

Chapter 10: Launching the New Ship of State (1789—1800)

Growing Pains

Recall

Notes

- Constitution launched in 1789
- U.S. population was doubling every 25 years
 - official census of 1790 had 4 million people
 - 90% of the population were rural, living east of the Appalachians
- Kentucky, Ohio, Tennessee were created
 - these westerners lived near the Spanish and British who constantly talked about independence and freedom
 - Americans wondered if their government would ever mature

Washington for President

Recall

Notes

- George Washington was drafted as president by the Electoral College unanimously
 - he preferred Mount Vernon as to politics but he went to be president anyways
- took the oath of office on April 30, 1789 over Wall Street
- Washington established a cabinet
 - the Constitution does not specifically mention a cabinet, but Washington created one anyways

The Bill of Rights

Recall

Notes

- antifederalists criticized the Constitution for not protecting individual rights
- amendments were only proposed in two ways
 - requested by two-thirds vote of the states
 - requested by two-thirds vote of both halves of Congress
- James Madison drafted amendments himself
 - guided them through Congress
- first ten amendments to the Constitution were known as the **Bill of Rights**
 - protects freedom of religion speech, the press, the right to bear arms, the right to be tried by a jury
 - prohibited cruel and unusual punishments
 - Ninth and Tenth Amendment were important **REVIEW**
- Congress created federal courts under the **Judiciary Act of 1789**
 - organized Supreme Court with a chief justice and five associates

- federal district and circuit courts
- John Jay became first chief justice

Hamilton Revives the Corpse of Public Credit

Recall

Notes

- Alexander Hamilton was the Treasury Secretary
 - critics said he loved the country more than its people
- Hamilton regarded himself as a prime minister in Washington's cabinet
- originally set out to fix the economic situation that screwed up the Articles of Confederation
 - wanted policies to favor wealthier groups so they would donate to the government when needed
- first wanted to bolster national credit
 - needed public confidence in the government
 - told Congress to "fund" the national debt "at par"
 - **funding at par** meant the government paid off its debt at face value and with interest, around \$54 million
 - urged Congress to take on state debt, about \$21.5 million
- Pennsylvania, who had a large debt, supported Hamilton's proposal
- Virginia, who did not have a large debt, disliked Hamilton's proposal and how it would give the District of Columbia more commerce and prestige
 - Hamilton persuaded Thomas Jefferson to convince people in Congress and Virginia ended up taking the district on the Potomac in 1790

Customs Duties and Excise Taxes

Recall

Notes

- national debt had swelled to \$75 million after Hamilton insisted on dealing with state and federal debt
- Hamilton, deemed "Father of the National Debt", was not worried
 - thought the national debt was a "national blessing" that stuck the Union together
 - used the debt as a liability for the financial system and the government
- customs duties, taken from tariffs, were supposed to pay off debt
- the first **tariff** law was passed by Congress in 1789
 - 8% on dutiable imports
- Hamilton saw the Industrial Revolution coming and wanted to protect manufacturing groups, but Congress, still heavily favoring agriculture and commerce, only increased minimally during Washington's presidency
- placed an **excise tax** on domestic items, mainly whiskey
 - 7 cents a gallon by distillers living in the backcountry

Hamilton Battles Jefferson for a Bank

Recall

Notes

- Hamilton proposed a bank of the United States
 - private institution, where the government was the major stockholder and the federal Treasury would deposit surplus monies
 - print paper currency and provide a national currency
- Thomas Jefferson argued against it
 - said there was no authorization for this complicated of a bank
 - powers not specifically granted to the government came down to the states
 - states had the power to charter banks, not Congress
- Hamilton believed that whatever the Constitution did not specifically forbid, then it permitted; Jefferson the opposite
- Hamilton claims that "*Congress may pass any laws 'necessary and proper' to carry out the powers vested in various government agencies.*"
 - national bank was necessary to deal with taxes and regulate trade
- George Washington accepted Hamilton's arguments and signed the bank measure into a law
- the **Bank of the United States** was created by Congress in 1791
 - have a capital of \$10 million, 1/5 owned by the federal government
 - open to public sale

