As the new nation tried to get organized, it faced economic problems and internal divisions. Even more difficult challenges came from conflicts in Europe. The United States could not avoid being caught up in fighting between France and Great Britain.

**Remaining Neutral**

Tensions between France and Britain began to build after the French people rebelled against their king. On July 14, 1789, citizens of Paris attacked and captured the Bastille, a hated fortress and prison that stood as a mighty symbol of royal power.

- The storming of the Bastille was one of the first acts of the French Revolution – a rebellion of French people against their king in 1789. The French people overthrew their king and created a republican government.

- Many French citizens had been inspired to take action by the American Revolution. Many Americans in turn, supported the French Revolution. They thought that France was creating the same kind of democracy as the United States.

- Some Americans worried about the French Revolution’s violent riots and attacks on traditional authority. Revolutionaries shocked many Americans by beheading King Louis XVI in January 1793 and Queen Marie-Antoinette later than year.

- A few years after the French Revolution started, France and Great Britain went to war. Some Americans supported the French, while others backed the British. Some wanted to remain neutral (not taking either side).
The Neutrality Proclamation

The debate divided Congress and Washington’s cabinet. The Neutrality Proclamation stated that the United States would not take sides with any European countries that were at war. Washington believed that his plan was the safest for the long run, but not everyone agreed.

- Some members of Congress criticized Washington’s ideas.
- James Madison believed that the president had gone beyond his authority. He questioned Washington’s right to issue the proclamation without the approval of Congress.

The French Question

France’s new representative to the United States, Edmond Genet, asked American sailors to help France fight England by commanding privateers. Privateers were private ships hired by a country to attack its enemies.

- Washington told Genet that using American privateers violated U.S. neutrality.
- Thomas Jefferson wanted the French revolutionaries to succeed, but even he agreed that allowing France to use American privateers against England was a bad idea.
  
- Jefferson was still upset by U.S. policy toward France. He believed that the United States should back France because France had supported the United States during the Revolutionary War.

- Hamilton, on the other hand, was pro-British. He hoped to strengthen trading ties with Britain – the most powerful trading nation in the world at the time.

- Jefferson thought that Hamilton had too much influence on the president’s foreign policy and that Hamilton consequently interfered with Jefferson’s role as Secretary of State.

- Jefferson decided to resign from Washington’s cabinet in 1793.
Jay’s Treaty

There were some threats to U.S. neutrality. In late 1793 the British seized ships carrying food to the French West Indies. Hundreds of the ships were neutral American merchant ships. Also, British officers were helping Native Americans fight settlers.

- Washington wanted to prevent another war with the British.
- He sent Chief Justice John Jay to London to work out a compromise.
- The British knew the United States lacked a strong navy and that U.S. businesses relied heavily on British trade. However, the British did not want to fight another war in America.
- In November 1794 the two sides signed Jay’s Treaty.
  - Jay’s Treaty settled the disputes that had arisen between the United States and Great Britain in the early 1790s.
  - The British would pay damages on seized American ships and abandon their forts on the northwestern frontier.
  - The United States agreed to pay debts it owed the British.
  - The treaty was unpopular and sparked violent protests. Citizens and congressional leaders though the treaty hurt trade and did not punish Britain enough for some of its actions.
  - Southerners were especially angry that the treaty did not ask Britain to repay them for slaves that Britain had set free during the Revolutionary War.
  - Washington did not like the treaty but believed it was the most that could be done. At his urging the Senate approved the treaty.

Pinckney’s Treaty

American businesses faced problems as well. The Spanish disputed the border between the United States and Florida. Spain closed the port of New Orleans to U.S. trade in 1784. This hurt the American economy because all goods moving down the Mississippi River to places in the East or overseas had to pass through New Orleans.
• Washington asked **Ambassador Thomas Pinckney** to meet with Spanish officials to discuss the problem.

• He asked the Spaniards to reopen New Orleans to U.S. trade.

• Pinckney also asked for the right of deposit in New Orleans. This right would allow American boats to transfer goods in New Orleans without paying cargo fees.

• Spanish minister Manuel de Godoy tried to delay reaching an agreement, hoping Pinckney would become desperate and sign a treaty that favored the Spanish. He worried that the United States and Great Britain might join against Spain after signing Jay’s Treaty.

• In October 1795, Godoy agreed to **Pinckney’s Treaty**, which settled the border and trade disputes with Spain.

  • Under the treaty Spain agreed to recognize the U.S. southern boundary as 31 N Latitude.

  • Spain’s government also reopened the port at New Orleans to American ships and gave them the right of deposit.

