Chapter 10: “Launching the New Ship of State”

1. **Thomas Jefferson** -- Under the executive branch of the new constitution, Thomas Jefferson was the Secretary of State. When Alexander Hamilton wanted to create a new national bank, Jefferson adamantly spoke against it. He felt it would violate states’ rights by causing a huge competitor for the state banks, then causing a federal monopoly. Jefferson’s argument was that since the Constitution did not say Congress could create a bank, they should not be given that power. This is the philosophy of strict interpretation of the constitution. Thomas Jefferson’s beliefs led to the creation of the political party known as the Democratic Republicans. They believed in an extremely weak central government, no special privileges for special classes, especially manufacturers, and did not believe in letting every white male vote, only those intelligent enough to make wise decisions (however they did believe in extending the right to vote to more people than did the Federalists, who were even more elitist still).

2. **Alexander Hamilton** – He was a great political leader and youngest and brightest of the Federalists. He was known as the "father of the National Debt." Hailing from New York, he became a major general and was a military genius. He became Secretary of the Treasury under George Washington in 1789 and established a plan for the economy that went into affect in 1790 including a (1) tariff that passed in 1789, (2) a plan to take care of the national debt which included (a) funding the debt at face value or “funding at par,” and (b) the assumption of state debts by the federal government, (3) an excise tax on whiskey in 1791, and (4) a plan for a National Bank which was approved in 1791. His ideas founded the Federalist Party which opposed Jefferson’s Republicans.

3. **Henry Knox** – Knox was the first Secretary of War, beginning with the new government in 1789. John Jay – He was the 1st Chief Justice of the Supreme Court. In 1794, George Washington sent him to negotiate a treaty with England and thus settle issues with the Brits. The Jay Treaty was a failure because it didn’t mention British impressment and America had to pay pre-Revolutionary debts. It did prevent a war with England, however, and helped to bring about the signing of the Pinckney Treaty with Spain.

4. **Assumption** – Assumption was part of Hamilton's economic theory. It stated that the federal government would assume all the states’ debts for the American Revolution. This angered states such as Virginia who had already paid off their debts. In exchange for agreeing to assumption, Virginia was promised that the new capital would be in the South.

5. **Funding at Par** – This was an economic plan devised in 1790 by Hamilton in order to "bolster the nation's credit" and strengthen the central government. It was a plan to exchange old bonds for new bonds at face value. This would take on the dents of all the states and reinforce faith in the government bonds. The idea was that in paying face value, credibility and respect would be given to the new government and the economy.

6. **Strict Interpretation of the Constitution** -- Jefferson and his states’ rights disciples believed the Constitution should be interpreted "literally" or "strictly." The reason was to protect individual rights. Jefferson did not want the Bank of the United States, saying it was simply not written into the Constitution, Hamilton argued that although not explicitly written, it was implied in the Constitution. Namely, the “elastic clause” (AKA the “necessary and proper” clause) applied to the Bank. Jefferson thought it was up to the states and Hamilton thought it was up to Congress. The Bank was indeed created by Congress in 1791.

7. **Implied Powers** -- Implied powers refer to the powers of the government found in the Constitution in unwritten forms, mainly through the elastic clause. Although some situations, such as the creation of the National Bank, are not specifically referred to in the Constitution, through the elastic clause they are not illegal or unconstitutional. The clause states that it’s okay for Congress to do anything "necessary and proper" so that it may carry out its delegated powers. After Hamilton was appointed head of treasury in 1789, debates began between his interpretation of the Constitution and Jefferson's views. Eventually this became an issue contributing to the formation of political parties.

8. **Agrarian** – This term means having to do with agriculture. The agrarian society were the farmers and plantation owners of the south. This was the society that Jefferson wanted to see become the future of America. He appreciated the many virtuous and beneficial characteristics of an agrarian society.
9. **Excise Tax** – An excise tax is a tax on the manufacturing of an item. It helped Hamilton to achieve his theory on a strong central government, supported by the wealthy manufacturers. This tax mainly targeted poor Western frontier corn farmers who produced whiskey. This sparked the Whiskey Rebellion of 1794 and the squelching of the rebellion showed the new government’s power.

10. **The Cabinet** – This was a body of executive department heads that serve as the chief advisors to the president. It was formed during the first years of Washington’s presidency. The original members of the cabinet included the Sec. of State (Jefferson), of the Treasury (Hamilton) and of War (Knox).

11. **Bill of Rights** – The first ten amendments of the Constitution are the Bill of Rights. It was added in 1791 when it was adopted by the necessary number of states. Notably, several states would not ratify the Constitution until a Bill of Rights was promised. The Bill of Rights guarantees such civil liberties as freedom of speech, free press, and freedom of religion. It was written by James Madison.

