

Chapter 10- Launching the New Ship of State

1789-1800

A. Introduction

1. Within twelve troubled years, the American people had risen up and thrown overboard both the British yoke and the Articles of Confederation (not best training for government)
2. Finances of the infant government were likewise precarious; the revenue had declined to a trickle, whereas the public debt, with interest heavily in arrears, was mountainous
3. Worthless paper money, state and national, was plentiful as metallic money was scarce
4. Nonetheless, the Americans were brashly trying to erect a republic on an immense scale
5. The eyes of a skeptical world were on the upstart United States of America

B. Growing Pains

1. When the Constitution was launched in 1789, the population was doubling about every twenty-five years, and the first official census of 1790 recorded almost 4 million people
 1. The most populous cities were Philadelphia, numbering 42,000, New York 33,000, Boston 18,000, Charleston 16,000, and Baltimore numbering 13,000
 2. America's population was still about 90 percent rural, despite the flourishing cities
 3. All but 5 percent of the people lived east of the Appalachian Mountains; the trans-Appalachian overflow was concentrated chiefly in Kentucky, Tennessee, and Ohio, all of which were welcomed as states within fourteen years (Vermont a state in 1791)
2. People of the western waters—in Kentucky, Tennessee, and Ohio—were particularly restive and dubiously loyal; the mouth of the Mississippi lay in the hands of Spaniards
3. Slippery Spanish and British agents moved freely among the settlers and held out seductive promises of independence (United States appeared disjointed)

C. Washington for President

1. General Washington was unanimously drafted as president by the Electoral College in 1789—the only presidential nominee ever to be honored by unanimity
2. His presence was imposing; balanced rather than brilliant, he commanded his followers by strength of character rather than by the arts of the politician
3. Washington solemnly took the oath of office on April 30, 1789, on Wall Street
4. Washington soon put his stamp on the new government, especially by establishing the cabinet; the Constitution merely provides that the president “may require” written opinions of the heads of the executive-branch departments (cabinet meetings evolved)

5. Three department heads served under the president: Secretary of State Thomas Jefferson, Secretary of the Treasury Alexander Hamilton, and Secretary of War Henry Knox

D. The Bills of Rights

1. Many Antifederalists had sharply criticized the Constitution drafted at Philadelphia for its failure to provide guarantees of individual rights such as freedom of religion, trial by jury
2. Many states had ratified the federal Constitution on the understanding that it would soon be amended to include such guarantees; drawing up a bill of rights headed importance
3. Amendments to the Constitution could be proposed in either of two ways—by a new constitutional convention requested by two-thirds of the states or by a two-thirds vote of both houses of Congress; fearing that a new convention might unravel the narrow federalist victory, James Madison determined to draft the amendments himself
4. Madison then guided them through Congress, where his intellectual and political skills were quickly making him the leading figure in the Congress of the United States
5. Adopted by the states in 1791, the first ten amendments to the Constitution, popularly known as the Bill of rights, safeguard some of the most precious American principles
 1. Among these protections for freedom of religion, speech, and the press; the right to bear arms and to be tried by a jury; and the right to assemble and petition government for redress of grievances; the Bill of Rights also prohibits cruel and unusual punishments and arbitrary government seizure of private property of the citizens
 2. To guard against the danger that enumerating such rights might lead to the conclusion that they were the ones protected, Madison inserted the crucial Ninth Amendment
 3. The Ninth Amendment of the Constitution declares that specifying certain rights “shall not be construed to deny or disparage others retained by the people”
 4. In a gesture of reassurance to the states’ righters, he included the equally significant Tenth Amendment, which reserves all rights not explicitly delegated or prohibited by the federal Constitution “to the States, respectively, or to the people”
 5. By preserving a strong central government while specifying protections for minority and individual liberties, Madison’s amendments included antifederalist thought
6. The first Congress also nailed other newly sawed government planks into place
 1. It created effective federal courts under the Judiciary Act of 1789; the act organized the Supreme Court, with a chief justice and five associates, as well as federal district and circuit courts, and established the office of attorney general

2. New York John Jay, Madison's collaborator on The Federalist papers and one of the young Republic's most seasoned diplomats, became the first chief justice of the US

