FROM CONFEDERATION TO CONSTITUTION

In 1783 the United States was an independent country, with a huge territory, and a huge national debt. Americans threw one wingding of a party to celebrate independence and peace and the prosperity that should naturally ensue once the royal brute of Britain was defeated.

In one year the nation would be plunged into a deep depression, its debt would be even larger, and in order for the states to meet their obligations, Americans were taxed at a rate 7 times higher than they would have been taxed if they had paid all of the taxes that Britain wanted them to pay. They were 5 years away from a second constitution.

The Articles of Confederation created a league between sovereign states. Each state had one vote in the congress, and unanimous consent was necessary to pass legislation. The congress was empowered to borrow money, regulate currency, establish a postal service, regulate Indian affairs and settle interstate disputes.

There were some defects to the confederate system, which became apparent fairly quickly. These defects were all due to the fact that the congress was given inadequate powers to govern the states. (1) Congress was unable to levy taxes. (2) Congress could not regulate foreign or interstate commerce. (3) Congress could not enforce its laws. (4) finally the Congress was only a legislative body. It had neither an executive or judicial branch.

The critical years from 1783 to 1789 were filled with economic problems. Most of these were caused by post-war deflation, and the failure of the new states to reorganize their business activities.

Without the power to tax, the Continental Congress was forced to make do on the requisitions that it was supposed to receive from the states. The states frequently failed to meet their obligations, and the Congress had no means by which to force the states to meet them. The national debt increased. Now, some states, primarily in the South were able to meet their Revolutionary obligations and their payments to Congress. The worst offenders in both areas were the New England states.

In the area of trade, the heavy importation of foreign goods drained what little hard currency the nation had. Britain banned American shipping from West Indian ports, so the West Indian trade, which had supported much of the North before the Revolution was not available.
There was no uniform currency in the various states. This hindered merchants who wanted to expand their markets across state lines. Paper money was of uncertain value, and often counterfeit. Each state had its own varieties of coins. Finally, the various states began to charge tariffs on goods from other states.

Another problem was debt. When a country is plagued by economic uncertainty there are always a lot of people who find themselves in debt. Debtors found themselves unable to secure funds to repay loans, taxes and settle mortgages. This problem became fuel for rebellion in Massachusetts in 1786. Under the leadership of Daniel Shays a group of farmers and mechanics staged a series of riots known as Shays' Rebellion. They attempted to prevent courts from issuing judgments against debtors and to prevent the foreclosures on mortgages. Finally troops were dispatched and the revolt was quickly ended. But the rebellion had aroused the country to the dangers of weak central government.

**The Nationalists**

A lot of Americans worried about the problems of the Articles in general, but they were really worried about Shays’ Rebellion. What if there were similar rebellions in every state? This not only threatened trade, and the economic order, but it also threatened the social and legal order as well. Some of these folks had become Nationalists, that is, they believed that the only way to preserve the status quo, and/or the principles of the American Revolution from economic disaster and social anarchy was to create a stronger national government. Some of the groups who were the most nationalistic in their outlook were (1) the Continental Army officers. The state governments had treated them very poorly after the war. They were dismissed, with the blessings of the nation, but they were worried that there was no standing army, and the nation still had many enemies. They wanted the United States to do what European nations did, retire the officer corps on half pay so that they could be easily called up in the national defense. (2) Holders of the national debt. The Continental Congress had issued lots of bonds and other paper debt instruments during the war. After the war the states refused to pay off the national paper until they had paid their state debts. Some states didn’t really want to pay off the national debts at all. So the only sure way that the holders of the national debts saw to get their money back was to create a national government that would honor its obligations. (3) Nationalists on principle. People like Alexander Hamilton were convinced that the Articles of Confederation placed too much power in the hands of the state legislatures. These bodies were too popular, too democratic. Hamilton was convinced that the survival of the new republic in the midst of great and powerful monarchies like Britain and France depended on a strong central government.

In March of 1785, committees from Maryland and Virginia met at Mount Vernon to discuss navigation on the Potomac River and Chesapeake Bay. During the course of their discussion they realized that every state had commercial problems with every other state. They decided to invite all of the states to send representatives to a conference of the commercial problems involved in the Confederation system. The Annapolis conference may in 1786. Delegates attended it from five states. These states adopted a resolution offered by Alexander Hamilton that called for a convention of all the states to meet at Philadelphia in may of 1787 to create a better constitution for the central government. The Continental Congress endorsed the resolution with reservations.

The convention at Philadelphia was attended by 55 of the most important leaders of the country. Certain of the delegates revealed themselves as very special and able leaders; among them James Madison and George Mason of Virginia; Benjamin Franklin of Pennsylvania; William Patterson of New Jersey; and Alexander Hamilton of New York. The President of the Convention was George Washington.

