carried on with much publicity, supposedly to uncover dangerous activity but actually intended to weaken the political opposition by presuming guilt from the outset. “Anti-French hysteria played directly into the hands of witch-hunting conservatives.”

14. **compact** An agreement or covenant between states to perform some legal act. “Both Jefferson and Madison stressed the compact theory . . .”

15. **nullification** In American politics, the assertion that a state may legally invalidate a federal act deemed inconsistent with its rights or sovereignty. “[The] resolutions concluded that . . . ‘nullification’ was the ‘rightful remedy.’ ”

PART II: CHECKING YOUR PROGRESS

A. True-False

Where the statement is true, circle T; where it is false, circle F.

1. T F The primary force threatening American national security and unity in the 1790s were the international wars set off by the French Revolution.

2. T F The passage of the first ten amendments to the Constitution demonstrated the Federalist determination to develop a powerful central government even if it threatened minority rights.

3. T F Hamilton’s basic purpose in all his financial measures was to strengthen the federal government by building up a larger national debt.

4. T F A political deal between Jefferson and Hamilton involved obtaining Virginia’s support for assumption of state debts in exchange for locating the District of Columbia along the Potomac River by Virginia.

5. T F Hamilton financed his large national debt by revenues from tariffs and excise taxes on products such as whiskey.

6. T F In the battle over the Bank of the United States, Jefferson favored a loose construction of the Constitution, and Hamilton favored a strict construction.

7. T F The first political rebellion against the new United States government was by frontier whiskey distillers who hated Hamilton’s excise tax on alcohol.

8. T F The first American political parties grew mainly out of the debate over Hamilton’s fiscal policies and U.S. foreign policy toward Europe.


10. T F President Washington believed that America was so powerful that it could afford to stay neutral in the great revolutionary wars between Britain and France.
11. T F John Jay's unpopular treaty with Britain stirred outrage among many Americans and fueled the rise of Jefferson's Republican Party.

12. T F Adams decided to seek a negotiated peace with France in order to unite his Federalist party and enhance his own popularity with the public.

13. T F The Alien Laws were a reasonable Federalist attempt to limit uncontrolled immigration into the United States and protect dangerous French revolutionaries from weakening American national security.

14. T F Jeffersonian Republicans believed that the common people were not to be trusted and had to be led by those who were wealthier and better educated.

15. T F The Jeffersonian Republicans generally sympathized with Britain in foreign policy, while the Hamiltonian Federalists sympathized with France and the French Revolution.

B. Multiple Choice

Select the best answer and circle the corresponding letter.

1. A key addition to the new federal government that had been demanded by many critics of the Constitution and others in the ratifying states was
   a. a cabinet to advise the president.
   b. a written bill of rights to guarantee liberty.
   c. a supreme court.
   d. federal assumption of state debts.
   e. a federal district where the capital would be located.

2. The influential Founder and member of Congress who personally wrote the Bill of Rights was
   b. Thomas Jefferson.
   d. Alexander Hamilton.
   e. James Madison.

3. The Bill of Rights is the name given to provisions whose actual legal form consists of
   a. an executive proclamation of President George Washington.
   b. Article II, Section 3 of the U.S. Constitution.
   c. a set of rulings issued by the Supreme Court.
   d. the first ten amendments to the Constitution of the United States.
   e. the common law rights inherited from the English Magna Carta.

4. The Ninth and Tenth Amendments partly reversed the federalist momentum of the Constitution by declaring that
   a. the federal government had no power to restrict the action of local governments.
   b. the powers of the presidency did not extend to foreign policy.
   c. all rights not mentioned in the federal Constitution were retained by the states or by the people themselves.
   d. the Supreme Court had no power to rule in cases affecting property rights.
   e. the states themselves were not bound by the guarantees in the bill of rights.

5. Hamilton's first financial policies were intended to
   a. finance the new government through the sale of western lands.
   b. fund the national debt and to have the federal government assume the debts owed by the states.
   c. repudiate the debts accumulated by the government of the Articles of Confederation.
   d. insure that low federal taxes would spur economic growth.
   e. guarantee that the dollar would become a sound and respected international currency.
6. The deep disagreement between Hamilton and Jefferson over the proposed Bank of the United States was over whether
   a. the Constitution granted the federal government the power to establish such a bank.
   b. it would be economically wise to create a bank-guaranteed national currency.
   c. the bank should be under the control of the federal government or the states.
   d. such a Bank violated the Bill of Rights.
   e. the Bank should be a private institution or an agency of the federal government.

7. The first American political parties developed primarily because of
   a. the sectional division over slavery.
   b. the Founders’ belief that organized political opposition was a necessary part of good government.
   c. the antifederalists’ continuing hostility to the legitimacy of the new federal Constitution.
   d. patriotic opposition to foreign intervention in American domestic affairs.
   e. the opposition of Thomas Jefferson and his followers to Hamilton’s financial policies and enhancement of federal government power.

8. The Whiskey Rebellion proved to be most significant in the long run because it
   a. showed that the tariff was a more effective producer of revenue than the excise tax.
   b. showed that the new federal government would use force if necessary to uphold its authority.
   c. demonstrated that the American military could suppress a powerful domestic rebellion.
   d. showed the strength of continuing antifederalist hostility to the new constitutional government.
   e. showed that Americans would not tolerate federal taxation of their alcohol, tobacco, and firearms.

9. Regarding the French Revolution, most Jeffersonian Democratic-Republicans believed that
   a. even the extreme violence of the Reign of Terror was regrettable but necessary.
   b. the overthrow of the king was necessary, but the Reign of Terror went much too far.
   c. the Revolution should be supported by American military aid if necessary.
   d. the French Revolution represented a complete distortion of American Revolutionary ideals of liberty.
   e. its political goals were valid but its atheistic attack on Christianity was unjustified.

