

Launching the New Ship of State 1789-1800



CHAPTER 10



Growing Pains



- After 1789, American population continues to grow at an amazing rate
- Population about 90% rural
- 95% of population still lives east of the App. Mtns.
- Frontier population concentrated in KY, TN, and OH

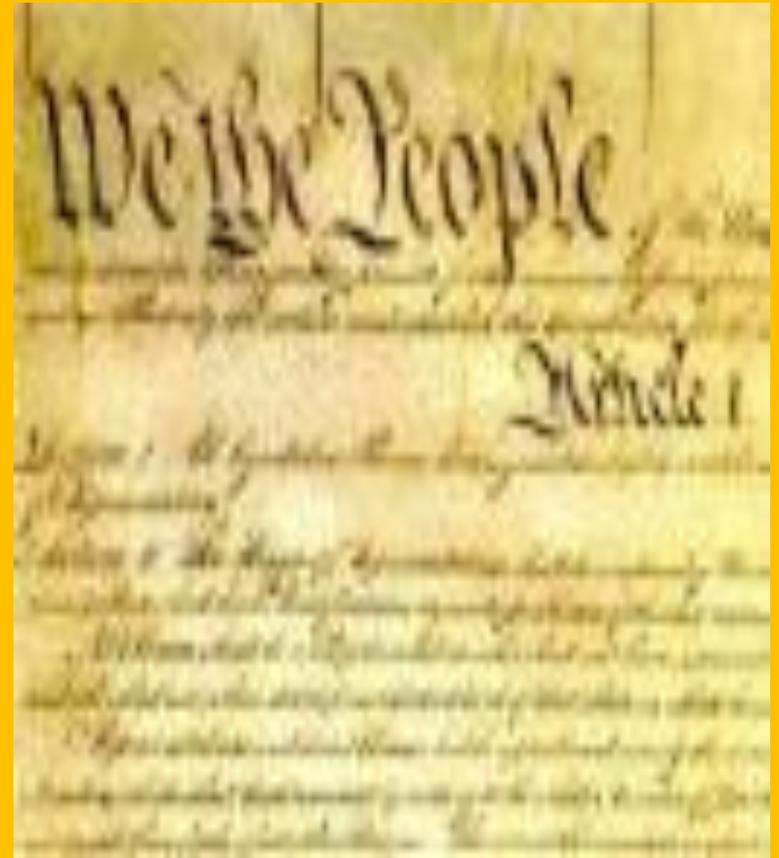
Washington for President



- 1789 – George Washington chosen unanimously by Electoral College as first President
- Washington's cabinet
 - Secretary of State – Thomas Jefferson
 - Secretary of the Treasury – Alexander Hamilton
 - Secretary of War – Henry Knox

The Bill of Rights

- Many antifederalists criticized the fact that the Constitution lacked a bill of rights
- Many states ratified the constitution with the understanding that guarantees of personal liberty would later be added as amendments
- Amendments could be proposed in two ways
 - Calling of a constitutional convention
 - 2/3 vote of both houses of Congress



The Bill of Rights



- James Madison guided the Bill of Rights through Congress himself
- Adopted in 1791, Bill of Rights = first ten amendments to the Constitution
- Freedom of speech, religion, press
- Right to bear arms, trial by jury, right to assemble
- Cruel and unusual punishment