It is fortunate that the most notable radical firebrands were elsewhere. These individuals would have been less likely to support the idea of a strong federal government. After all the British government had been a strong central government. They would have feared the strong central government would infringe on the liberties of states and individuals. Notably absent were Thomas Paine, Patrick Henry, Sam Adams and Thomas Jefferson.

The delegates all agreed that whatever the form of the new Government, it should have the power to 1) levy taxes, 2) regulate interstate and international trade, 3) protect private property, 4) pay the national debt, 5) coin and borrow money and 6) provide for the national defense.

**The Constitutional Convention**

On May 15th, 1787, James Madison and George Mason presented a plan for a new government. Their blueprint for government was called the Virginia Plan. The plan called for a two-house legislature with representatives apportioned on the basis of population. The lower house would be elected by popular vote, the upper house would be appointed by the lower. The plan would create an executive chosen by the national legislature. There would be a
national judiciary with a supreme court. The Virginia Plan was supported by the larger states. Because the legislature was apportioned based on population, more populous states would have greater power in government.

The smaller states like New Jersey, Connecticut, and Rhode Island, were worried that their needs would be ignored, and that this new government would create a tyranny of the large states over the small ones.

At the request of William Patterson of New Jersey, delegates from the smaller states met in secret at midnight in the church across from the hall. There they created a new plan of government. Patterson presented it to the convention on June 15th. The New Jersey Plan, as it came to be known, provided for a single legislature in which all states would have equal representation. The executive would consist of a committee chosen by the legislature. There would be a national judiciary but no supreme court.

The convention became deadlocked over which plan to adopt. The larger states supported the Virginia plan, while the smaller states supported the New Jersey plan. Ben Franklin began to act as a go between. He convinced Roger Sherman to introduce a compromise plan that would have the best features of both. Sherman's "Connecticut Compromise" called for an upper house with equal representation and a lower house bussed on population this compromise was finally accepted.

At this point the convention closed its doors to the public and went into secret deliberations. The most important reason for the secrecy was that at this point they had decided to create a new government. This meant that in effect each member had committed treason against his state government. Many of the delegates had not been sent to create a new, federal system, only to revise the old one. So the secrecy became necessary. The delegates concluded their secret discussions on September 17, 1787. Governor Morris of Pennsylvania put the document into literary form. The new document was made public immediately thereafter.

The document as it was originally passed was the product of compromise. No one was entirely pleased with all of it. As it was passed, the constitution had very few safeguards for the rights of individual citizens. Madison and others argued first that such safeguards weren't necessary, because the states had bills of rights in their constitution, and the federal government would rarely intrude into the affairs of the people of the states. But this became a sticking point at the ratifying conventions. So, to calm fears of a tyrannical federal government, federalists promised to pass a series of amendments to protect the rights and liberties of the people. They did so in the first session of congress, and came up with ten amendments that are called collectively the Bill of Rights. Another compromise concerned the question of slavery. During the Revolution, northern states had banned slavery because of a strong belief that the institution was incompatible with the values of the Revolution and the spirit of the Declaration of Independence. The South, however kept slavery even though many Southerners, even slaveholders like Jefferson, agreed that the institution was wrong, because they needed the labor and feared the results of freeing so many Africans who had been slaves and were looked upon as inferior to Europeans (especially of British extraction). Slaves accounted for about one-fifth of the population in the American colonies. Most of them lived in the Southern colonies, where slaves made up 40 percent of the population. Whether slavery was to be permitted and continued under the new Constitution was a matter of conflict between the North and South, with several Southern states refusing to join the Union if slavery were disallowed. So there was no serious discussion of abolishing slavery. But, in the Convention, Southerners wanted their slaves to be counted in considering how many Representatives the southern states would receive in the House of Representatives. Northern delegates argued that, if Southerners maintained that slaves were property, they had no right to receive representation.

Delegates debated and fought for long weeks. Finally on July 2nd, the Convention formed a committee led by Benjamin Franklin, the oldest in the Convention, and one delegate from each state. The Committee agreed that each slave would count for three fifths of a free person in determining the basis for both representation and taxes. On July 16th, 1787, the convention adopted the committee's compromise by a heart-stopping margin of one vote. Later it became known as the Three-Fifths Compromise. Without that vote, there likely would have been no Constitution.

Benjamin Franklin was the oldest member of the Convention. He worked behind the scenes to forge compromises that contributed to the success of the venture. He said:

I doubt whether any other Convention we can obtain, may be able to make a better Constitution. It therefore astonishes me, Sir, to find this system approaching so near to perfection as it does; and I think it will astonish our enemies...
The Constitution in Brief

So let’s look at what they came up with, briefly. Congress was the most powerful body, and the most representative. The House of Representatives held the purse strings, thus, as in the English system; the most representative body controlled the money. The senate was elected, not by popular election, but by the state assemblies. The Senate became a kind of House of Lords; it was expected to represent the most important citizens of each state. The least powerful division of government was the chief executive. The President is the commander in chief of the military, but he can’t declare war. He gets to make lots of appointments, but only with the advice and consent of the Senate. He can grant pardons. He gets to make a State of the Union Address to Congress. He can veto legislation, but it is not a monarchical veto, it is subject to an override by Congress.

