

MR. LIPMAN'S APUS POWERPOINT CHAPTER 10

1789-1800

A NEW NATION TAKES ITS FIRST STEPS

▶ George Washington

- ▶ Unanimously elected president by the electoral college - the only nominee ever to be elected unanimously
- ▶ April 30, 1789 - took the oath of office in New York City (the temporary capital of the US at the time)
- ▶ American finances were in bad shape
 - ▶ Little money coming in through taxes
 - ▶ Huge amount of public debt
 - ▶ Worthless paper money in circulation; metal money was scarce

▶ Washington's cabinet

- ▶ Constitution only says president “may require” written opinions of the heads of executive branch departments
- ▶ The cabinet evolved into a group that held meetings and discussed policy
- ▶ Only 3 department heads were originally in the cabinet under Washington:
 - ▶ Secretary of State Thomas Jefferson
 - ▶ Secretary of the Treasury Alexander Hamilton
 - ▶ Secretary of War Henry Knox
 - ▶ The office of attorney general was added in 1789

The Bill of Rights

- ▶ Amendments to the Constitution could be proposed in 2 ways
 - ▶ A new constitutional convention could be requested by 2/3 of the states
 - ▶ Or by a 2/3 vote of both houses of Congress
- ▶ Madison chose to write amendments for the bill of rights and propose them through Congress
 - ▶ He did not want to open new a constitutional convention when the federalists had just barely won the last one

The Bill of Rights

The Bill of Rights Adopted in 1791

RIGHTS ADDRESSED	AMENDMENT
Freedom of expression	1. Freedom of religion, speech, press, assembly, and petition
Personal security	2. Right to bear arms 3. No quartering of troops without consent 4. Protection against unreasonable searches and seizures
Fair treatment under law	5. Right to presentation of indictment; guarantee against double jeopardy and self-incrimination; guarantee of due process of law and just compensation 6. Right to speedy and public trial 7. Right to jury trial in civil cases 8. Guarantees against excessive bail, fines, and punishments
Reserved rights and powers	9. Powers reserved to the people 10. Powers reserved to the states

Judiciary Act of 1789 first of many
such acts which lead to Modern
Federal Court System

Supreme Court
Circuit Courts of Appeal
District Courts

▶ Hamilton's financial goals for the US

- ▶ Fix economic problems from Articles
- ▶ Favor wealthy groups so that they would lend money and political support to the government
- ▶ Prosperity would then trickle down from the upper to lower classes
- ▶ Pushed for Congress to assume states' debts (\$21.5 million)

- ▶ Because of assumption, the national debt was now \$75 million (\$813,226,930.14 in 2005 \$)
 - ▶ If US hadn't followed Hamilton's strong desire to strengthen public credit it could not pay \$13 million in back interest or the state debts at all
- ▶ Hamilton's true objective for the national debt was to strengthen the US
 - ▶ The more creditors the government owed money to, the more people there would be with an interest in making sure the government worked
 - ▶ WASHINGTON D.C. CREATED AS COMPROMISE at dinner meeting with Jefferson

Customs Duties and Excise Taxes

- ▶ Tariffs (taxes on imports) on foreign trade
 - ▶ Hamilton's way to pay down the debt
 - ▶ Hamilton's and Congress's way of protecting weak American industry from foreign (especially British) competition
 - ▶ 1789 - first tariff law is a small 8% duty
 - ▶ Hamilton pushed for higher tariffs, but Congress (dominated by agricultural interests) only slightly increased tariff after 1789

- ▶ Internal taxes (within the US) were an additional way to pay down the debt
 - ▶ 1791 - Congress passed an excise tax on a few items
- ▶ Excise - an internal tax imposed on the production, sale, or consumption of a commodity or the use of a service within a country:
- ▶ The highest was a 7 cents per gallon tax on whiskey, paid primarily by distillers (this hurt rural farmers the most because they shipped excess farm produce to the East by turning it into alcohol first)

- ▶ Hamilton's excise tax on whisky hurt rural farmers who turned grain into whiskey for transportation across the mountains
 - ▶ Not a tax on a luxury but a burden on a necessity and a form of money
- ▶ 1794 - Whiskey Rebellion
 - ▶ Distillers tarred and feathered revenue officers, stopping collections
 - ▶ Cried for "Liberty and No Excise"

- ▶ Washington brought militia from several states to stop the Whiskey Rebellion
 - ▶ Initially there was a question of whether men from other states would unite to fight another state
 - ▶ An army of 13,000 did march to Pennsylvania
 - ▶ The rebels dispersed quickly
 - ▶ 2 men were convicted for rebellion; Washington pardoned them
 - ▶ The incident increased the power of the national government---showed it was strong