The Bill of Rights



- 9th and 10th Amendments
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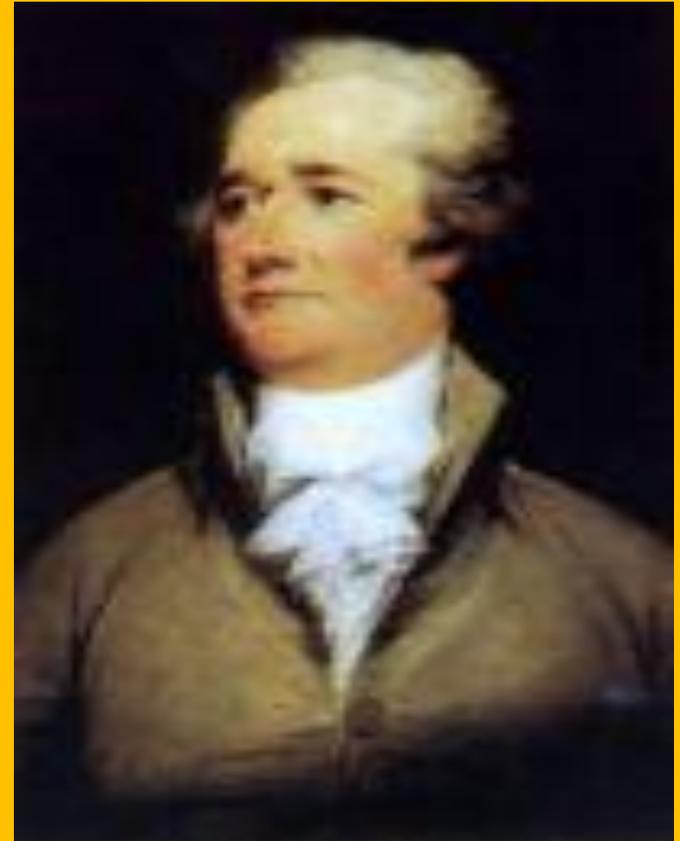
- Judiciary Act of 1789

Organized the Supreme Court; Chief Justice and 5 associates

- John Jay becomes first chief justice of the Supreme Court

Hamilton Revives the Corpse of Public Credit

- Financial head = Alexander Hamilton
- Many questioned his allegiance...
- Shaped fiscal policies in order to help wealthier people
 - In turn, those people would lend support and money to the new government
 - ✦ Prosperity would “trickle down”



Hamilton Revives the Corpse of Public Credit



- First objective = bolster national credit
- Hamilton wanted people to TRUST the new government...
- Plan #1 – Congress should reimburse war bonds at face value + INTEREST
- Bonds being sold at 10-15 cents on the dollar
- Speculators bought up as many bonds as they could with the hopes of getting rich...

Hamilton Revives the Corpse of Public Credit

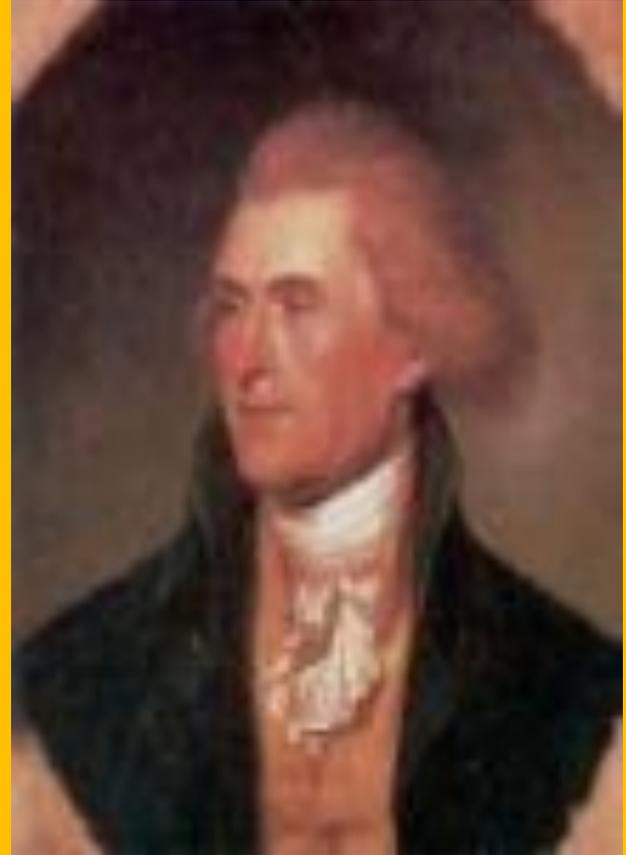


- Hamilton favors ASSUMPTION (federal govt. takes responsibility for state debt)
- Wealthy now ATTACHED TO THE FED GOVT, NOT THE STATES!!!
- States with heavy debt(MA) obviously loved the plan...
- What if a state had paid off most of their debt (VA)?