12. **Whiskey Rebellion** – This was a small rebellion that began in southwestern Pennsylvania in 1794 that was a challenge to the national government’s unjust use of an excise tax on an "economic medium of exchange." Washington crushed the rebellion with excessive force, proving the strength of the national government’s power in its military, but was condemned for using a “sledgehammer to crush a gnat.” The lesson learned was that this government, unlike the Articles of Confederation, was strong.

13. **Amendment Nine** – The Ninth Amendment states that the enumeration of rights in the Constitution shall not be construed to deny or disparage others retained by the people. In other words, the rights listed in the Constitution are not the only rights people have. It was written by James Madison in 1791 to stop the possibility that listing such rights might possibly lead to the assumption that the rights were the only ones protected.

14. **Tenth Amendment** – The Tenth Amendment is the last Amendment in the Bill of Rights and is often called the “States’ Rights Amendment.” The Tenth Amendment states that the "powers not delegated to the federal government are reserved to the states and the people." This allows for a strong central government, but it does not allow the government to become all powerful by still allowing states and people rights. This amendment is the basis for the later States’ Rights advocates (the South) over the issues of the tariff and slavery.

15. **Jeffersonian Republicans** – This was one of nation’s first political parties, led by Thomas Jefferson, and stemming from the Anti-Federalists. It emerged around 1792 and gradually became today's Democratic party. The Jeffersonian Republicans were pro-French, liberal, and mostly made up of the middle class. They favored a weak central government, an America made up of farmers, were more favorable toward the expansion of democracy, and strong states’ rights.

16. **Judiciary Act of 1789** – The Judiciary Act of 1789 organized the Supreme Court, originally with five justices and a chief justice, along with several federal district and circuit courts. It also created the Attorney General's office. This act created the judicial branch of the U.S. government and thus helped to shape the future of this country.

17. **Citizen Genet** – He was a representative of the French Republic who came to America in order to recruit Americans to help fight in the French Revolution. He landed in Charleston, SC around 1793 after the outbreak of war between France and Britain. He failed to gather American support and was ousted from the nation.

18. “Mad” Anthony Wayne – He was a general who best Northwest Indians at the Battle of Fallen Timbers on August 20, 1794. There, the Indians left British-made arms on the fields of battle which angered the Americans. After that, the Treaty of Greenville in 1795 led to the Indians ceding their claims to a vast tract in the Ohio Country.

19. **John Adams** – He was a Federalist who was Vice President under Washington in 1789, and later became president by three votes in 1796. Known for his quarrel with France, he was involved in the XYZ Affair, the “Quasi War”, and the Convention of 1800. Later though, he was also known for his belated push for peace with France in 1800. Regarding his personality, he was a "respectful irritation."

20. **Talleyrand** – Talleyrand was the French foreign minister. In 1797, Adams sent a diplomatic commission to France to settle matters regarding France’s dislike of the Jay Treaty of 1794. The French thought that America was siding with the English and violating the Franco-American Treaty of 1778. The commission was sent to talk to Talleyrand about the seizing of American ships by the French. Communication between the commission and Talleyrand existed between three “go-betweens,” (XYZ). They requested a loan and a bribe for talking to Talleyrand in person.
Americans soon rejected this act and effectively started an undeclared war with France.

21. **Compact Theory** -- The Compact Theory was popular among the English political philosophers in the eighteenth century. In America, it was supported by Jefferson and Madison. It meant that the thirteen states, by creating the federal government, had entered into a contract regarding the jurisdiction of the federal government. The national government, being created by the states, was the agent of the states. This meant that the individual states were the final judges of the national government's actions. Therefore, states could reject or nullify federal laws they disliked. The theory was the basis for the Virginia and Kentucky Resolutions passed in 1798. The compact theory was used to try to stop the Federalist abuses like the Alien and Sedition Acts, then later by states' rights advocates over the tariff (1830s) and then attempts to stop the expansion of slavery (1850s).

22. **French Revolution** -- The French Revolution began in 1789 with some nonviolent restrictions on the king, but became more hostile in 1792 when France declared war on Austria. Seeking help from America, the French pointed to the Franco-American Alliance of 1778. Jeffersonians leaned toward helping France due to the treaty. Hamiltonians leaned toward helping England due to economic benefits. Not wanting to get involved for fear of damage to the trade business, Washington gave the Neutrality Proclamation, which made America neutral. This led to arguments between Americans and French. After fighting with the French over such things as the Jay Treaty, the Americans came to peace with France in 1800. The French Revolution was not a war within a country, but a war that affected the world.

23. **Jay Treaty** -- This was a 1794 treaty that offered little concessions from Britain to the U.S. and greatly disturbed the Jeffersonians. Jay was able to get Britain to say they would evacuate the chain of posts on U.S. soil and pay damages for recent seizures of American ships. The British, however, would not promise to leave American ships alone in the future, and they decided that the Americans still owed British merchants for pre-Revolutionary war debts. It said nothing of future impressments. Because of this, many Southerners especially, were angry and rioted and called John Jay the "Damn'd Archtraitor."