Hamilton vs. Jefferson for a Bank

▶ Hamilton's bank

- ▶ He admired Bank of England and proposed a powerful private institution similar to this bank, with the national government as majority stockholder
- ▶ The government would deposit money from the federal treasury there
 - ▶ This money would stimulate the economy by remaining in circulation (available for loans and investment)
- ▶ Would print paper money and provide a stable currency, backed by the government's deposits

▶ Jefferson opposed the bank

- ▶ Jefferson held to a “**strict**” construction (interpretation) of the Constitution
- ▶ There was no specific authorization for a bank in the Constitution
- ▶ Powers that were not specifically granted to the national government were reserved for the states (Amendment 10)
- ▶ Therefore, states had power to authorize banks, not the national government
- ▶ Hamilton held to a “**loose**” construction (interpretation) of the Constitution
- ▶ Anything the Constitution did not forbid it permitted

- ▶ Hamilton used the “necessary and proper” (“elastic”) clause (from Article I)
 - ▶ “The Congress shall have power ...To make all laws which shall be **necessary and proper** for carrying into execution the foregoing powers... from Article I, section 8
 - ▶ Government was explicitly authorized to collect taxes and regulate trade
 - ▶ A bank would help government carry out these powers
 - ▶ Therefore, the bank was implied (“implied powers”) in other explicit powers

- ▶ Hamilton's view prevailed; in 1791 the bank was created by Congress
 - ▶ Chartered for 20 years
 - ▶ Located at Philadelphia
 - ▶ Began with capital of \$10 million
 - ▶ 1/5 of the bank was owned by the federal government
 - ▶ Stock in the bank sold out quickly in a public sale

- ▶ Parties versus factions
 - ▶ Organized political parties did not exist during Washington's first term
 - ▶ Political divisions (Whigs and Tories, federalists and anti federalists) were factions, not parties
 - ▶ Groups who opposed each other and fought over specific issues
 - ▶ These groups disbanded after the issue had gone away but this changes as gov't grows
- ▶ By 1793 - political parties had formed
 - ▶ Democratic-Republicans (Jeffersonian)
 - ▶ Federalists (Hamiltonian)

French Revolution Brings Foreign Issues into Play for the New Country

- ▶ Revolution begins 1789 and is at first encouraged by Americans
- ▶ 1793 it turns radical - “reign of terror” and King Louis is beheaded
- ▶ Federalists turn against revolution and even Jefferson is upset at killing of aristocracy
- ▶ Britain looks to seek advantage against rival and that brings in America because of alliance

Washington and Neutrality

- ▶ Jefferson wants Washington to back French
- ▶ Hamilton wants Washington to stay neutral to avoid cost of war and loss of trade with Britain
- ▶ WASHINGTON DECIDED TO REMAIN NEUTRAL and issues *proclamation of 1793* so America stays out of British-French war conflict
- ▶ **Genet** arrives as ambassador for French to recruit America into conflict but instead Washington throws him out of the country

American Posts Held by the British After 1783



- ▶ Miami Confederacy - 8 Indian nations allied with British and British provided Indians with guns and alcohol

- ▶ Indians saw the Ohio River as US's northern boundary (and their southern boundary)

1790 - 1791 - US defeated by Indians

- ▶ 1794 - Battle of Fallen Timbers
 - ▶ General “Mad Anthony” Wayne defeated the Miami Indians

- ▶ August 1795 - the **Treaty of Greenville**
- ▶ Indians gave up huge tracts of land (in Indiana and Ohio)
- ▶ Indians received \$20,000 and an annual payment of \$9,000
- ▶ Indians could continue to hunt on land
- ▶ Indians hoped treaty would limit white expansion

- ▶ Besides conflict with France and Indians, British also attack US shipping
- ▶ Blockaded the French West Indies
 - ▶ Seized 300 US ships and **impressed** US seamen into service on British ships; other US sailors were imprisoned
 - ▶ Jeffersonians called for a war (or embargo)
 - ▶ Federalists resisted Jeffersonian demands
 - ▶ Wanted the US to develop trade and industry
 - ▶ Did not want a destructive war with most powerful country in the world

Jay's Treaty of 1794 seeks to solve issue

- ▶ Britain promised to evacuate the 7 forts on US soil and to pay damages for ships
- ▶ Britain did not promise anything about future ship seizures or impressments or about supplying arms to the Indians
- ▶ Americans promised to repay debts owed to British merchants from before the Revolution