Compromise of 1790



- Fed govt. assumes state debt
- Capitol moved to along Potomac River (D.C.)



Customs Duties and Excise Taxes



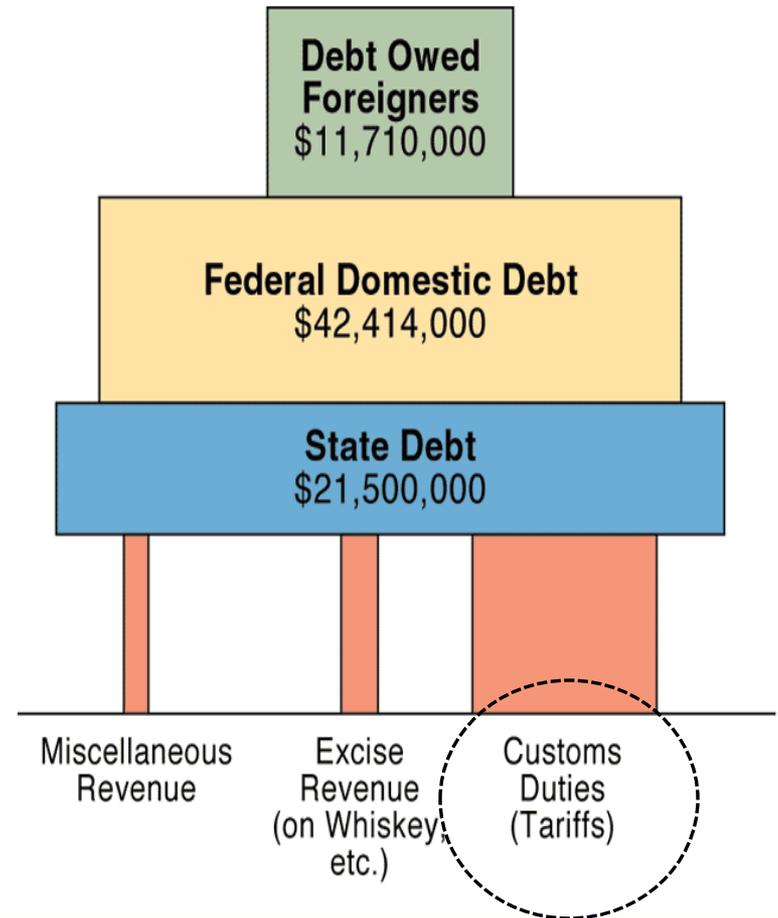
- National debt at \$75 million
- What is it today?
- To Hamilton, the national debt was a blessing in disguise
- If the govt. owes people money, would people have more of a stake in the success of the govt.?