E. Hamilton Revives the Corpse of Public Credit

1. The key figure in the new government was still Treasury Secretary Alexander Hamilton, a native of the British West Indies (critics claimed he loved his adopted country)
 1. Doubts about his character and his loyalty to the republican experiment swirled
 2. Hamilton regarded himself as a kind of prime minister in Washington's cabinet and on occasion, thrust his hands into the affairs of other departments, including that of his archrival Thomas Jefferson, who served as secretary of state
2. A financial wizard, Hamilton set out immediately to correct the economic vexations that had crippled the Articles of Confederation; his plan was to shape the fiscal policies of the administration in such a way as to favor the wealthier groups
 1. The wealthier groups then would lend the government monetary and political support
 2. The youthful financier's first objective was to bolster the national credit; without public confidence in the government, Hamilton couldn't secure the funds to take risks
 3. Hamilton therefore boldly urged Congress to "fund" the entire national debt "at par" and to assume completely the debts incurred by the states during the recent war
 4. Funding at par" meant that the federal government would pay off its debts at face value, plus accumulated interest—a then-enormous total of more than \$54 million
 5. So many people believed that the Treasury was incapable of meeting those obligations that government bonds had depreciated to ten or fifteen cents on the dollar
 6. Yet speculators held fistfuls of them, and when Congress passed Hamilton's measure in 1790, they grabbed for more; Hamilton was willing to have the new government shoulder additional obligations and urged Congress to assume the debts of the states
3. The secretary made a convincing case for "assumption"; the state debts, totaling some \$21.5 million, could be regarded as a proper national obligation (war of independence)
4. But foremost in Hamilton's thinking was the belief that assumption would chain the states more tightly to the "federal chariot"; the secretary's maneuver would thus shift the attachment of wealthy creditors from the states to the federal government
5. The support of the rich for the national administration was a crucial link in Hamilton's political strategy of strengthening the central government
6. States burdened with heavy debts like Massachusetts, were delighted by Hamilton's proposal; states with small debts, like Virginia, were less charmed—Virginia did not want

the state debts assumed, but it did want the forthcoming federal district, the District of Columbia, to be located on the Potomac River as it would gain commerce and prestige

7. Hamilton persuaded a reluctant Jefferson to lineup enough votes in Congress for assumption and in return, Virginia would have the federal district on the Potomac (1790)

F. Customs Duties and Excise Taxes

1. The national debt had swelled to \$75 million owing to Hamilton's insistence on honoring the outstanding federal and state obligation alike; Hamilton, "Father of the National Debt," was not greatly worried—his objectives were as much political as economic
 1. He believed that within limits, a national debt was a "national blessing"—a kind of union adhesive; the more creditors to whom the government owed money, the more people there would be with a personal stake in the success of his ambitious enterprise
 2. His unique contribution was to make a debt an asset for vitalizing the financial system
2. Where was the money to come from to pay interest on this huge debt and run the govt.?
 1. Customs duties, derived from a tariff; tariff revenues depended on a vigorous foreign trade, another crucial link in Hamilton's overall economic strategy for the Republic
 2. The first tariff law, imposing a low tariff of about 8 percent on the value of dutiable imports, was speedily passed by the first Congress in 1789, before Hamilton was in
 3. Revenue was by far the main goal, but the measure was also designed to erect a low protective wall around infant industries, which bawled for more shelter
 4. Hamilton argued strongly in favor of more protection for the well-to-do, new manufacturing groups—another vital element in Hamilton's economic program
 5. But Congress was still dominated by the agricultural and commercial interests, and it voted only two slight increases in the tariff during Washington's presidency
3. Hamilton sought additional internal revenue and in 1791 secured from Congress an excise tax on a few domestic items, notably whiskey; the new levy of seven cents a gallon was borne chiefly by the distillers who lived in the backcountry; Whiskey flowed so freely on the frontier in the form of distilled liquor that it was used for money

G. Hamilton Battles Jefferson for a Bank

1. As a capstone for his financial system, Hamilton proposed a Bank of the United States; an enthusiastic admirer of the English, he took as his model the Bank of England
 1. He proposed a powerful private institution, of which the government would be the major stockholder and in which the federal Treasury would deposit its surplus monies