Much of the power of the new national government is couched in Article 1, Section 10. This is a list of things that the national government can do and the states cannot. It represents the specific complaints of the nationalists against the state governments under the Articles. But the sword cuts, or at least once cut, both ways. The Tenth Amendment to the Constitution constrains the federal government only to those things specifically granted to it in the Constitution. All other powers are reserved to the states, or to the people.

Ratification and the Anti-Federalists

The Convention delegates decided to get each state to convene a ratifying convention to decide on the Constitution. In the state conventions a movement grew up quickly against the constitution. They were called the Anti-Federalists. They liked the new document not at all. But they started with a distinct disadvantage. The Federalists (as the Constitution’s supporters were called) had a document; they had a program, if you will. The Anti-Federalists were not organized. The Anti-Federalists argued that political thinkers had ever recommended small republics that were close to, and in touch with the people. The worried that a large national government would lose touch with the people, and would eventually turn into a despotic, remote government, concerned only with its own existence, power, and aggrandizement. They worried that the new government’s power to create a standing army and tax would end them up with exactly the kind of government that they had just gotten rid of in the revolution. They also worried that the national government would run roughshod over the state governments. Anti-Federalists argued that the representation in the House, the only truly democratic body in the whole national government, was not representative enough. How could 65 people represent the whole population of some three million souls? They argued that the lack of term limits in the Constitution invited abuse and corruption. Every state constitution had term limits and frequent elections (usually annual), but the Constitution had longer terms, and no limits.

One Anti-Federalist writer, whose pen-name was Brutus, asserted that the Supreme Court envisioned under the Constitution would become a source of massive abuse because it was beyond the control “both of the people and the legislature,” and not subject to being “corrected by any power above them.” He argued that the Supreme Court would soon begin to make laws, independent of the people or their legislatures.

Other Anti-Federalists complained of a lack of religious provisions. Nothing kept an atheist, or, Lord forbid, even a Roman Catholic, from being president of the United States. Some Anti-Federalists worried about the idea of a single capital. The constitution didn’t say where it would be. One Anti-Federalist combined the two worries. He said that at some point the pope might become president and plant his capital in Beijing, China. All of these various complaints reflected real fears of possible abuses of power. The worst fears were centered on the lack of a bill of rights in the document. What would keep the new government from acting as London had toward the states and the people? Patrick Henry voiced another fear. He asked what kind of nation would the constitution create? And at what price to Virginians (or Rhode Islanders, or New Yorkers)? How much personal liberty and personal and regional identity would the citizens of the states have to give up to become citizens of the new federated United States?

Patrick Henry of Virginia was opposed to the Constitution on the grounds that it established a far-too-powerful federal government that might ultimately dissolve the differences among the states and regions of the nation.
Ratification

The ratification process was a hard fought campaign in most states. Delaware was quick to ratify, as was Pennsylvania, and most of the northern states. When the convention met in Massachusetts it didn’t have the votes until the federalists promised a bill of rights, then it sailed through. At any rate, in the first months of 1788, Georgia, Connecticut, Massachusetts, Maryland, South Carolina and New Hampshire ratified. After long and savage struggles New York and Virginia ratified. Only North Carolina and Rhode Island remained. North Carolina ratified the constitution in November 1789, and Rhode Island finally ratified it, by popular vote (the only popular vote) in the spring of 1790.

Did the new Federal Constitution represent the will of the American people? Not really, at least by modern standards. As I said, only one state actually put it to that test. But the transition from the Articles to the new federal system was smooth. There were no protests. The people seem to have accepted it. An indication of their acceptance was the first election under the constitution. There were no bitter election struggles over the new settlement. Antifederalists seemed willing to set aside differences and see if the new government would work. The elections were a triumph for the federalists, most of the senators and congressmen elected had supported the new constitution, and George Washington became the first president with no challenger.

George Washington

Lots of historians have written about him, and generally he is portrayed somewhere between a saint and god’s anointed. They say lots of things about old George that just were not so. They say that he was an ardent churchgoer (he wasn’t), that he married Martha for love (money actually), the cherry tree incident didn’t even really happen. Even the British liked him, after all any Englishman, even an American renegade Englishman, is better than the French! The British government celebrated Washington’s British style revolution vs. The French revolution and the terror that followed. They British government even raised a statue to George w. In London!