YES

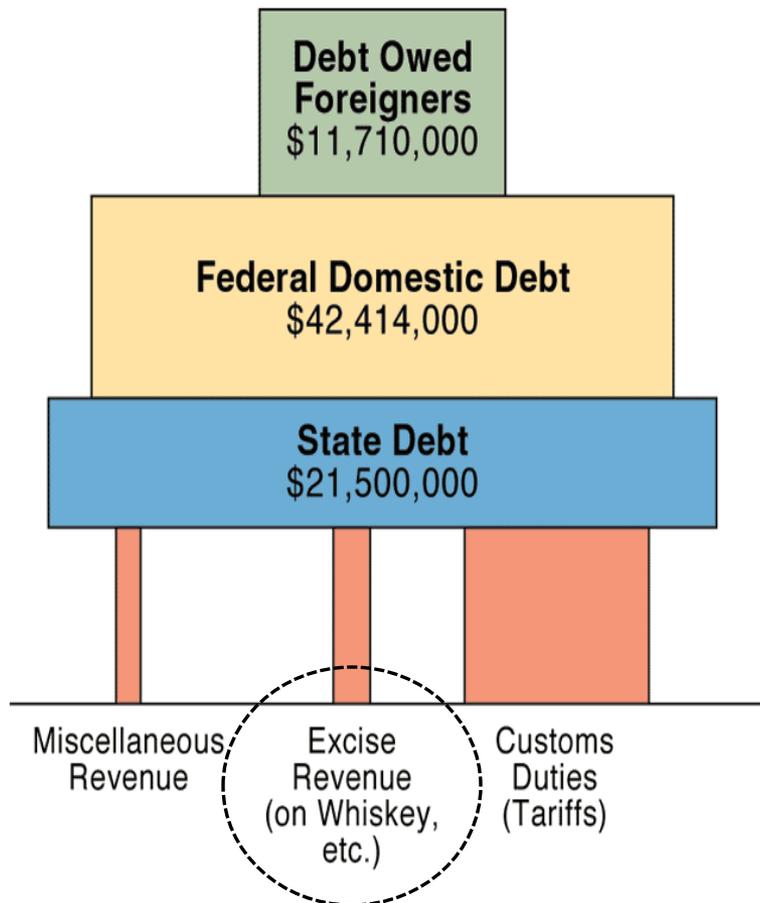
“Show Me the Money!!!”

- 1789
- Tariffs were aimed at accomplishing goals:
 - Generating revenue
 - Protecting American industry

Hamilton wanted to make sure that the Industrial Revolution reached America



“Show Me the Money!!!”



- 1791 – Congress places an excise tax on a few domestic items (whiskey: remember this!)
- Whom did this affect?

Hamilton Battles Jefferson for a Bank



- Capstone for Hamilton's financial plan = Bank of the United States
- Hamilton modeled this after the English!
- Jobs of the bank
 - Financial institution in which govt. is the major stockholder
 - Place for federal treasury to keep its money
 - Provide sound and stable currency (paper money)

Is it constitutional??????

Hamilton Battles Jefferson for a Bank

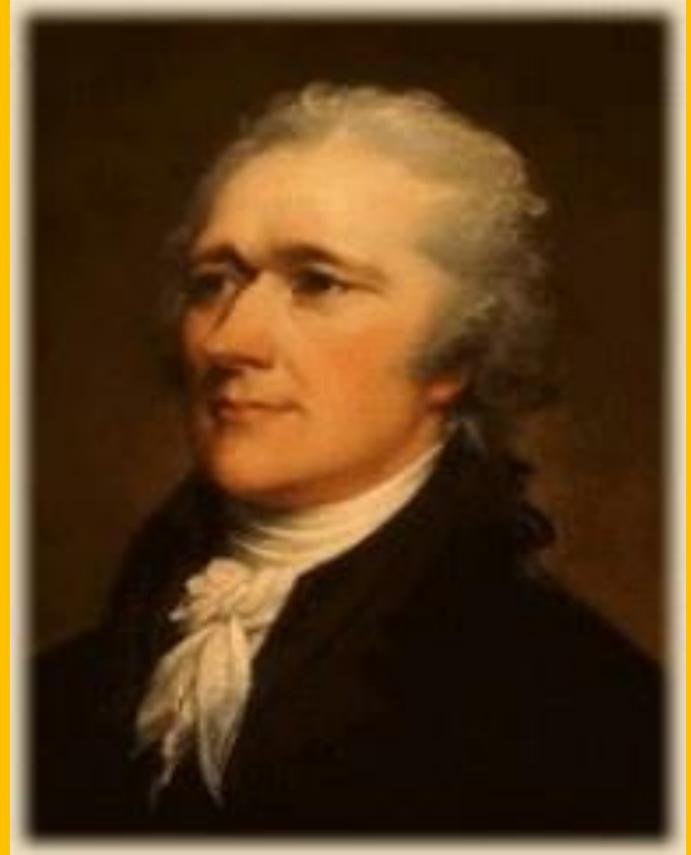


- Jefferson argued that the bank was indeed unconstitutional
- No SPECIFIC authorization in the Constitution; all other powers should be reserved to the states
- Jefferson was a “strict constructionist”
Just wait...