2. The central government not only would have a convenient strongbox, but federal funds would stimulate business by remaining in circulation
3. The bank would also print urgently needed paper money and thus provide a sound and stable national currency (the bank was useful but was it constitutional?)
2. Jefferson, whose opinion Washington requested, argued vehemently against the bank
 1. He insisted, no specific authorization in the Constitution for such a financial octopus; he was convinced that all powers not granted to the central government were reserved to the states, as provided in the about-to-be-ratified Bill of Rights (Amendment X)
 2. Jefferson concluded that the states, not Congress, had to power to charter banks; he believed that the constitution should be interpreted “literally” or “strictly”
3. Hamilton prepared a brilliantly reasoned reply to Jefferson’s arguments
 1. Hamilton believed that what the Constitution did not forbid it permitted; Jefferson, in contrast, generally believed that what it did not permit it forbade
 2. Hamilton boldly invoked that the Constitution stipulates that Congress may pass any laws “necessary and proper” to carry out the powers vested in the various agencies
 3. By virtue of “implied powers,” Hamilton contended for a “loose” or “broad” interpretation of the Constitution (he and his federalist followers evolved the theory of “loose construction” by invoking the “elastic clause” of the Constitution)
4. Hamilton’s eloquent and realistic arguments were accepted by Washington, who reluctantly signed the bank measure into law; the most enthusiastic support for the bank naturally came from the commercial and financial centers of the North, whereas the strongest opposition arose from the agricultural South
5. The Bank of the United States, as created by Congress in 1791, was chartered for twenty years; located in Philadelphia, it was to have a capital of \$10 million, one-fifth of it owned by the federal government—stock was thrown open to public sale

H. Mutinous Moonshiners in Pennsylvania

1. The Whiskey Rebellion, which flared up in southwestern Pennsylvania in 1794, sharply challenged the new national government; Hamilton’s excise tax was harsh on pioneers
 1. The pioneer folk regarded it not as a tax on a frivolous luxury but as a burden on an economic necessity and a medium of exchange; rye and corn crops distilled into alcohol were more cheaply transported to eastern markets than bales of grain
 2. Defiant distillers finally erected whiskey poles and raised the cry “Liberty and No Excise”—boldly tarring/feathering revenue officers, they brought collections to a halt
2. President Washington, was alarmed by what he called these “self-created societies

1. With encouragement of Hamilton, he summoned the militia of several states; despite some opposition, an army of about thirteen thousand rallied to the colors
2. When the troops reached the hills of western Pennsylvania, they found no insurrection as the “Whiskey Boys” were overawed, dispersed, or captured: Washington, with an eye to healing old sores, pardoned the two convicted culprits
3. The Whiskey Rebellion was minuscule—some three rebels were killed—but its consequences were mighty; George Washington’s government, now substantially strengthened, commanded a new respect (foes of the administration condemned force)

I. The Emergence of Political Parties

1. Almost overnight, Hamilton’s fiscal feats had established the government’s sound credit rating; the Treasury could now borrow needed funds in Netherlands on favorable terms
2. But Hamilton’s financial successes—funding, assumption, the excise tax, the bank, the suppression of the Whiskey Rebellion—created some political liabilities
 1. All these schemes encroached sharply upon states’ rights
 2. Now, out of resentment against Hamilton’s revenue-raising and centralizing policies, an organized opposition began to build; what once was a personal feud between Hamilton and Jefferson developed into a full-blown, bitter political rivalry
3. National political parties, in the modern sense, were unknown in America when George Washington took his inaugural oath; there had been Whigs and Tories, federalists and antifederalists, but these groups were factions rather than parties (they later faded away)
4. The Founders at Philadelphia had not foreseen the existence of permanent political parties
 1. Organized opposition to the government seemed tainted with disloyalty; the notion of a formal party apparatus was thus a novelty in the 1790s, and when Jefferson and Madison first organized their opposition to the Hamiltonian program, they confined their activities to Congress and did not anticipate creating a long-lived, popular party
 2. As the widely read newspapers of the day spread their political message and Hamilton’s, primitive semblances of political parties began to emerge
5. The two-party system has existed in the United States since that time (1792); ironically, in light of early suspicions about the legitimacy of parties, their competition for power has actually proved to be among the indispensable ingredients of a sound democracy
6. The party out of power—“the loyal opposition”—traditionally plays the invaluable role of the balance wheel on the machinery of government (checks and balances)