Most of Washington’s contemporaries, friends and enemies, characterized him as cool in a crisis, a capable leader in war and peace, but neither particularly smart or likable. He was somewhat wooden, distant, aloof. At home he was different, but in public he was distant and almost painfully solemn and stolid. He was very popular. He was chosen both to preside over the Constitutional Convention and to be the first president because in many ways he was the manifestation in human form of the American Revolution. Without him we don’t know if the Convention or the new nation would have fared so well. In spite of the regional, economic and philosophical disputes that grew up in his first presidency, both Alexander Hamilton, Washington’s Secretary of the Treasury, and Thomas Jefferson (Secretary of State), who cordially hated each other, begged Washington to run again.

The First Congress

The 1st congress was unique. It was a sort of 2nd constitutional convention. It had two very important functions. First it had to come up with a bill of rights. Secondly, it had to decide the ambiguities within the new constitution and turn it into a practical, workable system of government. Everything that was done was done for the first time, and the members of the 1st congress were painfully aware that their behavior would set the precedent for every congress to follow. They spent lot of time debating stuff that seems a bit silly to us, but were very important to them. What would be the proper form of address for government officials? The Senate debated titles for three weeks. Titles were very meaningful in the 18th century. The United States was a lonely republic in a political world of kings, and the U.S. had a reputation for subverting governments. If titles were too high and mighty we might invite anger, bitterness and revolution at home and amuse European monarchs who would then not take us seriously. The federal titles had to be imposing enough to awe local and state officials, however. This problem of precedence was illustrated when president Washington visited Boston, and John Hancock, governor of Massachusetts, insisted that the president make a state call on him. Washington felt that as president, the opposite should take place. After three days Hancock finally visited the president, conveniently excusing himself for not coming sooner. It seems that his gout had been acting up! Finally the title of the president became just Mr. President. At one point, in an angry debate, one Senator recommended that the rather corpulent Vice President John Adams’ title be “Your Rotundity.”

More important business was centered around economics. There was general agreement that most of the revenue would come from taxes on trade. Tariffs on tonnage (fees charged on foreign vessels to dock in American ports) were to be the most important source of revenue. A sectional division grew up almost immediately on the question of tariffs. The south wanted low tariffs; the north demanded high tariffs to protect their fledgling industries from England and other foreign producers.
An argument broke out between Hamilton and Madison over the use of revenues on trade. Madison argued that tariffs should be used to reward America’s friends and allies, and to punish her enemies. Hamilton argued that one rate should be applied to all. The real issue was over where the future of the U.S. lay. To Hamilton we were still a weak and immature nation, dependent on Great Britain for trade and investment. To break with Britain was economic suicide. Madison felt that too close an economic bond with Britain was very risky. Both Madison and Jefferson hoped to form closer ties with our revolutionary ally, France. Southerners felt that Hamilton supported the north to the detriment of the south, and saw in the higher tariffs that Hamilton supported, a conspiracy to make the south foot most of the bills.
Washington set up his cabinet appointments based on two criteria. First, he chose able men; secondly, he chose a balanced mix of northerners and southerners. His cabinet appointments included Alexander Hamilton (Secretary of the Treasury), Thomas Jefferson (Secretary of State), and John Knox (Secretary of War). Of his appointments the two most important were Hamilton and Jefferson. It is worthwhile to say a little about each of them, because both had an enormous impact on the way the nation turned out. Later on I will spend time on Jefferson, this today we will look at Hamilton.

Hamilton was born on the little island of Nevis, in the Caribbean. In his teens he came to America and entered King's college in New York. There while studying law, he was influenced by radicals who were leading the revolt against British authority. He published several revolutionary pamphlets, and, at the age of 22, joined the Continental army and served as an officer of artillery. Hamilton's personally, intellect and leadership brought him to Washington's attention. Washington made him his principal aide. Toward the end of the war and personal secretary after the war was over. Hamilton had both an excellent knowledge of the law and a very shrewd understanding of economics. For these reasons, President Washington appointed him to be Secretary of the Treasury.

Hamilton confronted several economic problems in his new job: 1) solving the state and national debts; 2) providing revenue for the federal government; 3) establishing a national bank; and 4) creating tariffs to protect American trade and commerce.

In 1789 the United States government still owed some $56 million to American and foreign creditors. The states individually owed some $18 million more. Some people believed the new government should repudiate old debts and start over. Hamilton argued that the United States would be unable to have any effective commercial relationships with other nations if it began as a bankrupt. Hamilton tried to repay all of the government's debts. He also got Congress to agree to assume the states' debts as well. The repayment of these debts had two effects: 1) payment to United States creditors placed good currency on the United States economy, making economic growth possible. 2) The United States gained a sound financial reputation with commercial interests abroad. This was important if the United States was to become a powerful merchant state.
Hamilton’s assumption policy had bitter critics. Most opposition came from southerners. The southern states had already paid off most or all of their revolutionary debts. They believed that Hamilton was now asking them to help to pay off the northern state debts as well. There was some justice in this complaint. Most of the outstanding state debt was in the north. Southerners felt that the assumption plan was a northern conspiracy to impoverish the south and let the north off the hook. The assumption bill was defeated 3 times under Madison’s leadership in the house. It finally passed when Hamilton agreed that in return for passage, the new national capital would be in the south. The plan was still by no means popular in the south. The Virginia legislature denounced it as unconstitutional, and dangerous to the liberties of the people.