Mutinous Moonshiners in Pennsylvania

Recall

Notes

- **Whiskey Rebellion** in Pennsylvania in 1794 challenged the new national government
- Hamilton's new taxes challenged pioneer folk
 - didn't see it as a tax on luxury but a burden on the economy
- rye and corn crops made into alcohol were transported cheaper than actual grain
 - distillers created whiskey poles and called "*Liberty and No Excise*"
- Washington alarmed by "self-created societies"
 - summoned militia of several states
 - rallied about 13,000 troops and marched to western Pennsylvania
 - the "Whiskey Boys" were overawed, dispersed, captured
- Washington's government commanded new respect after the Whiskey Rebellion
 - critics said it exerted too much power on a simple problem

The Emergence of Political Parties

Recall

Notes

- Hamilton had established credibility of the government
 - the Treasury could borrow money from other countries
 - financial successes included funding, assumption, the excise tax, the bank, suppression of the Whiskey Rebellion

- financial successes created political liability
 - crowded into states' rights
 - Americans would have never approved the new Constitution if they knew how much power it took away from the states
 - an opposition to Hamilton began to build
 - fueled by the rivalry between Hamilton and Jefferson
- national political parties had not yet existed in America
 - there were previous opposing factions
 - Whigs and Tories
 - federalists and antifederalists
 - factions were important when they were debating over issues, but faded away as soon as the topic was over
- nobody predicted opposition to the government in the form of a party
- more people started opposing Hamilton
 - creation of the two party system in the 1790s
 - competition between parties has proven to be an ingredient for a good democracy
 - the losing political party has to balance the winning one so that it doesn't move out of favor with its people

The Impact of the French Revolution

Recall

Notes

- after Washington's inauguration in 1798, the French Revolution started a few weeks later
 - 26 years would pass before Europe stopped fighting with itself
- French Revolution was a global event that affected the Americans as well
- Americans first cheered when they saw the French politically restrain Louis XVI
 - thought that it was like a part 2 of their own revolution
- 1792 France declared war on Austria
 - France proclaimed itself a republic
 - Americans enthusiastically sang "The Marseillaise" and other French Revolutionary songs
- French king was beheaded in 1793, the church was attacked
 - the **Reign of Terror** had started
- in America, Jeffersonians had initially supported the French, but not anymore
- it was somewhat fair to pay for freedom through beheading a few thousand aristocrats
- Britain got sucked into the conflict with France and ideas started spreading to America

Washington's Neutrality Proclamation

Notes

Recall

- Franco-American alliance of 1778 forced America to help the French if the French West Indies was ever attacked
- Jeffersonian Democratic-Republicans honoring the alliance
 - they wanted to get more revenge on Britain
- President Washington, not swayed, backed by Hamilton, wanted to avoid war at all costs
 - American in 1793 was militarily weak, economically weak, and politically disunited
 - Washington wanted to ignore Europe for about another generation
 - populous enough to assert dominance
- strategy of delay while the birthright fought America's battles
- President Washington issues **Neutrality Proclamation** in 1793 right after France and Britain go to war
 - said the government was neutral in the following conflict
 - strongly warned Americans to stay neutral
 - pro-French Jeffersonians were annoyed that Washington had not ran the proclamation through Congress first; pro-British Federalists were relieved
- 30 year old representative of the French Republic, Citizen Edmond Genet started to take advantage of the Franco-American alliance
 - swept away by Jeffersonian Republicans
 - thought that the Neutrality Proclamation did not represent the views of Americans
- Genet recruited armies to invade Spanish Florida, Louisiana, as well as British Canada
 - Washington demanded he be removed after James Madison and even Thomas Jefferson were confused
- Washington's proclamation showed that self-interest is the basis of alliances
 - in 1778, France and American both had something against Britain
 - in 1793, only France would gain an advantage if they won

Embroidments with Britain

Recall

Notes

- Britain tried again and again to passively force America to violate the neutrality policy
 - didn't abandon the fur trade
 - kept trying to rally Indians to fight against Americans and sold them firearms
- in 1790, Little Turtle, war chief of the Miamis, led his warriors to defeat American generals Josiah Harmar and Arthur St. Clair
- in 1794, General "Mad Anthony" Wayne routed the Miamis at the **Battle of Fallen Timbers**
 - the British refused to shelter the Indians when it mattered the most
 - the Indians offered the peace pipe to Wayne
- Indians ceded their land in the **Treaty of Greenville**, signed in August 1795, for \$20,000 and \$9,000 annually plus the right to hunt on the lands they ceded
- Britain had previously expected American to defend France under their Franco-American alliance, and snatched 300 American merchant ships in the West Indies
 - forced men to serve for the British