Hamilton Battles Jefferson Over a Bank



- Hamilton cites the “necessary and proper” clause in defense of the bank
- According to this, Congress may pass any laws necessary and proper to carry out the powers vested in various govt. agencies (Art. I, Sec. 8)
- Hamilton wanted a “loose” interpretation of the Constitution (loose constructionist”
- Elastic clause



Hamilton Battles Jefferson Over a Bank



- Hamilton wins the argument after being accepted by George Washington
- Sectional disagreements (North in support, South not)
- Bank of the United States established in 1791 in Philadelphia (20 year charter)

Whiskey Rebellion



- Southwestern Pennsylvania, 1794
- Farmers resent the high excise tax on their product
- Farmers refuse to pay tax, tar and feather collectors
- At the request of Hamilton, Washington disperses state militias (15,000 men)
- “Whiskey Boys” in awe, end rebellion
- Significance: The central govt. **COMMANDS RESPECT**
Was it TOO MUCH???

The Emergence of Political Parties



- While successful, Hamilton's financial program opened the door to opposition (states rights' advocates)
- Hamilton and Jefferson become political rivals
- Up until this point, there were political faction, but not **PARTIES**

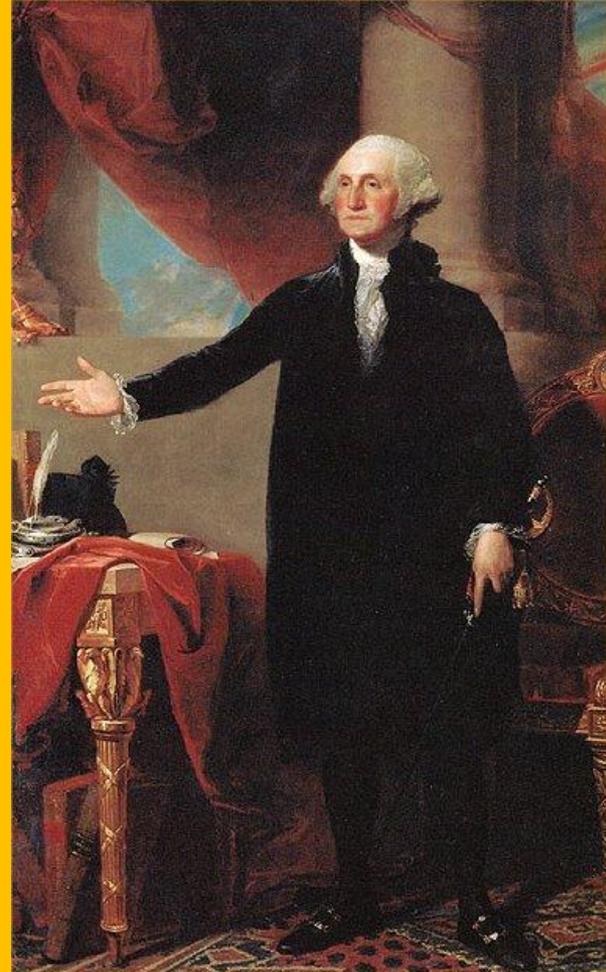
The Emergence of Political Parties



- Founders did not envision the existence of permanent political parties
- Reason: Diluted national unity
- Political parties keep the govt. honest!!!!
Brings balance

The Impact of the French Revolution

- By the time Washington's first term ended in 1793, two political camps had emerged
- Hamilton = Federalists
- Jefferson = Democratic-Republicans



The Impact of the French Revolution



- French Revolution began in 1789
- French Revolution sent “tremors” through the Western world
- Early stages = peaceful
The “Second Chapter”

Heads Begin to Roll



- 1792 – Revolution enters a more bloody period (to say the least) when France declares war on Austria
- France officially proclaimed itself a republic
- French king beheaded in 1793, church attacked, Reign of Terror
- Reaction of American politicians:
 - Jeffersonians – Regretted bloodshed, but worth it in the long run
 - Federalists – Not good
- Britain sucked into the conflict
 - Conflict spreads

Washington's Neutrality Proclamation



- American and French as allies...forever?
- Americans obligated to help defend West Indies from British
- Jeffersonians – Help the French; repay the “debt”
- Washington wanted to avoid war
- American in the “infant stage”
Economically, politically, militarily weak

Washington's Neutrality Proclamation



- The strategy of delay
- Washington issues the Neutrality Proclamation in 1793 (did not consult Congress)
 - Proclaimed govt. neutrality in the French / British conflict

Citizen Genet

Neutrality helped the French!