The problem remained of how to secure national revenues. Hamilton chose to raise money in 3 ways. 1) Through tariffs—that is customs duties on imports; 2) through excise taxes on domestic goods—especially distilled liquor; and 3) through the sale of federal lands.

In order to establish a sound currency, Hamilton suggested that the United States create a national bank. This element of Hamilton’s plan sparked a bitter debate on the nature of the constitution. Hamilton asked congress to charter a national bank that was private and yet supported by the national government.

The obvious model of the bank of England was worrisome to some Americans because the English bank had become a symbol of both British oppression and British political corruption. Southerners and small farmers everywhere feared, despised and distrusted banks and bankers. They argued that bankers don’t earn a living; they earned their income from the fruits of the labor of honest, hard working people. In addition the bank that Hamilton envisioned was to enrich and enable commerce and industry. It would not loan loan money to farmers or planters. After a long and often bitter debate the congress created the bank of the United States in 1791.

Madison and Jefferson argued that the bank was unconstitutional since there was no provision for it in the constitution. Hamilton argued successfully that the power to establish the bank was an "implied" power. The constitution authorized congress to make laws which are "necessary and proper" for carrying out the other powers. The constitution gave the government The right to tax, to coin money and to regulate commerce—all of these activities would be easier if the United States had a national bank. Washington was impressed by Hamilton’s argument and signed the bank charter into law.

This was a turning point for Madison. Since 1786, Madison had allied himself with Hamilton to increase the power of national government. Now Madison realized that the constitution could be molded into a powerful positive system of government. And that scared the heck out of him. Up until 1791, Madison had seen the federal system as primarily creating a negative government, that is a government that restrained the states without being too energetic itself. Hamilton’s plans showed Madison that the federal system could also become economically and politically as powerful, and therefore as potentially evil as the British system.

In December of 1791 Hamilton dropped the third plank of his economic policy—his Report on Manufacturing. The report was the embodiment, on paper, of Hamilton’s dream of what the United States should become, and how congress should help. Hamilton argued that the future of America was not agrarian but industrial and commercial. Congress should do everything in its power to encourage this. Hamilton called for high protective tariffs, bounties on industrial and technical innovation, and large tax rebates to encourage growth in manufacturing and exports.
Two Visions of the Future

Hamilton envisioned an industrial north trading finished goods with Europe and the American south and west. The south and west would provide the raw materials for northern industry. For Hamilton all regions would prosper from this system. He argued that the national government could promote industry because the congress had the power to do whatever it could to promote the general welfare. Madison and other southerners, and some of the westerners were horrified. First they saw the policy as a plan to place the south and west into a sort of mercantile bondage to the north. This was not very different from what Americans had escaped from under the British colonial system. Why trade London and Glasgow for Boston and New York? Secondly, if Hamilton’s view became the vision of the future, than the government could use the general welfare clause to do anything! They began to wonder if Patrick Henry’s fear that the federal government could become unlimited and despotic might not be the case.

So, two visions of the future of the United States began to emerge during the early 1790s. We have seen Hamilton’s. Madison and Jefferson held on to the view that the United States should continue to be an agrarian republic. They placed their faith, not in industry and commerce, but in the ability of the small independent freeholder to choose their governors from a natural aristocracy of larger landholders. Jefferson stated, “those who labor in the earth, are the chosen of God, [in] whose breasts he has made his peculiar deposit for substantial and genuine virtue.” for Jefferson and Madison, when you can support your own family on your own land, only then are you truly free and independent of someone else. Cities and factories destroyed independence. If you work for someone else—if someone else supplies your daily bread—then you are in their debt to such a great extent that you no longer have independence. You think as they think, argued Jefferson, you vote as they vote.

Jefferson and Madison and their supporters were worried by the growth of industry and its effect on workers, and they were worried by the growth of banking and the corruption that they felt was inherent in the banking industry. They were especially worried that the power of the federal government might not be easy to constrain. For them energetic, positive government was a threat, rather than a support to individual liberty.

Jefferson believed that federal government should not regulate and promote, but should deal with differences among and between the states, diplomacy, defense, and should leave everything else alone.

The First Party System

By the end of Washington’s first term the line was fully drawn between Alexander Hamilton and Thomas Jefferson. There were many political parties in the states, but as yet none at the national level prior to this split. National parties were both unexpected and unwelcome. “Party” and “faction” in 18th century America and England were dirty words. Political parties were considered a danger in a republic, because republics thrived on unity and consensus. Faction and division destroyed them. Americans looked at history and found that every great historical republic, Athens, Rome, Venice, Holland, all were destroyed by factional strife. The bad reputation of parties even lingered after American parties emerged. Each side accused the other of creating division.