J. The Impact of the French Revolution

1. When Washington’s first administration ended early in 1793, Hamilton’s domestic policies had already stimulated the formation of two political camps—Jeffersonian Democratic-

Republicans and Hamiltonian Federalists; as Washington's second term began, foreign-policy issues brought the differences between them to a fever pitch

1. Only a few weeks after Washington's inauguration in 1789, the curtain had risen on the first act of the French Revolution; war lasted in Europe for twenty-six years
2. Few non-American events have left a deeper scar on American political and social life; the French Revolution sent tremors through much of the civilized world
2. In its early stages, the upheaval was surprisingly peaceful, involving as it did a successful attempt to impose constitutional shackles on Louis XVI; the American people, loving liberty and deploring despotism, cheered; only a few ultraconservative Federalists, fearing change, reform and "leveling" principles, were hostile to the "mobocracy"
3. The French Revolution entered a more ominous phase in 1792, when France declared war on hostile Austria; powerful ideals and powerful armies alike were on the march
 1. Late in that year, the electrifying news reached America that French citizen armies had hurled back the invading foreigners and France had proclaimed itself a republic
 2. However, the guillotine was set up, the king was beheaded in 1793, the church was attacked, and the head-rolling Reign of Terror was begun under Robespierre
 3. Back in America, God-fearing Federalist aristocrats nervously fingered their tender white necks and eyed the Jeffersonian masses apprehensively (change in attitude)
 4. Sober-minded Jeffersonians regretted the bloodshed but felt that one could not expect to be carried from "despotism to liberty in a feather bed" and that a few thousand aristocratic heads were a cheap price to pay for human freedom
4. Such approbation was shortsighted, for dire peril loomed ahead; the earlier battles of the French Revolution had not hurt America directly, but now Britain was sucked into contagious conflict—the conflagration speedily spread to the New World, where it vividly affected the expanding young American Republic (duel for control of Atlantic)

K. Washington's Neutrality Proclamation

1. Ominously, the Franco-American alliance of 1778 was still on the books; by its own terms it was to last "forever" and it bound the United States to help the French defend their West Indies against future foes, and the booming British fleets were certain to attack
2. Many Jeffersonian Democratic-Republicans favored honoring the alliance; aflame with the liberal ideals of the French Revolution, Jeffersonians were eager to enter the conflict against Britain, the recent foe, at the side of France, the recent friend; Jeffersonians argued that America owed France its freedom and now was the time to pay the debt back
3. But President George Washington, was not swayed by the clamor of the crowd; backed by Hamilton, he believed that war had to be avoided at all costs

1. The nation in 1793 was militarily weak, economically wobbly, and politically disunited; but solid foundations were being laid—Washington wisely reasoned that if America could avoid Europe for a generation or so, it would be populous enough and powerful enough to assert its maritime rights with strength and success
2. The strategy of delay was a cardinal policy of the Founding Fathers; Hamilton and Jefferson, often poles apart on other issues, were in total agreement here
4. Washington boldly issued his Neutrality Proclamation in 1793, shortly after the outbreak of war between Britain and France—it not only proclaimed the government's official neutrality in the widening conflict but warned American citizens to be impartial
 1. The pro-French Jeffersonians were enraged by the Neutrality Proclamation, especially by Washington's method of announcing it unilaterally, with consulting Congress
 2. Debate intensified as a representative of the French Republic, Citizen Edmond Genet, had landed at Charleston and with unrestrained zeal he undertook to fit out privateers and other wise take advantage of the existing Franco-American alliance
 3. Genet was swept away by his enthusiastic reception by the Jeffersonian Republicans and he came to believe that the Neutrality Proclamation did not reflect the wishes of the American people and embarked upon activity not authorized by the alliance including recruitment of armies to invade Florida, Louisiana, and British Canada
 4. Even Madison and Jefferson were soon disillusioned by his conduct and after he threatened to appeal over the head of "Old Washington" to the sovereign voters, the president demanded Genet's withdrawal and the Frenchman was replaced
5. Washington's Neutrality Proclamation clearly illustrates the truism that self-interest is the basic cement of alliances; Technically the Americans were not obligated because France never officially called upon them to honor it; American neutrality favored France
 1. The French West Indies urgently needed Yankee foodstuffs and if the Americans had entered the war at France's side, the British fleets would have blockaded the American coast and cut off those essential supplies (rather than a blockaded partner)
 2. America was thus much more useful to France as a reliable neutral provided