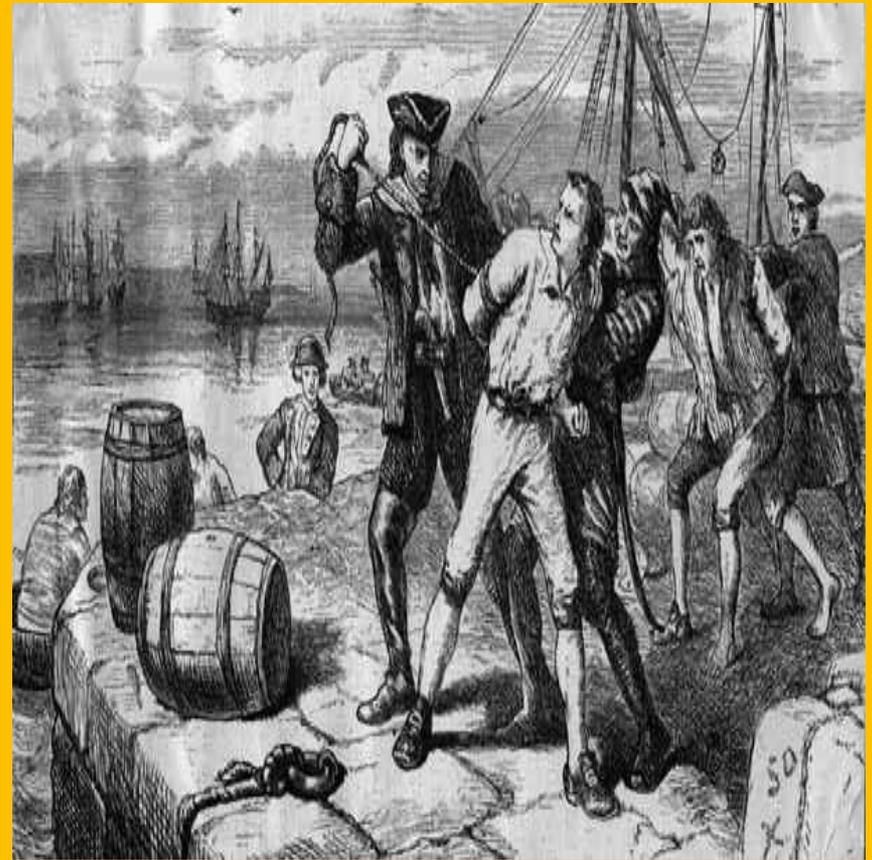
Embroidments with Britain



- In defiance of the Treaty of Paris, the British continued to occupy northern frontier posts
- British did not want to abandon the fur trade in the Great Lakes region; also wanted to build Indian buffer to contain America
- Little Turtle terrorizes the frontier
- Treaty of Greenville – Indians surrender large amounts of land in NW Territory

Embroidlements with Britain

- British impressed American sailors, ignored American neutrality
- Jeffersonians call for economic retribution (nationwide embargo)
- Federalist reaction:



Jay's Treaty



- As a last ditch effort to avoid war, Washington sent Chief Justice John Jay to London; people worried about his allegiance to Federalists

- Results:

British promise to evacuate posts on U.S. soil (should have already been done!)

British agree to pay damages for seizure of American ships

America must repay pre-revolutionary debts

BRITISH MADE NO OTHER PROMISES ABOUT FUTURE REALTIONS WITH U.S.