Parties began to emerge in 1791. Until that point these disputes had centered in the cabinet and the House of Representatives, but in late 1791, they went public when each side created its own newspaper. Alexander Hamilton used Treasury contracts to fund the creation of the Gazette of the United States. Jefferson and Madison followed suit shortly thereafter by creating the National Gazette, and supporting it with state department printing contracts.

The two parties were centered as much on personalities as on issues. Much of the party rhetoric was pure character assassination. The politicians of today are rank amateurs, kindergarten bullies, by comparison to the mudslingers of this period. Two images of each party slowly began to emerge, a Federalist view, and a republican view.

To Federalists—they are the defenders of the constitution, they had secured the nation from anarchy and their policies would promote peace, order, and prosperity for all Americans. Their opponents were atheists, anarchists, wild men, bitter enemies of the constitution, and of social and political order. They would plunge the nation into riot, disorder, Godlessness and poverty.

To Jeffersonian Republicans—they were defending the last rampart of the constitution as it was written, from the Federalists who would make the federal government a tool to overwhelm the states and the people. Federalists, the Jeffersonian argued, were monarchists and despots, enemies of republican ideas, and conspirers to take away the liberty of the people.
Federalist Domestic Policy

The Federalists’ flexed their domestic muscle in an event called the whiskey rebellion. In doing so they alienated many of their earlier supporters and at the same time sent a stark example of the power of the new federal government.

Farmers in the western frontier country raised corn as their primary cash crop. The cost of transporting corn on the cob across the Appalachians and Alleghenies was very high, so the farmers distilled their corn into whiskey before they transported it. Distilled spirits were in great demand on the eastern seaboard, and prices for corn whiskey were more stable than corn prices.

These farmers believed that Hamilton’s excise tax on distilled liquor was unfair. They argued that the burden of paying for the federal government was placed almost entirely upon their shoulders. Four counties in western Pennsylvania began to resist paying the tax. Washington issued a proclamation of warning, which was ignored. In 1794 violence broke out. Mobs attacked a federal inspector who was forced to flee for his life. The governor was afraid that he would lose his popularity among voters if he called out the militia, so he did nothing.

Hamilton advised Washington to take stern action to prove that the federal government would not tolerate local disobedience to federal law. Washington sent out 15 thousand troops (a force of 1,000 would have been enough) to put down the rebellion. Needless to say, the rebellion ended immediately. Hamilton went along and saw that 18 men were arrested for treason. They were tried and convicted, but Washington pardoned all of them.

The Whiskey Rebellion did much to make the Federalists unpopular among the middle classes all over the country. This was especially true on the frontier. Frontiersmen felt that the federal government had [1] been far too harsh on the Pennsylvania farmers, and [2] were using the excise tax on whiskey to tax the poor in favor of the rich. As the popularity of the Federalists declined people began to look elsewhere for leadership in the years to come. That leadership was to fall directly, if not immediately, upon the shoulders of Thomas Jefferson. The real crisis between Federalists and republicans came, though, in the new nation’s foreign relations, so let’s look at them now.

Federalist Foreign Policy

During Washington’s second term in office the diplomatic strength of the United States was put to the test. This was because Great Britain and her allies were at war with France. In 1778 the United States had made a treaty with France saying that the United States would help to defend the French West Indies should France and Britain ever go to war with each other. But Washington had no desire to see the new nation drawn into a European war.

The French government sent Edmond Gênet to the United States to demand that Washington fulfill honor the 1778 treaty. He landed in Charleston in April of 1793 and began to fit out privateers, enlist sailors and purchase weapons before he had even presented his credentials to the government. Many Americans welcomed and supported genet, and hoped that the United States would honor the treaty and support France. Other Americans, especially the Federalists, supported Britain. Washington ignored both sides.

On April 22, 1793 he issued a proclamation of neutrality that stated that American citizens were forbidden to take any part in hostilities between European nations. Congress endorsed Washington’s statement by passing the neutrality act. Washington then received genet as the French representative. But when genet continued to agitate for American support in the war, Washington demanded that he be recalled.

But, by this time, a new government had been established in France. The new government was hostile to the faction that had sent Gênet. If he went back to France only the guillotine would have greeted him. Genet apologized to Washington, and the president allowed genet to settle in the United States.

During the war between Britain and France, Britain considered any country that was not allied with her to be allies of France. As a result, British naval ships began to seize American vessels, confiscate their cargo and impress American sailors.
Because of this issue and several others related to the post revolution treaty, Washington sent John Jay, the Supreme Court Chief Justice, to London to negotiate with the British government. British offenses included:

1) Her refusal to abandon her northwestern fur posts and forts.
2) Her policy of keeping Indians hostile to the American government.
3) Her failure to open West Indian ports to United States commerce.
4) British seizures of United States trading vessels in the French West Indies.
5) British impressment of American sailors.