L. Embroilments with Britain

1. President Washington far-visioned policy of neutrality was sorely tried by the British; for ten long years, they had been retaining the chain of northern frontier posts on US soil in defiance of the peace treaty of 1783—London government reluctant to abandon fur trade
 1. British agents openly sold firearms and firewater to the Indians of the Miami Confederacy, an alliance of eight Indian nations who terrorized Americans invading
 2. Little Turtle, war chief of the Miamis, gave notice that the confederacy regarded the Ohio River as the United States' northwestern, and their own southeastern, border

3. In 1790 and 1791, Little Turtle's braves defeated armies led by Generals Josiah Harmar and Arthur St. Clair, handing the US one of its worst defeats in the frontier
2. But in 1794, when a new army under General "Mad Anthony" Wayne routed the Miamis at the Battle of Fallen Timbers, the British refused to shelter Indians fleeing from the battle; abandoned, the Indians soon offered Wayne the peace pipe
3. In the Treaty of Greenville, signed in August 1795, the confederacy gave up vast tracts of the Old Northwest, including most of present-day Indiana and Ohio; in exchange the Indians received a lump-sum payment of \$20,000, an annual annuity of \$9,000, the right to hunt the lands they had ceded, and what they hoped was recognition of their status
4. On the sea frontier, the British were eager to starve out the French West Indies and naturally expected the United States to defend them under the Franco-American alliance
 1. Commanders of the Royal Navy, ignoring America's rights as a neutral, struck hard
 2. They seized about three hundred American merchant ships in the West Indies, impressed scores of seamen into service on British vessels and threw rest in dungeons
5. These actions incensed patriotic Americans and a mighty outcry arose, chiefly from Jeffersonians, that America should once again fight George III in defense of its liberties
6. At the very least, it should cut off all supplies to its oppressor through a nationwide embargo; but the Federalists stoutly resisted all demands for drastic action
7. Hamilton's high hopes for economic development depended on trade with Britain and war with the world's mightiest commercial empire would harm the Hamiltonian system

M. Jay's Treaty and Washington's Farewell

1. President Washington, in a last desperate gamble to avert war, decided to send Chief Justice John Jay to London in 1794; the Jeffersonians were actually unhappy over the choice, partly because they feared that so notorious a Federalist and Anglophile would sell out his country—at the presentational ceremony, Jay kissed the queen's hand
2. Unhappily, Jay entered the negotiations with weak cards, which were further sabotaged by Hamilton; the later, fearful of war with Britain, secretly supplied the British with the details of America's bargaining strategy; Jay did win few concessions
 1. The British did promise to evacuate the chain of posts on U.S. soil—a pledge that inspired little confidence, since it had been made before in Paris (to the same Jay)
 2. In addition, Britain consented to pay damages for the recent seizures of American ships but the British stopped short of pledging anything about future maritime seizures and impressments or about supplying arms to Indians
 3. The British forced Jay to give ground by binding the United States to pay the debts still owed to British merchants on pre-Revolutionary accounts

3. Jay's unpopular pact, vitalized the newborn Democratic-Republican part of Jefferson
 1. When the Jeffersonians learned of Jay's concessions, their rage was fearful to behold; the treaty seemed like an abject surrender to Britain, as well as a betrayal of the Jeffersonian South; Southern planters would have to pay the major share of debts, which rich Federalist shippers were collecting damages for recent British seizures
 2. Even George Washington's huge popularity was compromised by the controversy
4. Jay's Treaty had other unforeseen consequences; fearing that the treaty foreshadowed an Anglo-American alliance, Spain moved hastily to strike a deal with the United States
 1. Pinckney's Treaty of 1795 with Spain granted the Americans what they demanded, including free navigation of the Mississippi and the large territory north of Florida
 2. Exhausted after the diplomatic and partisan battles of his second term, President Washington decided to retire; his choice contributed powerfully to establishing a two-term tradition for American presidents (advised the avoidance of permanent alliances)
 3. Contrary to general misunderstanding, Washington did not oppose all alliance, but favored only "temporary alliances" for "extraordinary emergencies"
5. Washington's contributions as president were enormous even with Hamilton there
 1. The central government was solidly established; the West was expanding; the merchant marine was plowing the seas; and above all, Washington had kept the nation out of both overseas entanglements and foreign wars with Europe
 2. The experimental stage had passed, and the presidential chair could now be turned over to a less impressive figure; but republics are notoriously ungrateful
 3. When Washington left office in 1797, he was showered with the brickbats of partisan abuse, quite in contrast with the bouquets that had greeted his arrival