Jay's Treaty



- Jeffersonians see treaty as a surrender to British
- Treaty helps Federalists, hurts Democratic-Republicans
- Fearing an American-British alliance, Spanish negotiate **Pickney's Treaty** in 1795
 - Free navigation of the MS River and territorial dsiputes north of FL

Farewell to Washington



- Washington decides to retire after two terms, setting a precedent for future presidents
- Advised the avoidance of “formal alliances”
- Accomplishments:
 - Central govt. solidly established
 - Kept the nation out of wars
 - Nation expanding (economically, geographically, etc.)
 - GOOD START

John Adams Become President

- Election of 1796 = Adams vs. Jefferson
- Partisan politics
- Jeffersonians cite Whiskey Rebellion, Jay's Treaty as failures
- Adams wins (71 to 68) in Electoral College



John Adams



- Did not appeal to the masses
- Big shoes to fill
- Hated by Hamilton
- Inherited a quarrel with France...

Unofficial Fighting with France



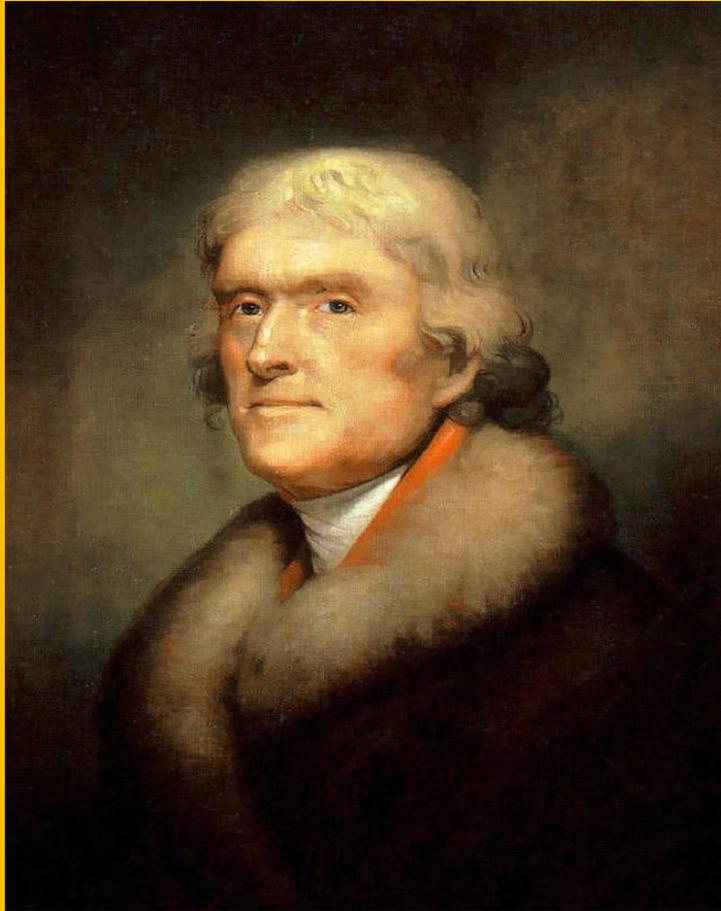
- French furious over Jay's Treaty ; claim it violates alliance
- Now the **FRENCH BEGIN SEIZING AMERICAN SHIPS!**
- Adams appoints a diplomatic commission to address the problem

XYZ Affair

- Diplomatic envoy reaches Paris in 1797 hoping to meet with French foreign minister Talleyrand.
- Instead, they are approached by 3 “go-betweens” who are given the title X, Y, and Z
- X,Y, and Z demand a loan and payment of \$250,000 just to speak with Talleyrand
- Negotiations break down



Unofficial Fighting with France



- People cry out for war against the French despite Jeffersonian opposition
- Navy Department created
- U.S. Marine Corps reestablished
- Army of 10,000 authorized
- Undeclared naval war between France and America (1798-1800)

Adams Puts Patriotism Above Party



- Talleyrand changes his mind...
- 1799 – Adams appoints a new minister to France (One last try...)
- Napoleon receptive to American envoy



Napoleon Bonaparte

Napoleon had major plans in the works (like taking over all of Europe).