Jay’s Treaty

The British got the best of the negotiations. The treaty that resulted from the talks was fairly one sided in favor of the British. In large part, the reason that the treaty was so one sided was the fact that Alexander Hamilton assured them all the way through the treaty process that the United States would not make war upon Britain, no matter what the outcome. So the United States had no bargaining chip, no stick to use against Britain. The resulting treaty stated:

The British would surrender their fur posts by June of 1796 (they didn’t). East Indian ports would be opened to the United States (they weren’t). No mention was made of either the impressment of United States sailors or of the seizures of United States cargoes.

The treaty was so unpopular that the Federalists had difficulty in getting congress to ratify it. Besides the fact that it was a bad treaty, another factor made it unpopular. In a popular republic style is just as important as content.

Jay’s behavior at the court of St. James was not acceptable to the American public. When jay was introduced at court, he gave a little speech praising the justice and benevolence of King George III. Now this is what you do when introduced as a new diplomat. But this was King George III, you remember him, the royal brute of Britain...

The Republican papers also carried stories of jay’s social activities with London society. Republican papers said, “see, the British are corrupting this Federalist snob who doesn’t have the republican virtue to resist.”

The treaty passed in Congress, but only barely, and to get it passed, Washington had to use up much of his prestige and reputation to do it. Federalists tried to get it passed in secret, but the Republican newspapers leaked the terms of the treaty to the public. It was a disaster for the Federalists; Alexander Hamilton was stoned in public the day after the treaty was leaked.

Oddly, Jay’s Treaty had an unexpected benefit. The negotiations convinced Spain that the United States and Great Britain were close to an alliance. Spain had just signed a treaty with the French republic and thus faced a probable war with Britain. They decided that it would be in their best interest to conclude a treaty with the United States to insure that the United States would remain neutral. In 1795, Spain concluded a treaty with Thomas Pinckney of the United States. In it they granted every demand that the American government had made on Spain since 1783. The treaty settled a dispute over the boundaries of Florida and Georgia; the Spanish agreed to stop Indian attacks into the United States from Florida. Most importantly, Spain gave American river vessels the right to navigate the Mississippi River, and to transfer goods at the port of New Orleans duty free. That right was especially important to western farmers who were able to trade send their jugs of whiskey and bundles of furs down the Mississippi instead of over the rugged trails through the mountains in the East.

John Jay (1745-1829), 1st Chief Justice of the United States (1789-1795), and Diplomat to London who negotiated the infamous treaty that bears his name.
The news of the Jay treaty especially annoyed the French government. James Monroe had been in Paris attempting to renew friendly relations with the French government, but was not having much luck.

In 1797 Charles Pinckney succeeded Monroe as ambassador to France. The French government refused to allow Pinckney to remain on French soil. President Adams finally sent John Marshall and Elbridge Gerry to join Pinckney. The United States commission was ignored for several weeks. Finally three French officials (referred to as “X, Y and Z”) visited the Americans. They said that in order to be recognized by the French government they would have to [1] apologize publicly to France for remarks made by President Adams in Congress, and [2] pay the French government a bribe of $250,000. When news of the "XYZ Affair" reached the United States, many Americans demanded war. Harbors were fortified, the army was expanded, war ships were built and Washington was recalled to command the army.

During 1798 more than 80 French armed vessels were seized by United States privateers and war ships. The two countries were in fact in the midst of an undeclared war. Neither Adams nor the French government wanted war. A new commission was sent to France. When they reached Paris in 1800 Napoleon was in power. Napoleon and the American diplomats signed a convention that permitted the United States to ignore the treaty of 1778. It also reopened trade between the two nations.

The cartoon above depicts the United States as a maiden being victimized by various members of the French government. In the background, England watches from a hilltop while other European nations discuss the situation.
On March 4, 1797 president John Adams (a Federalist) took the oath of office. A few minutes later Thomas Jefferson, a republican, was sworn in as vice president. A major problem in the constitutional system of choosing the president and vice president had become apparent.

Each elector cast two votes. The candidate among those who ran for president who received the most electoral votes became president. The candidate who received the 2nd most votes became vice president. It was expected that the electors would choose to vote for a Federalist "ticket." in fact, many Federalists did not like John Adams, a few southern electors, who didn’t like Adams thought that they could fix the vote to make Thomas Pinckney (the Federalist Vice Presidential choice) president. Some of the New England Federalists found out about the plot and hatched a counter plot to push Adams by not writing in a second choice on their ballots. The results were that Adams won by a slim majority, and Thomas Jefferson, Adams political rival, found himself in the vice presidency.