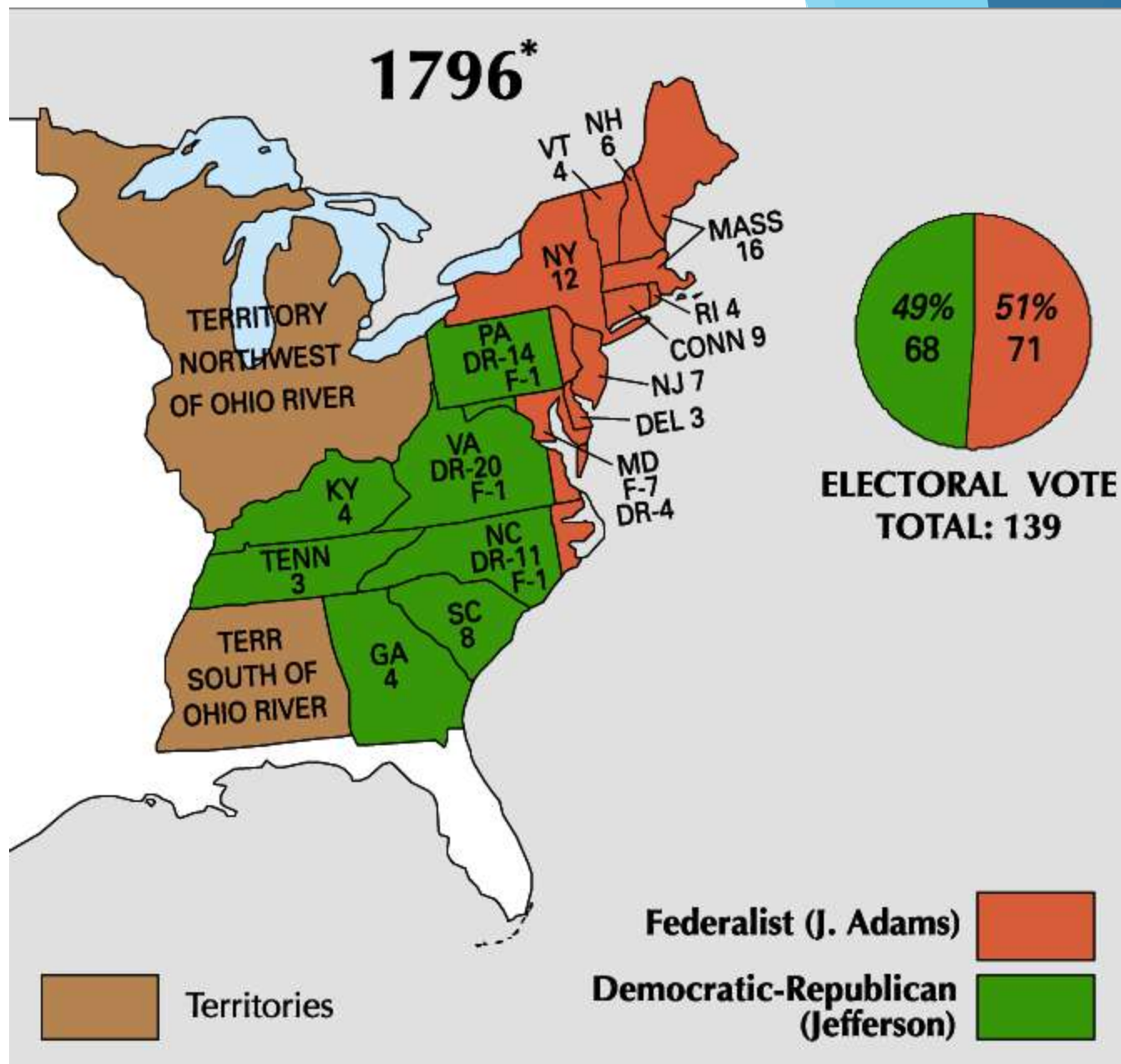
Followers of Jefferson Hate Jay's Treaty because it was seen as weak against British

- ▶ **Pinckney's Treaty of 1795** with Spain
 - ▶ Spain quickly agreed to most US terms because of their fear of a British-American alliance
 - ▶ The US was granted free navigation of the Mississippi and disputed area north of Florida

- ▶ Washington's farewell address of 1796
 - ▶ Published in newspapers, not delivered as a speech
 - ▶ *Warned against “permanent alliances”* with foreign nations
 - ▶ Did not oppose all alliances, but advised making them temporary and this would be America's policy until end of WWII.
 - ▶ Federalists nominated Washington's vice president, John Adams
 - ▶ Democratic-Republicans nominated Jefferson

