I. Growing Pains

• United States was growing rapidly:
  – Population doubled every 25 years
  – First official census, 1790, recorded 4 million
  – Cities blossomed:
    • Philadelphia—42,000 New York—33,000 Boston—18,000
    • Charleston—16,000 Baltimore—13,000
  – America’s population was still 90% rural:
    • All but 5% lived east of Appalachian Mountains
    • Overflow concentrated in Ky., Tenn., Ohio

II. Washington for President

• Unanimously drafted as president by Electoral College in 1789:
  – Only presidential nominee ever to receive unanimity
  – Only one who did not in some way angle for this office
  – Commanded by strength of character rather than the arts of the politician

II. Washington for President (cont.)

– Journey from Mount Vernon to New York City was triumphal procession
– Took oath on April 30, 1789
– Shaped new government by creating cabinet
– Constitution did not mention a cabinet (see Table 10.1)
– Merely provided that president may require written opinions (see
II. Washington for President

At first only three full-fledged department heads served under president:
- Secretary of State—Thomas Jefferson
- Secretary of the Treasury—Alexander Hamilton
- Secretary of War—Henry Knox

III. The Bill of Rights

Original Constitution did not guarantee individual rights (freedom of religion, trial by jury).
Some states ratified Constitution only on understanding that such would soon be included.
Crafting bill of rights topped list of imperatives facing new government.

Amendments could be proposed in two ways:
- By constitutional convention requested by two-thirds of states
- Or by a two-third vote of both houses of Congress
- Madison determined to draft amendments himself
- He then guided them through Congress
- Bill of Rights, adopted in 1791, safeguards some of most precious American principles

Freedom of religion, speech, and press
Right to bear arms
Right to trial by jury
Right to assemble and petition government for redress of grievances
Bill of Rights also prohibited:
- Cruel and unusual punishment
Ill. The Bill of Rights (cont.)

- Madison inserted Ninth Amendment:
  - Specifying certain rights “shall not be construed to deny or disparage others retained by the people”
- To reassure states' righters, he included Tenth Amendment:
  - Reserves all rights not explicitly delegated or prohibited by federal Constitution “to the States respectively, or to the people”

III. The Bill of Rights (cont.)

- Amendments swung federalist pendulum back in an antifederalist direction.
- Judiciary Act of 1789 organized:
  - Supreme Court with chief justice & five associates
  - Federal district and circuit courts
  - Established office of attorney general
  - John Jay became first chief justice

IV. Hamilton Revives the Corpse of Public Credit

- Hamilton’s role in new government:
  - Worked to correct economic vexations of Articles of Confederation:
    - Craft fiscal policies that favor wealthy to gain needed monetary & political support
    - First he sought to bolster national credit
      - Urged Congress to “fund” entire national debt “at par”
      - Urged Congress to assume completely debts incurred by states during Revolution

IV. Hamilton Revives the Corpse of Public Credit (cont.)

- Funding at par meant federal government would pay its debts at face value, plus accumulated interest—a total sum of $54 million
• Because people believed this was impossible, bonds depreciated to ten or fifteen cents on the dollar
• Congress passed Hamilton’s measure in 1790
  – Hamilton urged Congress to assume state debts totaling some $21.5 million:
    • Argued state debts from Revolution were national obligation

17 □ IV. Hamilton Revives the Corpse of Public Credit (cont.)
• He believed assumption would chain states more tightly to “federal chariot”
• Would shift attachment of wealthy creditors from states to federal government
• States with heavy debts, like Massachusetts, were delighted by Hamilton’s proposal
• States with little debt, like Virginia, opposed
  • While Va. did not want state debts assumed, it did want proposed federal capital to be on Potomac River
  • Compromise made in 1790

18 □ V. Customs Duties and Excise Taxes
• New government dangerously overloaded:
  – National debt = $75 million (see Figure 10.1)
• Hamilton, “Father of the National Debt,” not worried:
  – Believed, within limits, national debt = “national blessing”
  – Give creditors stake in success of government

19 □

20 □ V. Customs Duties and Excise Taxes (cont.)
• Raise money from customs duties on foreign trade.
• First tariff (1789) imposed 8% tax on value of dutiable imports:
  – Main goal = raising revenue
  – Also protect infant industries
  – Wanting an Industrial Revolution, Hamilton urged even more protection for well-to-do manufacturing groups

21 □ V. Customs Duties and Excise Taxes (cont.)
• Congress voted only two slight increases in tariff during Washington’s presidency
Hamilton sought additional revenue:
- Secured excise tax (1791) on some domestic items, notably whiskey
  - New levy of 7 cents a gallon borne by distillers who lived in backcountry
  - Whiskey flowed so freely on frontier that it was used for money