10. President Washington’s foreign policy rested on the firm conviction that
    a. there should be an end to European colonialism in the Americas.
    b. the United States could enhance its power by mediating between warring Britain and France.
    c. America needed to adhere firmly to its Revolutionary alliance with France.
    d. America ought to enter the French-British war only if its own republican ideals were at stake.
    e. the United States was too militarily weak and political disunited to become involved in European wars.

11. In the 1790s, the powerful Miami Indians led by Little Turtle battled with the U.S. Army for control of
    a. Lake Erie and Lake Huron.
    b. the Ohio territory.
    c. Kentucky.
    d. hunting rights west of the Appalachians.
    e. Florida.

12. George Washington’s successor, John Adams, was politically crippled by
    a. Washington’s refusal to give him his whole-hearted endorsement.
    b. the political hostility directed at his assertive wife, Abigail Adams.
    c. the attacks and plots by enemies within his own Federalist party, including Hamilton.
    d. his ignorance and weakness in managing foreign and military affairs.
    e. his support for the unpopular Alien and Sedition Acts.

13. The United States became involved in an undeclared war with France in 1797 because of
    a. fierce American opposition to the concessions of Jay’s Treaty.
    b. American anger at attempted French bribery of American diplomats in the XYZ Affair.
    c. French interference with American shipping and freedom of the seas.
    d. President Adams’s sympathy with Britain and hostility to Revolutionary France.
    e. France’s refusal to sell New Orleans and Louisiana.
14. Thomas Jefferson and the Republican Party essentially believed that the whole future of American society rested on an essential foundation of
   a. wealthy planters and merchants.
   b. international trade and westward expansion.
   c. free, white, educated, small landowning farmers.
   d. evangelical Protestants and learned scientists and technicians.
   e. a political coalition of whites and African Americans.

15. The Federalists essentially believed that
   a. most governmental power should be retained by the states or by the people themselves.
   b. the federal government should provide no special aid to private business.
   c. the common people could, if educated, participate in government affairs.
   d. the United States should have a powerful central government controlled by the wealthy and well educated.
   e. the United States should isolate itself from Europe and turn toward westward expansion.

C. Identification
Supply the correct identification for each numbered description.

1. ________ The body of advisers to the president, not mentioned in the Constitution, that George Washington established as an important part of the new federal government

2. ________ The first ten amendments to the United States Constitution that protected individual liberties

3. ________ The cabinet office in Washington’s administration headed by a brilliant young West Indian immigrant who distrusted the people

4. ________ Alexander Hamilton’s policy of paying off all federal bonds at face value in order to strengthen the national credit

5. ________ Hamilton’s policy of having the federal government pay the financial obligations of the states

6. ________ Federally chartered financial institution set up by Alexander Hamilton and vehemently opposed by Thomas Jefferson

7. ________ Political organizations, not envisioned in the Constitution, and considered dangerous to national unity by most of the Founders

8. ________ Political and social upheaval supported by most Americans during its moderate beginnings in 1789, but the cause of bitter divisions after it took a radical turn in 1792

9. ________ Declaration by President Washington in 1793 that announced America’s policy with respect to the French Revolutionary wars between Britain and France

10. ________ Treaty following Miami Indians’ defeat in the Battle of Fallen Timbers that ceded Ohio to the United States but gave Indians limited sovereignty

11. ________ International agreement, signed in 1794, whose terms favoring Britain outraged Jeffersonian Republicans

12. ________ Scandal in which three French secret agents attempted to bribe U.S. diplomats, outraging the American public and causing the undeclared war with France

13. ________ Law passed by Federalists during the undeclared French war that made it a criminal offense to criticize or defame government officials, including the president
14. ________ The peace treaty courageously signed by President John Adams that ended the undeclared war with France as well as the official French-American alliance

15. ________ The doctrine, proclaimed in the Thomas Jefferson’s Kentucky resolution, that a state can block a federal law it considers unconstitutional

D. Matching People, Places, and Events

Match the person, place, or event in the left column with the proper description in the right column by inserting the correct letter on the blank line.

1. ___ John Adams
2. ___ Alexander Hamilton
3. ___ Thomas Jefferson
4. ___ James Madison
5. ___ Supreme Court
6. ___ Funding and assumption
7. ___ Bank of the United States
8. ___ Whiskey Rebellion
9. ___ Federalists
10. ___ Republicans
11. ___ XYZ
12. ___ Battle of Fallen Timbers
13. ___ Alien and Sedition Acts
14. ___ Bill of Rights
15. ___ Washington’s Farewell Address

a. A protest by poor western farmers that was firmly suppressed by Washington and Hamilton’s army
b. Body organized by the Judiciary Act of 1789 and first headed by John Jay
c. Brilliant administrator and financial wizard whose career was plagued by doubts about his character and his beliefs concerning popular government
d. Political party that believed in the common people, no government aid for business, and a pro-French foreign policy
e. The second president of the United States, whose Federalist enemies and political weaknesses undermined his administration
f. Skillful politician-scholar who drafted the Bill of Rights and moved it through the First Congress
g. Institution established by Hamilton to create a stable currency and bitterly opposed by states’ rights advocates
h. Hamilton’s aggressive financial policies of paying off all federal bonds and taking on all state debts
i. Harsh and probably unconstitutional laws aimed at radical immigrants and Jeffersonian writers
j. General Anthony Wayne’s victory over the Miami Indians that brought Ohio territory under American control
k. Message telling America that it should avoid unnecessary foreign entanglements—a reflection of the foreign policy of its author
l. Secret code names for three French agents who attempted to extract bribes from American diplomats in 1797