

1 2  **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
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3  **I. Growing Pains  
(cont.)**

- People in west were restive and dubiously loyal:
  - Mouth of the Mississippi lay in Spanish hands
- Many wondered whether emerging United States would ever grow to maturity

4  **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

5 6 7  **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

Art. II, Sec. II, para. 1 in Appendix).

8  **II. Washington for President  
(cont.)**

- 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

9  **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.
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10  **III. The Bill of Rights  
(cont.)**

- 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

11  **III. The Bill of Rights  
(cont.)**

- 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

–Arbitrary government seizure of private property

12  **III. 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”

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13  **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

14  **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

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16  **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
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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

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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

## 22 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

## 23 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”

## 24 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

## 25 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

26  **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

27  **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

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29  **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

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30  **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

never goes too far in 1 direction

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32  **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

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34  **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
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37  **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).

- 38  **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
- 39  **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 Founding Fathers
    - Hamilton and Jefferson agreed
    - Washington issued Neutrality Proclamation (1793) shortly after war between England & France began
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- 40  **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
- 41  **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
- 42  **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



- Technically, Americans did not flout obligation because France never officially asked them to honor it
- France needed America as neutral source of food for West Indies

43  **XI. Embroilments with Britain**

- Policy of neutrality was sorely tried by British:
  - 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

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45  **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

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47  **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.

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48  **XII. Jay's Treaty and Washington's Farewell**

- Washington decided to send Chief Justice John Jay to London in 1794.
- Jeffersonians dismayed by selection of noted Federalist & Anglophile.
- Jay's negotiations sabotaged by Hamilton.
- Jay won few concessions in Jay's Treaty.

49  **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

50  **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

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51  **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

52  **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”

53  **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.

54  **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

55 56  **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

57  **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

58  **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

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60  **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”

61  **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

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63  **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.

#### 64 **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.
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#### 65 **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

#### 66 **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

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67  **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

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69  **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

70  **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

71  **XVII. The Virginia (Madison) and Kentucky (Jefferson)**

## 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

### 72 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

### 73 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?

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