VI. Hamilton Battles Jefferson for a Bank
- Hamilton proposed a bank of United States:
  - Took his model from Bank of England
  - Proposed powerful private institution with government as major stockholder and where Treasury would deposit surplus monies
  - Federal funds would stimulate business by remaining in circulation
  - Provide stable national currency by printing money

VI. Hamilton Battles Jefferson for a Bank (cont.)
- Jefferson vehemently opposed bank:
  - Insisted no specific authorization in Constitution
  - Believed all powers not specifically granted to central government were reserved to states (see Amendment X)
  - Concluded only the states, not Congress, had power to charter banks
  - Concept of “strict construction”

VI. Hamilton Battles Jefferson for a Bank (cont.)
- Hamilton, at Washington’s request, prepared brilliant reply to Jefferson
  - Jefferson believed that, what Constitution did not permit, it forbade
  - Hamilton believed that, what Constitution did not forbid, it permitted:
    - Used clause that Congress may pass any laws “necessary and proper” to carry out powers vested in government agencies (see Art. I, Sec. VIII, para. 18)
  - Congress was empowered to collect taxes

VI. Hamilton Battles Jefferson for a Bank (cont.)
- Congress was empowered to regulate trade
  - Therefore, according to Hamilton, a national bank was necessary—“implied powers” from “loose construction” of Constitution
• Hamilton’s financial views prevailed
• Washington signed bank measure into law
• Biggest support for bank came from commercial and financial centers of North
• Strongest opposition arose from agricultural South

VI. Hamilton Battles Jefferson for a Bank (cont.)
• Bank of the United States created in 1791:
  – Chartered for twenty years
  – Allowed capital of $10 million (20% owned by federal government)
  – Located in Philadelphia

VII. Mutinous Moonshiners in Pennsylvania
• Whiskey Rebellion:
  – Flared in southwest Pennsylvania
  – Hamilton’s excise tax hurt
  – Defiant distillers cried “Liberty and No Excise”
  – Big challenge for new national government
  – Washington summoned militias
  – When troops reached western Pennsylvania, “Whiskey Boys” dispersed
  – Action strengthened new national government

VIII. The Emergence of Political Parties
• Hamilton’s schemes encroached sharply upon states’ rights:
  – Organized opposition began to build
  – Became full-blown political rivalry
• National political parties:
  • Unknown in America when Washington took inaugural oath
  • Founders had not envisioned permanent political parties

VIII. The Emergence of Political Parties (cont.)
• Two-party system has existed in United States since this time (see Table 10.2):
  – Their competition for power proved to be indispensable to sound democracy
  – Party out of power has provided balance; ensured that politics
Two-party system has existed in the United States since this time (see Table 10.2):

- Their competition for power proved to be indispensable to sound democracy
- Party out of power has provided balance; ensured that politics never goes too far in 1 direction

IX. The Impact of the French Revolution

- Now there were two major parties:
  - Jefferson’s Democratic-Republicans
  - Hamilton’s Federalists
- In Washington’s second term, foreign-policy issues escalated differences between two
- French Revolution started in 1789
- Would destabilize Europe for next 26 years

IX. The Impact of the French Revolution (cont.)

- Few non-American events have left deeper scar on American political and social life:
  - Early stages peaceful
  - Tried to place constitutional restrictions on Louis XVI
  - 1792 France declared war on Austria
  - News later reached America that France had proclaimed itself a republic
  - Americans were enthusiastic

IX. The Impact of the French Revolution (cont.)

- King beheaded in 1793
- Head-rolling Reign of Terror began
- Earlier battles had not affected America directly
- Once Britain was drawn into conflict, then ripples spread to New World
- Since 1688, every major European war has involved duel for control of Atlantic Ocean (See Table 6.2).
8/21/16

X. Washington’s Neutrality Proclamation

- French-American alliance of 1778:
  - Bound United States to help French defend West Indies
  - Democratic-Republicans favored honoring alliance
    - America owed France its freedom
    - Time to pay this debt

X. Washington’s Neutrality Proclamation (cont.)

- Washington believed war must be avoided at all costs
  - Strategy of playing for time, while birthrate improved America's strength, was cardinal policy of Foundling Fathers
  - Hamilton and Jefferson agreed
  - Washington issued Neutrality Proclamation (1793) shortly after war between England & France began

X. Washington’s Neutrality Proclamation (cont.)

- Neutrality Proclamation:
  - Proclaimed official neutrality in widening conflict
  - Warned citizens to be impartial toward both armed camps
  - America’s first formal declaration proved to be enormously controversial:
    - Pro-French Jeffersonians enraged
    - Pro-British Federalists heartened

X. Washington’s Neutrality Proclamation (cont.)

- Debate intensified:
  - Edmond Genet, representative of French Republic, landed at Charleston, S.C.
    - Swept away by reception from Jeffersonians, he decided Neutrality Proclamation did not reflect popular opinion
    - Embarked on non-neutral activity not authorized by French alliance
    - Washington demanded Genet’s withdrawal

X. Washington’s Neutrality Proclamation (cont.)

- Neutrality Proclamation:
  - Illustrates truism that self-interest is basic cement of alliances
  - In 1778 both France and America stood to gain
  - In 1793 only France did
XI. Embroilments with Britain (cont.)