Adams Puts Patriotism Above Party



- **Convention of 1800**

Alliance between France and U.S. ends

Americans pay damage claims of American shippers

Ending on good terms with the French sets up the

Alien and Sedition Acts (1798)



- Federalists push legislation through Congress aimed at minimizing the Jeffersonian political threat
- Since most immigrants connected politically with the Democratic-Republicans, naturally the Federalists sought to undermine this voting block
- Residence requirements for citizenship go from 5 to 14 years
- President given authority to deport “dangerous” foreigners during a time of peace

Alien and Sedition Acts



- Sedition Act

Direct violation of First Amendment (speech, press)

People who impeded the policies of govt. or falsely defamed its officials were subject to fines and/or imprisonment

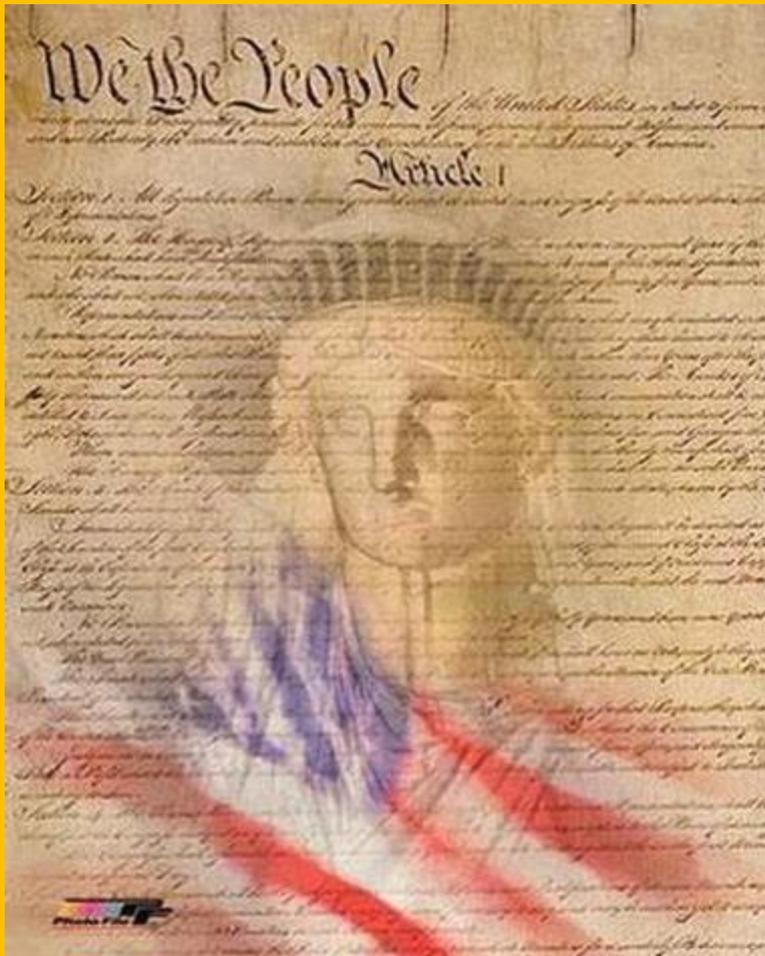
Who do you think was targeted by this act?

While it violated the Constitution, the Supreme Court had no problem with it. Why?

Short term: Federalist victory

In the long run, this HELPED Jefferson!

The Virginia and Kentucky Resolutions



- To Jefferson, if the Federalists were willing to clamp down on free speech, what would be next?
- In response, Jefferson and Madison drafted the VA and KY Resolutions
Fed. govt. has overstepped its boundaries

The VA and KY Resolutions



- In the KY Resolutions, Jefferson puts forth the doctrine of nullification
- Not widely popular at the time
- Fast Forward: Used to justify nullification, secession during the sectional crisis of the 1850s
- Solidifies positions of Federalists and Democratic-Republicans