  • Because it opened the frontier to more expansion, Washington and most other Americans believed the Pinckney’s Treaty was a successful compromise.
Conflict in the Northwest Territory

As the United States dealt with international conflicts, trouble was also brewing at home. Americans continued to settle the Northwest Territory despite Native Americans’ protests.

- Supplied by British traders with guns, Native Americans went to war.
- In 1790 a Native American alliance under the command of Miami chief Little Turtle defeated U.S. forces under General Josiah Harmar.
- Then in 1791, Native Americans defeated General Arthur St. Clair’s soldiers.

General Wayne Takes Command

In 1792 President Washington gave command of the army in the West to General Anthony Wayne. Wayne’s task was to bring soldiers to the frontier to fight against the Native Americans.

- In 1793 General Wayne arrived in Ohio. Many of his men were ill from smallpox and influenza, so they were unable to fight well.
- Wayne’s forces moved north and built Fort Greenville, where they remained during the winter. They built additional forts for protection and to have supplies at hand.
- As the summer of 1794 neared, several Native American groups led by Little Turtle attacked a supply train near the fort. Wayne and his men responded. They attacked Native American towns and burned crops.
- The British no longer aided the Native Americans after this defeat, and Little Turtle realized that he was outmatched. He urged his people to seek peace.

The End of Conflict

On August 20, 1794, Native Americans fought Wayne’s men in the Battle of Fallen Timbers and were defeated.

- The battle was named for an area where many trees had been destroyed by a tornado.
- Wayne’s forces burned Native Americans’ villages and fields. The strength of the Native forces in the region was broken.
The frontier war soon ended. In August 1795, Native American leaders signed the Treaty of Greenville, which gave the United States claim to most Native American lands in the Northwest Territory.

- The treaty also guaranteed the safety of citizens there.
- In exchange, Native Americans received $20,000 worth of goods and an acknowledgement of their claim to the lands they still held.

The Whiskey Rebellion

Other conflicts occurred on the frontier. Congress passed a tax on American-made whiskey in March 1791. The tax was part of Hamilton’s plan to raise money to help pay the federal debts. He was also testing the power of the federal government to control the states’ actions.
Reaction in the West

People in areas such as western Pennsylvania were bitter about the tax. They were already angry with the federal government, which they believed did not protect settlers from Native American attacks and did not allow settlers enough opportunities for trade.

- The farmers’ corn crops were often made into whiskey, which was easier to transport than the corn.
- Because cash was rare, whiskey became like money in their region.
- The farmers believed that the tax was aimed specifically at them.
- Farmers who produced small amounts of whiskey for trade argued that they could not afford the tax. They believed they should be able to keep the money they made from a product they created themselves.
- Protests in 1792 led President Washington to issue a proclamation saying that people protesting were disobeying the law.
- Westerners also disliked the fact that cases about the law were to be tried in a district court. These courts were usually far away from the people they affected and were a great inconvenience to them.

Whiskey Rebellion Is Crushed

The complaints of western Pennsylvanians were at first expressed peacefully. But by 1794 fighting had broken out. In what became known as the Whiskey Rebellion, farmers lashed out against the tax on whiskey.

- Protesters refused to pay the tax. They even tarred and feathered tax collectors. Some called themselves the new Sons of Liberty.
- Incidents of violence spread to other states.
  - President Washington feared that they rebels threatened the federal government’s authority.
  - He believed he needed to make people understand that the Constitution gave Congress the right to pass and enforce the tax.
• Washington declared that he could “no longer remain a passive [inactive] spectator” in the event.

• He personally led the army in military action against the rebels – the first and only time an American president has done so.

• The army of about 13,000 men approached western Pennsylvania in November 1794. By this time most of the rebels had fled. The Whiskey Rebellion ended without a battle.

Washington Says Farewell

In 1796 Washington decided not to run a third presidential term. He write that he was “tired of public life” and “devoutly [strongly] wished for retirement.” He also wanted to remind Americans that the people were the country’s true leaders.

• With the help of Alexander Hamilton and James Madison, Washington wrote his Farewell Address. In it he spoke about what he believed were the greatest dangers to the American republic.

• Washington warned against forming permanent ties with other countries because choosing sides could draw the United States into war.

• He also worried about growing political conflicts within the nation. Washington believed that disagreements between political groups weakened the government. Political united, he said, was a key to national success.

• Washington left office warning the nation to work out its differences and protect its independence.

• Washington also warned against too much political debt. He thought they government should not try to borrow money. The wanted future generations to be protected from debt.

• He concluded his speech by looking forward to his retirement and praising his country.