N. John Adams Becomes President

1. Alexander Hamilton was the best-known member of the Federalist party, now that Washington had bowed out but his financial policies made him really unpopular
2. The Federalists were forced to turn to Washington's vice president, the experienced but ungracious John Adams; the Democratic-Republican naturally supported Jefferson
3. Political passions ran feverishly high in the presidential campaign of 1796
 1. The issues of the campaign focused heavily on personalities, the Jeffersonians again assailed the too-forceful crushing of the Whiskey Rebellion, and Jay's hated treaty
 2. John Adams, with the most of his support in New England, squeezed through by the narrow margin of 71 votes to 68 in the Electoral College; Jefferson became vice pres.

3. John Adams was a man of stern principles who did his duty with stubborn devotion; he was tactless and prickly intellectual aristocrat with no appeal to the masses
4. The crusty New Englander suffered from other handicaps; he had stepped into Washington's shoes, which no successor could hope to fill; in addition, Adams was hated by Hamilton, who had resigned from the Treasury in 1795 and now headed the war faction of the Federalist part, known as the "High Federalists"
5. The famed financier even secretly plotted with certain members of the cabinet against the president, who had a conspiracy rather than a cabinet on his hands
6. Most ominous of all, Adams inherited a violent quarrel with France

O. Unofficial Fighting with France

1. The French were infuriated by Jay's Treaty and condemned it a step toward an alliance with Britain; they assailed the pact as a violation of the Franco-American Treaty of 1778
 1. French warships, in retaliation, began to seize defenseless American merchant vessels
 2. The Paris regime haughtily refused to receive America's newly appointed envoy
 3. True to Washington's policy of steering clear of war at all costs, Adams tried again to reach an agreement with the French and appointed a diplomatic commission of three men, including John Marshall, the future chief justice
2. Adam's envoys, reaching Paris in 1797, hoped to meet Talleyrand, the crafty French foreign minister but were secretly approached by three go-betweens, later referred to as X, Y, and Z who demanded an unneutral loan of about \$250,000 to talk with Talleyrand
 1. These terms were intolerable; the American trio knew that bribes were standard diplomatic devices in Europe but they gagged at the price for mere talk
 2. Negotiations quickly broke down, and John Marshall was hailed as a conquering hero
3. War hysteria swept through the United States, catching up even President Adams
 1. The Federalists were delighted at this unexpected turn of affairs, whereas the Jeffersonians hung their heads in shame over the misbehavior of their French friends
 2. War preparations in the United States were pushed along at a feverish pace, despite considerable Jeffersonian opposition in Congress—the Navy Department was created; the three-ship navy was expanded, the United States Marine Corps was re-established
4. Bloodshed was confined to the sea, and principally to the West Indies; in two and a half years of undeclared hostilities (1798-1800), American privateers and men-of-war of the new navy captured over eighty armed vessels flying the French colors
5. Only a slight push might plunge both nations into a full-dress war