- They kept a chain of northern posts on U.S. soil in defiance of 1783 peace treaty (see Map 10.1)
- London was reluctant to abandon lucrative fur trade
- London also hoped to build an Indian buffer state
- Sold firearms and alcohol to Miami Confederacy
- At Battle of Fallen Timbers (1794) General Anthony Wayne routed Miamis:
  - After British refused to shelter those fleeing battle, Miamis offered to make peace with Wayne

XI. Embroilments with Britain (cont.)

- In Treaty of Greenville (1795), Miamis:
  - Surrendered vast tracts of Old Northwest
  - In exchange, received $20,000 and an annual annuity of $9,000
  - Right to hunt lands they ceded
  - Hoped for recognition of sovereign status
  - Felt it put some limits on ability of United States to decide fate of Indian peoples

XI. Embroilments with the British (cont.)

- British:
  - Seized 300 American merchant ships
  - Impressed scores of seamen into naval service
  - Threw hundreds into foul dungeons
- Actions incensed Americans.
- War with world's mightiest commercial empire would undermine Hamilton's financial system.
XII. Jay's Treaty and Washington's Farewell

- Jeffersonians dismayed by selection of noted Federalist & Anglophile.
- Jay's negotiations sabotaged by Hamilton.
- Jay won few concessions in Jay's Treaty.

XII. Jay's Treaty and Washington's Farewell (cont.)

- British concessions:
  - Promised to evacuate forts on U.S. soil
  - Consented to pay damages for past seizures of American ships
  - British stopped short of pledging:
    • No future maritime seizures & impressments
    • Or ending supply of arms to Indians

XII. Jay's Treaty and Washington's Farewell (cont.)

- Jay's unpopular pact:
  • Vitalized newborn Democratic-Republican party
  • Seen as a betrayal by South
  • Even Washington's popularity was hurt by controversy over treaty
  
- Other consequences:
  • Fearing an Anglo-American alliance, Spain offered deal favorable to United States

XII. Jay's Treaty and Washington's Farewell (cont.)

- Pinckney's Treaty (1795) granted:
  • Free navigation of Mississippi
  • Warehouse rights at New Orleans
  • Territory of western Florida (See Map 9.3)

- Washington decided to retire because exhausted from diplomatic and partisan battles:
  • Decision established strong two-term tradition for later presidents
XII. Jay's Treaty and Washington's Farewell (cont.)

- Farewell Address of 1796:
  - Never delivered orally
  - Printed in newspapers
  - Strongly advised young nation to avoid “permanent alliances”
  - Favored “temporary alliances” for “extraordinary emergencies”

XII. Jay's Treaty and Washington's Farewell (cont.)

- Washington's contributions:
  - Federal government solidly established
  - Kept nation out of both overseas entanglement and foreign wars
  - When Washington left office in 1797, he was showered with brickbats of partisan abuse, in contrast with bouquets that greeted his arrival.

XIII. John Adams Becomes President

- Adams, with support of New England, won by narrow margin (71 to 68) in Electoral College.
- Jefferson, as runner up, became vice-president
- Adams:
  - Stubborn man of stern principles
  - Tactless and prickly intellectual aristocrat
  - Had no appeal to the masses

XIII. John Adams Becomes President (cont.)

- His other handicaps:
  - Stepped into Washington's shoes, which no successor could hope to fill
  - Hamilton hated him
  - Most ominous of all, Adams inherited violent quarrel with France

XIV. Unofficial Fighting with France

- French were infuriated by Jay's Treaty:
  - Condemned it as step toward an alliance with Britain
  - Assailed it as flagrant violation of Franco-American Treaty of 1778
  - French warships, in retaliation, seized defenseless American merchant vessels (300 by mid-1797)
• Paris regime refused to receive America's newly appointed envoy and even threatened to arrest him

XIV. Unofficial Fighting with France (cont.)
• Adams tried to reach agreement with French:
  • Appointed diplomatic commission of three men, including John Marshall, future chief justice
  • Envoys reached Paris in 1797 where they hoped to meet with Foreign Minister Talleyrand
  • Secretly approached by three go-betweens, later referred to as X, Y, and Z
  • They demanded loan of 32 million florins
  • Plus bribe of $250,000 for privilege of merely talking with Talleyrand