- threw other men into dungeons
- Jeffersonians were outraged, demanded to fight George III
- Federalists resisted all forms of action
 - warring with Britain, who was still the world's most powerful commercial empire, would have brought down the Hamiltonian financial system

Jay's Treaty and Washington's Farewell

Recall

Notes

- in a last attempt to avoid war, President Washington sends Chief Justice John Jay to London in 1794
 - Jeffersonians were unhappy, fearing that a Federalist and Anglophile would sell out their country
 - alarmed them even more when Jay kissed the queen's hand upon presentation
- Jay entered negotiations at a disadvantage thanks to Hamilton, who wanted to avoid war so bad he told the British the details of American's bargaining
 - British promised to evacuate American soil, pay damages for recent ship captures, but would not guarantee not capturing future ships or giving supplies to Indians
 - forced Jay to agree by recounting debts America still owed before the Revolutionary War even started
- Jeffersonians, who were concentrated in the South, were very angry
 - they had to pay most of the debt back to Britain while the rich Federalists were collecting payment for the damages to American ships
 - Jefferson mobs hanged, burned, guillotined figures of John Jay
 - even George Washington became less popular
- **Jay's Treaty** ended up having other consequences too
 - Spain hastily struck an alliance with America in fear that they would be crushed by an Anglo-American alliance
 - **Pinckney's Treaty** of 1795 granted the Americans everything they wanted
 - free navigation of the Mississippi
 - warehouse rights
 - Florida
- Washington retired after his second term and established the tradition of two-term presidencies
 - Washington made a **Farewell Address** which advised against strong permanent alliances with other countries
- Washington made many contributions as president
 - central government solidly established
 - merchant marines plowing the seas
 - did not enter foreign affairs or wars
- but the country was not very grateful and criticism came at Washington from both sides by his exit in 1797

John Adams Becomes President

Recall

Notes

- Hamilton had enough experience to succeed George Washington, but his financial policies made him extremely unpopular
- Federalists forced to elect Washington's vice president, John Adams
 - Democratic-Republicans rallied behind Thomas Jefferson
- heavy political campaigning in 1796
 - Federalists referred to Jeffersonians as "*fire-eating salamanders, poison-sucking toads*."
- Jefferson still had remnants of crushing the Whiskey Rebellion too harshly and negotiation of the treaty with John Jay
- John Adams won with heavy support in New England, 71 to 68 Electoral College votes
 - Jefferson became vice president and the two never spoke to each other
 - "*His Rotundity*"
 - he had no appeal to the masses and citizens regarded him with "respectful irritation"
- Hamilton had resigned from the Treasury and was now heading the war federation of the Federalist Party
 - plotted against the President with members of his cabinet

Unofficial Fighting with France

Recall

Notes

- France hated Jay's Treaty
 - saw them potentially getting friendly with Britain, who was France's enemy
 - saw the treaty as a violation of the Franco-American alliance
 - seized American merchant vessels
 - refused to accept American's new envoy and tried to arrest him
- John Adams, trying to maintain Washington's policy, tried to negotiate with France and appointed three men, one of which was John Marshall, future chief justice
 - wanted to meet with Charles Maurice de Talleyrand, French foreign minister
 - instead approached by inbetweeners, who were named X, Y, and Z, who demanded a loan of 32 million florins and \$250,000 through bribes for trying to talk to Talleyrand
- American trio refused and John Marshall was hailed as a hero for standing his ground
- the **XYZ Affair** sent war hysteria through the United States, even disturbing President Adams
 - Federalists delighted, Jeffersonians ashamed at their French friends
 - war preparations began feverishly even though Jefferson riled up an opposition in Congress
 - United States Marine Corps reestablished in 1775, originally disbanded at the end of the Revolutionary War
 - an army of 10,000 men was authorized but not raised
 - American privateers captured 80 armed French vessels but hundreds of Yankee ships were captured by the enemy

Adams Puts Patriotism Above Party

Recall

Notes

- France didn't really want a war
 - the British were actually sending America supplies
- President Adams refused to enter a war while the country was still weak
- early 1799, Adams wanted to go to France to negotiate again **REVIEWp196**
- America's three envoys went to France to talk to "Little Corporal" Napoleon Bonaparte who just became dictator
- the **Convention of 1800** was signed in Paris
 - America agreed to pay ship damages, France annulled the Franco-American alliance
- Adams avoided war all the way to the end
 - smoothed the path to purchase Louisiana three years later
 - wanted his tombstone to say, *"Here lies John Adams, who took upon himself the responsibility of peace with France in the year 1800."*