- ▶ Results of the election of 1796
 - ▶ John Adams narrowly won the election
 - ▶ (71 to 68 votes in the Electoral College)
 - ▶ Jefferson became Adams' vice president
- ▶ Originally each elector had 2 votes in 1 election for both president and vice president; whoever got the most votes became president; the runner-up became vice president
- ▶ This was changed by the 12th Amendment in 1804
- ▶ Now there are 2 separate elections (1 for president, 1 for vice president) by electoral college delegates

Election of 1796



▶ Adams' had problems on entering the presidency

- ▶ Hamilton (who hated Adams) headed the High Federalists (a faction in the Federalist Party strongly opposed to Adams)

▶ He even plotted with members of Adams' cabinet against him

- ▶ He inherited a violent fight with France who were angry at Jay's Treaty
- ▶ French began seizing US merchant ships
- ▶ Refused to receive a US diplomat - and even threatened him with arrest

▶ *The XYZ Affair*

- ▶ Adams wanted to avoid war and remain neutral
- ▶ 1797 - Adams sent 3 men to reach an agreement with France; men hoped to meet with Talleyrand, the French foreign minister
- ▶ Instead, they were met by 3 go-betweens (called X, Y, and Z), who demanded a loan of \$12 million and a bribe of \$250,000 to talk to Talleyrand (bribes were standard procedure in Europe)
- ▶ American negotiators refused the terms and left Europe; they were hailed as heroes in America
- ▶ War hysteria swept the US
- ▶ “Millions for defense, but not one cent for tribute.”
- ▶ Politically beneficial for the pro-British Federalists

The XYZ Affair

Here an innocent young America is being robbed by Frenchmen while John Bull (Britain) looks on amused across the English Channel



Unofficial Fighting with France

- ▶ 1798 - 1800 - an undeclared naval war between France and the US
 - ▶ Principally conducted in the West Indies
 - ▶ The US navy captured 80 French ships, although several hundred US ships were captured by the French
 - ▶ A slight push might have brought the US and France to full-scale war but France did not want war

- ▶ US was not ready for war so did not push it
 - ▶ Napoleon had just taken power of dictator
 - ▶ Wanted to stop fighting with America and concentrate on Europe (and possibly form empire in Louisiana)
 - ▶ Convention of 1800
 - ▶ France agreed to annul the Franco-American Treaty of 1778
- ▶ 1798 - Alien and Sedition Acts rammed through Congress to help Federalists
 - ▶ Supposedly done to protect the US during a possible war with France; in reality designed to weaken the Republicans and Jefferson

- ▶ The Supreme Court (dominated by Federalists) refused to declare Sedition Act unconstitutional
- ▶ Federalists wrote the law to expire in 1801 (so it couldn't be used against them if they lost in 1800)
- ▶ The Sedition Act probably drove many to the Democratic-Republican party (after 1800)
- ▶ However, many others supported the Alien and Sedition Acts, especially during the 1798 – 1800 “Quasi War” with France
 - ▶ 1798 – 1799 congressional elections – Federalists won a strong victory over Democratic-Republicans

The Virginia (Madison) and Kentucky (Jefferson) Resolutions written against Alien & Sedition Act

- ▶ Jefferson feared that the Federalists could become a 1-party dictatorship
 - ▶ Restriction on free speech might lead to the end of other constitutional rights
 - ▶ Jefferson and Madison wrote resolutions adopted by the legislatures in Kentucky and Virginia
 - ▶ No other state adopted the resolutions
 - ▶ First time “nullification” theory arises

Federalist Versus Democratic-Republicans in 1800 election

- ▶ Federalists and government
 - ▶ Wanted a strong central government, able to crush democratic excesses (like Shays' Rebellion), protect the rich, and promote foreign trade
 - ▶ Advocated rule by the “best people”
 - ▶ “Those who own the country ought to govern it.” - John Jay
 - ▶ Feared democracy and rule by commoners

- ▶ Democratic-Republicans' (Republicans) background
 - ▶ Generally anti-federalists (those who had not supported the Constitution) Led by Jefferson
 - ▶ Primarily small farmers, middle class, underprivileged, laborers, artisans, and small shopkeepers
 - ▶ Wanted a weak central government (the best government was one that governed least)
 - ▶ Most power should stay with the states because the people were closer to state governments
 - ▶ Central authority should be kept to a minimum through a strict interpretation of Constitution
 - ▶ National debt should be paid off

KEYS TO THE CHAPTER

- ▶ Hamilton vs. Jefferson
- ▶ Whiskey Rebellion
- ▶ Judiciary Act of 1789
- ▶ Jay's Treaty
- ▶ Pinckney's Treaty
- ▶ XYZ Affair
- ▶ Kentucky/Virginia Resolutions and the threat of Nullification