XIV. Unofficial Fighting with France (cont.)
• Terms were intolerable and negotiations collapsed
  • Marshall, on reaching New York in 1798, was hailed as a hero for his steadfastness
  • XYZ Affair incited anger throughout United States:
    – Popular slogan: “Millions for defense, but not one cent for tribute”

XIV. Unofficial Fighting with France (cont.)
• War preparations:
  – Pushed at feverish pace, despite opposition by Jeffersonians in Congress
  – Navy Department created
    • three-ship navy expanded
  – Marine Corps reestablished
  – New army of 10,000 men authorized, but not fully raised

XIV. Unofficial Fighting with France (cont.)
War itself:
• Confined to sea, mainly West Indies
• 2.5 years of undeclared hostilities (1798-1800)
• American privateers & men-of-war captured over 80 French vessels
• Several hundred Yankee merchant ships lost to enemy
• Only a slight push, it seemed, might plunge both nations into full-scale war.

XV. Adams Puts Patriotism Above Party
• France did not want war:
  – Facing many European foes, Talleyrand saw little benefit in fighting United States
  • Let it be known that if Americans would send new minister, he would be received with proper respect
• American envoys found things better when they reached Paris in 1800.
• Napoleon Bonaparte had recently seized dictatorial power.

XV. Adams Puts Patriotism Above Party (cont.)
• Convention of 1800:
  – France agreed to annul 22-year-old alliance
  – U.S.A. agreed to pay damage claims of shippers
  – Adams deserves immense credit for belated push for peace
  – He smoothed path for peaceful purchase of Louisiana three years later

XVI. The Federalist Witch Hunt
• Federalist actions to muffle Jeffersonians:
  – Took aim at pro-Jeffersonian “aliens”
  – First act raised residence requirement from 5 years to 14
    • Violated traditional policy of speedy assimilation
  – Under second law, President could deport dangerous foreigners in time of peace and imprison them in time of war
    • Arbitrary grant of executive power
    • Never enforced
  –
XVI. The Federalist Witch Hunt (cont.)

- Sedition Act—slapped at two freedoms guaranteed by First Amendment (freedom of speech & of press):
  - Anyone who impeded policies of government, or falsely defamed its officials, would be liable to heavy fine and imprisonment
  - Many Jeffersonian editors were indicted under it
  - Ten brought to trial & convicted
- Sedition Act seemed to conflict with Constitution
- Federalists manipulated anti-French hysteria
- Jefferson feared possible slide to one-party dictatorship

XVII. The Virginia (Madison) and Kentucky (Jefferson) Resolutions

- Jefferson secretly penned series of resolutions:
  - Approved by Kentucky legislature in 1798 & 1799
  - Madison drafted similar but less extreme statement adopted by Virginia legislature in 1798
- Both stressed compact theory:
  - Popular among English political philosophers
  - Concept that thirteen states, in creating federal government, had entered into a “compact” regarding its jurisdiction
  - The nation was the creation of the states

XVII. The Virginia (Madison) and Kentucky (Jefferson) Resolutions

- States were thus final judges of whether their creation had broken “compact” by overstepping authority granted it
- Jefferson’s Kentucky resolutions concluded federal regime had exceeded its constitutional powers and in regard to Alien & Sedition Acts, “nullification”—a refusal to accept them—was “rightful remedy”
- No other state legislatures fell into line:
  - Federalist states added ringing condemnations
  - Argued the people, not the states, had made original compact
  - It was up to Supreme Court—not the states—to nullify unconstitutional legislation passed by Congress
Resolutions

- Virginia and Kentucky resolutions:
  - Brilliant formulation of extreme states' rights view regarding union
  - More sweeping in implications than authors had intended
  - Later used to support nullification & ultimately secession
  - Neither Jefferson nor Madison had any intention of breaking union; they wanted to preserve it

XVIII. Federalists Versus Democratic-Republicans

- As presidential contest of 1800 approached, differences between Federalists and Democratic-Republicans sharply etched (see Table 10.3)
- Conflicts over domestic politics & foreign policy undermined unity of Revolutionary era
- Federalists supported strong central government, loose interpretation of Constitution, & commerce
- (Democratic) Republicans supported states' rights, strict interpretation of Constitution, & agriculture

XVIII. Federalists Versus Democratic-Republicans

- Hamiltonians believed wealthy & well educated should run government
- Jeffersonians believed common person, if educated, could manage public affairs
- Would fragile & battered American ship of state founder on rocks of controversy?