Adams was a flinty New Englander. He was impressed with his own virtue and integrity, and expected others to be impressed as well. He had little tact in political and social areas, and came off as haughty and aloof. This was not a good pose to strike in an age of popular opinion. Adams’ own party was not particularly comfortable with him. He also had a tough act to follow; after all, he succeeded George Washington, whose prestige had grown somewhat when he played Cincinnatus by giving up the presidency. Remember, Adams also had a vice president who was the leader of what, by 1786 could only be called the opposition party. Adams promptly made things worse by keeping Washington’s entire cabinet, all of whom were personally loyal to Alexander Hamilton, and some of whom disliked Adams.

By the end of the Washington presidency the Republicans had gained in popularity over the Federalists. Situations that caused a weakening of the Federalist Party were the Hamiltonian taxes, the national bank, the Whiskey Rebellion, and the Quasi-War with France. During the Adams administration a series of laws were passed by the Federalist Congress that made Adams and the Federalist movement very unpopular. These laws are collectively called the Alien and Sedition Acts. The measures were passed when anti-French feeling was running high (1789). The Federalists said that these laws were passed to unite the country. It was generally understood by the Federalists that the laws would weaken the Republican Party and any other group who spoke out against them.
The acts were as follows:

The *Naturalization Act* required all aliens to live in the United States for 14 years before they could apply for citizenship.

The *Alien Act* gave the president the authority to expel any aliens that he judged "dangerous to the peace and safety" of the United States.

The *Alien Enemies Act* authorized the president in time of war or invasion, to banish or imprison any aliens considered a danger to the public security.

The *Sedition Act* provided that United States citizens could be fined or imprisoned without trial if they said or printed anything which was "false, scandalous or malicious" against the government, the congress or the president, or any other federal elected official.

Had these laws been strictly enforced, they would have ended all opposition to the Federalist Party. The naturalization act went into effect at once and without much opposition. The alien and alien enemies acts were not strictly enforced, but their very existence was sufficient to drive many French aliens from the country.

Twenty-five Americans were prosecuted under the sedition act. All of them were republicans. Most of them were printers of republican newspapers. It is important to note that this law was used very selectively. It provided punishment for anyone who defamed any elected official. Jefferson was vice president, but no Federalist newspapers that published scandalous material about Jefferson were prosecuted. The sedition act clearly interfered with freedom of the press and of speech. Many Americans felt that the acts were unjust and not in keeping with the terms of the constitution. Many who had feared that a strong central government would infringe on individual liberty felt that these laws justified their fears.

**Virginia & Kentucky Resolutions**

The Republicans were furious. They voiced their protest through two of their greatest thinkers, Thomas Jefferson and James Madison. Jefferson prepared the *Kentucky Resolution*, and Madison wrote the *Virginia Resolution*. These two state laws outlined the idea of the states' rights or compact theory of the constitution. The theory included these ideas:

1) The federal government had been created by the states.

2) The federal government was merely an agent for the states, which operated under an agreement (compact) by which the federal government was delegated its authority by the states.

3) The federal government could be criticized and challenged by the state governments if the federal government began to commit unauthorized acts, or place undue limitations on personal liberties. Finally, in the extreme case, a state might leave the United States if the federal government acted in a manner that was against the interest of the state.

4) The states, and not the people, had voluntarily entered the union, so the state governments might leave it if the contract between state and federal government were violated by the latter.

The *Kentucky* and *Virginia Resolutions* were sent to other state governments, but to the shock of Jefferson, the state legislatures opposed them. Hamilton was especially shocked by the resolutions. The resolutions were important though. They showed the Federalists that their popularity was beginning to drop. They would also form the basis for the secession of the southern states in 1860-60.

**Election of 1800**

The presidential campaign of 1800 was bitterly contested by the Federalists and the republicans. The campaigning by both sides brought an unprecedented number of Americans to the polls.


Since all of the Republican electors had voted for both Jefferson and Burr, the two were tied for votes, so the election went to the House. Some Federalists connived with Burr to prevent the election from going to Jefferson. 36 ballots were required before Jefferson won, the Vice Presidency to Burr. Because of the difficulty and political intrigue, which went on at the house vote, the 12th amendment was created which stated that electors had to state separate ballots for president and vice president.

This election marks the end of Federalist control of the executive and legislative branches of the federal government. During the four months between the election and the inauguration of Jefferson, the Federalist congress passed the judiciary act of 1801. The act increased the number of judges in the federal system to sixteen. Adams began appointing Federalists to these positions. The last commissions of appointment that he signed were signed just before midnight on Adams' last day in office. For this reason all of them are called the midnight judges. The most significant of Adams' judicial appointments (though he was not one of the 'midnight judges') was John Marshall of Virginia. He was a staunch Federalist. He would dominate the Supreme Court as chief justice from 1801 to 1835.