24. **Pinckney Treaty** -- This 1795 treaty gave America what they demanded from the Spanish, namely free navigation of the Mississippi (AKA “the right of deposit”), and a large area of north Florida. This was an unexpected diplomatic success since it was the Jay Treaty that helped prompt the Spanish to deal out the Pinckney Treaty.

25. **Convention of 1800** -- This was a treaty signed in Paris that ended France's peacetime military alliance with America. Napoleon was eager to sign this treaty so he could focus his attention on conquering Europe and perhaps create a New World empire in Louisiana. This ended the "Quasi-War" between France and America.

26. **Neutrality Proclamation 1793** -- This was issued by George Washington and established an isolationist policy in the French Revolution. It proclaimed the government's official neutrality in widening European conflicts and also warned American citizens about intervening on either side of conflict.

27. **Alien and Sedition Acts** -- These were 1798 laws that contained four parts: 1. Raised the residence requirement for American citizenship from 5 to 14 years. 2. Alien Act - gave the president the power in peacetime to order any alien out of the country. 3. Alien Enemies Act - permitted the president in wartime to jail aliens when he wanted to. 4. The Sedition Act -- the key clause provided fines and jail penalties for anyone guilty of sedition. It was to remain in effect until the next presidential inauguration. The Sedition Act's purpose was to silence Republican opposition to Adams' administration. Many people, mostly newspaper publishers, were fined and jailed under the Sedition Act. Jefferson and Madison believed the acts were violations of the First Amendment. It expired March 1801.

28. **Battle of Fallen Timbers** -- Fallen Timbers was an attack made by American General "Mad Anthony" Wayne against invading Indians from the northwest. The defeat of the Indians ended the alliance made with the British and Indians. The battle made the Americans angry at England because the Indians were using British-made guns.

29. **Treaty of Greenville** -- This 1795 treaty gave America all of Ohio after General Mad Anthony Wayne battled and defeated the Indians at the Battle of Fallen Timbers. It allowed Americans to explore the area with peace of mind that the land belonged to America and added size and very fertile land to America.

30. **Farewell Address** -- The Farewell Address was made by George Washington in 1796, when he retired from office. It wasn't given orally, but was printed in newspapers. He stressed that we should stay away from permanent alliances with foreign countries. He also warned against the growing formation of political parties. The document
was rejected by the Jeffersonians, who favored the alliance with France.

31. Kentucky and Virginia Resolutions — The Virginia and Kentucky Resolutions were put into practice in 1798 by Jefferson and James Madison. These resolutions were secretly made to get the rights back that were taken away by the Alien and Sedition Acts. These laws took away freedom of speech and press which were guaranteed by the Bill of Rights. These resolutions also brought about the later compact theory, or states’ rights theory, which gave the states more power than the federal government.

32. Bill of Rights—Popular term for the first ten amendments to the US Constitution. The amendments secure key rights for individuals and reserve to the states all powers not explicitly delegated or prohibited by the Constitution.

33. Bank of the United States—Chartered by Congress as part of Alexander Hamilton’s financial program, the bank printed paper money and served as a depository for Treasury funds. It drew opposition from Jeffersonian Republicans, who argued that the bank was unconstitutional.

34. Reign of Terror—Ten-month period of brutal repression when some forty thousand individuals were executed as enemies of the French Revolution. Although many Jeffersonian Republic, Federalists withdrew their already lukewarm support once the Reign of Terror commenced.

35. XYZ Affair—Diplomatic conflict between France and the United States when American envoys to France, originally signed during the Revolutionary War. The difficulties posed by America’s peacetime alliance with France contributed to Americans’ long-standing opposition to entangling alliances with foreign powers.

36. George Washington—Revolutionary War general and first president of the United States. A Virginia-born planter, Washington established himself as a military hero during the French and Indian War. He served as commander and chief of the Continental army during the War of Independence, securing key victories at Saratoga and Yorktown. Unanimously elected president under the new national Constitution in 1788, Washington served two terms, focusing primarily on strengthening the national government, establishing a sound financial system, and maintaining American neutrality amidst the escalating European conflict.

37. Louis XVI—King of France from 1774-1792. He and Queen Marie Antoinette were beheaded during the French Revolution.

38. Edmond Genet—Representative of the French Republic who in 1793 tried to recruit Americans to invade Spanish and British territories in blatant disregard of Washington’s Neutrality Proclamation.

39. Little Turtle—Miami Indian chief whose warriors routed American forces in 1790 and 1791 along the Ohio frontier. In 1794, Little Turtle and his braves were defeated by General Anthony Wayne at the Battle of Fallen Timbers, after which they were forced to cede vast tracts of the Old Northwest under the Treaty of Greenville.