P. Adams Puts Patriotism Above Party

1. Embattled France, its hands full in Europe, wanted no war with America
 1. Talleyrand realized that to fight the United States would merely add on to his enemy roster; the British, who were lending the Americans cannon and other war supplies, were actually driven closer to their wayward cousins than they were to be again
 2. Talleyrand let it be known, through roundabout channels that if the Americans would send a new minister, he would be received with proper respect
2. This French furor brought Adams a degree of personal acclaim that he had never known
 1. Adams perceived that a full-fledged war, crowned by the conquest of the Florida's and Louisiana, would bring new plaudits to the Federalist party
 2. He realized full well that war must be avoided while the country was relatively weak
3. Adams, early in 1799, submitted to the Senate the new minister to France; though Hamilton and faction were enraged, public opinion was favorable to one last try for peace
4. America's envoys found the political skies brightening when they reached Paris early in 1800; the ambitious "Little Corporal," the Corsican Napoleon Bonaparte, had recently seized dictatorial power—he was eager to free his hands of the American squabble
5. The afflictions and ambitions of Old World were again working to America's advantage
6. After a great deal of haggling, a memorable treat known as the Convention of 1800 was signed in Paris—France agreed to annul the 22 year-old alliance but as a kind of alimony, the United States agreed to pay the damages claims of American shippers
7. John Adams deserves immense credit for his belated push for peace, even though he was moved in part by jealousy of Hamilton; Adams not only avoided the hazards of war, but also unwittingly smoothed the path for peaceful purchase of Louisiana three years later
8. President Adams, the bubble of his popularity pricked by peace, was aware of his signal contribution to the nation—he knew that he helped preserve peace with France

Q. The Federalist Witch Hunt

1. Exulting Federalists had meanwhile capitalized on the anti-French frenzy to drive through Congress in 1798 laws designed to muffle or minimize their Jeffersonian foes
 1. The first of these oppressive laws was aimed at supposedly pro-Jeffersonian "aliens"
 2. Most European immigrants, lacking wealth, were scorned by the aristocratic Federalist party but were welcomed as votes by the more democratic Jeffersonians

3. The Federalist Congress erected a disheartening barrier by raising the residence requirements for aliens who desired to become citizens from five years to fourteen; the new law violated the traditional American policy of hospitality and assimilation
 4. Two additional Alien Laws struck heavily at undesirable immigrants; the president was empowered to deport dangerous foreigners in time of peace and to deport or imprison them in time of hostilities—arbitrary grant of executive power
 5. The “lockjaw” Sedition Law, the last measure of the Federalist clampdown, was a direct slap at two priceless freedoms guaranteed in the Constitution by the Bill of Rights—freedom of speech and freedom of the Press (First Amendment)
 6. This law provided that anyone who impeded the policies of the government or falsely defamed its officials would be liable to a heavy fine and imprisonment (justified?)
2. Many outspoken Jeffersonian editors were indicted under the Sedition Act and ten were brought to trial; all of them were convicted, often by packed juries and prejudiced judges
 1. Some of the victims were harmless partisans, who should have been spared the notoriety of martyrdom and among them was Congressman Matthew Lyon who had earlier gained fame by spitting in the face of a Federalist, was sentenced to four months in jail for writing of President Adams’s thirst for pomp, adulation, and avarice
 2. The Sedition Act seemed to be in conflict with the Constitution but the Supreme Court, dominated by Federalists, was of no mind to declare this law unconstitutional
 3. This attempt by the Federalists to crush free speech and silence the opposition party, high-handed as it was, made many converts for the Jeffersonians
 3. Yet the Alien and Sedition Acts, despite pained outcries from the Jeffersonians, commanded widespread popular support; anti-French hysteria played directly into the hands of witch-hunting conservatives; in the congressional elections of 1798-1799, the Federalists, riding a wave of popularity, scored one of the most sweeping victories

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

1. Resentful Jeffersonians naturally refused to take the Alien and Sedition Laws lying down
 1. Jefferson feared that if the Federalists managed to choke free speech and free press, they would then wipe out other precious constitutional guarantees; his own fledgling political party might even be stamped out of existence (one-party dictatorship)
 2. Fearing prosecution for sedition, Jefferson secretly penned a series of resolutions, which the Kentucky legislature approved in 1798 and 1799; his friend and fellow Virginian James Madison drafted a similar but less extreme statement of the resolutions, which was adopted by the legislature of Virginia in 1798
2. Both Jefferson and Madison stressed the compact theory; this concept meant that the thirteen sovereign states, in creating the federal government, had entered into a

“compact” or contract, regarding its jurisdiction—the national government was consequently the agent or creation of the states (individual states were the final judges)