The Federalist Witch Hunt

Recall

Notes

- Federalists tried to squash Jeffersonians through the anti-French frenzy and created laws to weed them out
 - raised residence requirements to vote from 5 years to 14 years
 - wanted less wealthy Europeans to stop voting in favor of the Jeffersonians
 - Federalist party was mostly wealthy and aristocratic
- two more **Alien Laws** were aimed towards undesirable immigrants
 - president could deport or imprison foreigners in times of hostility
 - laws were never actually enforced
- **Sedition Act** targeted freedom of speech and freedom of the press
 - anyone who spoke falsely about the government was liable to a fine or imprisonment
 - many popular Jeffersonians were tried and found guilty under the Sedition Act, famously Congressman Matthew "the Spitting Lion" Lyon
- Sedition Act directly went against the Constitution, but the Supreme Court who was ruled by Federalists, did not declare it unconstitutional
 - ended up converting neutrals to Jeffersonians
- anti-French ideas actually gained support and helped win the most sweeping congressional election for the Federalists

The Virginia (Madison) and Kentucky (Jefferson) Resolutions

Recall

Notes

- Jeffersonians refused to take the Alien and Sedition Acts
- Jefferson feared the Federalists could continue making more unconstitutional acts
 - could have led to the Jeffersonian party disbanding and sliding down a path to dictatorship
- Jefferson secretly wrote a series of resolutions which the Kentucky legislature approved in 1798 and 1799
- Madison also wrote a less extreme statement which the Virginia legislature adopted in 1798
- Jefferson and Madison stressed the compact theory
 - the 13 states had entered a "compact" and the government could be no better than the representatives of the states
 - states got the final say in whether their agent had broken the "compact"
 - Kentucky nullified the Alien and Sedition acts
- no other states besides Kentucky and Virginia agreed with Jefferson and Madison
 - they argued that the people made the compact, not the states
 - up to the Supreme Court to decide
- the **Virginia and Kentucky resolutions** had started to decide views in the states' rights view and the Union
 - used by Southerners to nullify acts and then secede from the Union
- Jefferson and Madison only wanted to unseat the Federalist party in the next election

Federalists Versus Democratic-Republicans

Recall

Notes

- as the election of 1800 approached, Federalists and Democratic Republicans started to take more extreme views on situations
 - Federalists in the 1790s came from before the Constitution era
 - promoted by Hamilton to be the "best people"
 - *"Those who own the country ought to govern it."* -John Jay
- Hamiltonians (Federalists) distrusted full blown democracy and feared the "swayability" of common folk
 - wanted to have enough power to crush rebellions
 - wanted to protect the lives and property of the wealthy and promote foreign trade
 - believed government should support private companies but not interfere with them
 - naturally came from merchants, manufacturers, and shippers along the Atlantic seaboard
- more inland towards the middle of the country were the anti-Federalists who became to be known as the Democratic-Republicans
- Thomas Jefferson rivaled Alexander Hamilton and the two opposed each other in every way
- Jefferson became a leader in organizing and leading his people rather than giving speeches
 - appealed to the middle class and the underprivileged like farmers, laborers, artisans, shopkeepers

- Jefferson was inconsistent
 - should have been a Federalist as he was an aristocrat and a slaveowner
 - but he cherished sympathy with the average man
 - *"I have sworn upon the altar of God eternal hostility against every form of tyranny over the mind of man."*
- Jefferson-Republicans wanted a weak central government
 - the best government is the one that governs the least
 - no special privileges for special classes
 - favored government for the people but not by all people
 - only allowed those who were literate enough to inform themselves to vote
 - the ignorant were incapable of self government
- Jefferson feared that not owning land would be comparable to being illiterate in terms of political disadvantage
 - knew that slave labor allowed white farmers to have a voice in the government
- even though Jefferson argued for all newspapers and freedom of speech, he still received so much criticism almost comparable to Abraham Lincoln
- differences clearly defined themselves between Hamilton and Jefferson
 - Hamilton wanted to build a strong national state that could expand commercial interests overseas; Jefferson wanted to strengthen democracy at home and beyond the Appalachians
- questions about whether Americans could really support a complete democracy
 - many thought it would collapse as the election of 1800 came