3. Invoking this logic, Jefferson’s Kentucky resolutions concluded that the federal regime had exceeded its constitutional powers and that with regard to the Alien and Sedition Acts, “nullification”—a refusal to accept them—was the “rightful remedy”
4. No other state legislatures, despite Jefferson’s hopes, fell into line; some flatly refused to endorse the Virginia and Kentucky resolutions; others added ringing condemnations
5. Many Federalists argued that the people, not the states, had made the original compact, and that it was up to the Supreme Court to nullify unconstitutional legislation; this practice, though not authorized by the Constitution, was finally adopted by SC in 1803
6. The Virginia and Kentucky resolutions were a brilliant formulation of the extreme states’ rights view regarding the Union indeed more sweeping in their implications than intended
7. They were later used by southerners to support nullification and ultimately secession; their resolutions were basically campaign documents designed to crystallize opposition to the Federalist part and to unseat it in the upcoming presidential election of 1800

S. Federalists Versus Democratic-Republicans

1. As the presidential contest of 1800 approached, the differences between Federalists and Democratic Republicans were sharply etched
 1. Most federalists of the pre-Constitution period became Federalists in the 1790s; largely welded by Hamilton into an effective group by 1793, they openly advocated rule by the “best people”—“those who own the country ought to govern it”
 2. Hamiltonians distrusted full-blown democracy as the fountain of all mischiefs and feared the “swayability” of the untutored common folk of America
 3. Hamiltonian Federalists also advocated a strong central government with the power to crush democratic excesses like Shays’ Rebellion, protect the lives and estates of the wealthy, and subordinate the sovereignty-loving states of the United States
 4. They believed that government should support private enterprise and this attitude came naturally to the merchants, manufacturers, and shippers along the Atlantic seaboard, who made up the majority of Federalist support (fewer Hamiltonians)
 5. Federalists were also pro-British in foreign affairs; some of them still harbored mildly Loyalist sentiments from pre-Revolutionary days—all of them recognized that foreign trade, especially with Britain, was a key cog in Hamilton’s fiscal machinery
2. Leading the anti-Federalists, who came eventually to be known as Democratic-Republicans, was Thomas Jefferson; although he was unable to deliver a rabble-rousing speech, he became a master political organizer through his ability to lead people

3. His strongest appeal was to the middle class and to the underprivileged
4. Liberal-thinking Jefferson, with his aristocratic head set on a farmer's frame was a bundle of inconsistencies; a so-called traitor to his upper class, Jefferson cherished uncommon sympathy for the common people, the downtrodden, the oppressed, and the persecuted
5. Jeffersonian Republicans demanded a weak central regime—the best government was the one that governed the least; the bulk of the power should be retained by the states
 1. There the people, in intimate contact with local affairs, could keep a more vigilant eye on their public; central authority was to be kept at a minimum through a strict interpretation of the Constitution; the national debt was to be paid off
 2. Jeffersonian Republicans insisted that there should be no special privileges for special classes, particularly manufacturers—agriculture was the favored branch of economy
 3. Above all, Jefferson advocated the rule of the people; he favored government for the people, but not by all the people—only by those men who were literate enough
 4. Universal education would have to precede universal suffrage and the ignorant were thus incapable of self-government; he had faith in the masses and collective wisdom
6. Landlessness among American citizens threatened popular democracy like illiteracy; he feared that the propertyless dependents would be political pawns in the hands of their landowning superiors; how could the emergence of a landless class of voters be avoided?
 1. The answer, in part, was by slavery—a system of black slave labor in the South ensured that white yeoman farmers could remain independent landowners
 2. Without slavery, poor whites would have to provide the cheap labor so necessary for the cultivation of tobacco and rice, and their low wages would preclude their ever owning property; Jefferson thus tortuously reconciled slaveholding with democracy
7. Jefferson's confidence that white, free men could become responsible and knowledgeable citizens was open-minded; he championed their freedom of speech, for without free speech, the misdeeds of tyranny could not be exposed
8. Jeffersonian Republicans were basically pro-French; they earnestly believed that it was to America's advantage to support the liberal ideals of the French Revolution
9. So as the young Republic's first full decade of nationhood came to a close, the Founders' hopes seemed already imperiled; conflicts over domestic politics and foreign policy undermined the unity of the Revolutionary era and called into question viability
10. As the presidential election of 1800 approached, the danger loomed that the fragile and battered American ship of state would founder on the rocks of controversy