

## Topic 3.10

# Shaping a New Republic

*There is nothing which I dread so much as a division of the republic into two great parties. . . . [It] is to be dreaded as the greatest political evil under our Constitution.*

John Adams, letter to Jonathan Jackson, 1780

**Learning Objective 1:** Explain how and why competition intensified conflict among peoples and nations from 1754 to 1800.

**Learning Objective 2:** Explain how and why political ideas, institutions, and party systems developed and changed in the new republic.

**H**aving faced the challenges of declaring independence, fighting a Revolutionary War, agreeing on a Constitution, and forming a functioning government, the new nation's continued existence was not guaranteed. Under the leadership of the first two presidents, George Washington and John Adams, the Republic dealt with a multitude of challenges, both foreign and domestic.

## Washington's Presidency

Members of the first Congress under the Constitution were elected in 1788 and began their first session in March 1789 in New York City (then the nation's temporary capital). People assumed that George Washington would be the electoral college's unanimous choice for president, and indeed he was.

## Organizing the Federal Government

Washington took the oath of office as the first U.S. president on April 30, 1789. From then on, what the Constitution and its system of checks and balances actually meant in practice would be determined from day to day by the decisions of Congress as the legislative branch, the president as the head of the executive branch, and the Supreme Court as the top federal court in the judicial branch.

**Executive Departments** As chief executive, Washington's first task was to organize new departments of the executive (law-enforcing) branch. The Constitution authorizes the president to appoint chiefs of departments, although they must be confirmed, or approved, by the Senate. Washington appointed four heads of departments: Thomas Jefferson as secretary of state, Alexander Hamilton as secretary of the treasury, **Henry Knox** as secretary of

war, and **Edmund Randolph** as attorney general. These four men formed a **cabinet** of advisers with whom President Washington met regularly to discuss major policy issues. Today, presidents still meet with their cabinets to obtain advice and information.

**Federal Court System** The only federal court mentioned in the Constitution is the **Supreme Court**. Congress, however, was given the power to create other **federal courts** with lesser powers and to determine the number of justices making up the Supreme Court. One of Congress' first laws was the **Judiciary Act of 1789**, which established a Supreme Court with one chief justice and five associate justices. This highest court was empowered to rule on the constitutionality of decisions made by state courts. The act also provided for a system of 13 district courts and three circuit courts of appeals.

## Hamilton's Financial Program

One of the most pressing problems faced by Congress under the Articles had been the government's financial difficulties. Alexander Hamilton, secretary of the treasury, presented to Congress a plan for putting U.S. finances on a stable foundation. Hamilton's plan included three main actions. (1) Pay off the **national debt** at face value and have the federal government assume the war debts of the states. (2) Protect the young nation's "infant" (new and developing) industries and collect adequate revenues at the same time by imposing high tariffs on imported goods. (3) Create a **national bank** for depositing government funds and printing banknotes that would provide the basis for a stable U.S. currency. Support for this program came chiefly from northern merchants, who would gain directly from high tariffs and a stabilized currency.

Opponents of Hamilton's financial plan included the Anti-Federalists, who feared that the states would lose power to the extent that the central government gained it. Thomas Jefferson led a faction of southern Anti-Federalists who viewed Hamilton's program as benefiting only the rich at the expense of indebted farmers. After political wrangling and bargaining, Congress finally adopted Hamilton's plan in slightly modified form. For example, the tariffs were not as high as Hamilton wanted.

**Debt** Jefferson and his supporters agreed to Hamilton's insistence that the U.S. government pay off the national debt at face value and assume payment of the war debts of the states. In return for Jefferson's support on this aspect of his plan, Hamilton agreed to Jefferson's idea for the nation's capital to be in the south along the Potomac River (an area that, after Washington's death, would be named Washington, D.C.).

**National Bank** Jefferson argued that the Constitution did not give Congress the power to create a bank. But Hamilton took a broader view of the Constitution, arguing that the document's "necessary and proper" clause authorized Congress to do whatever was necessary to carry out its enumerated powers. Washington supported Hamilton on the issue, and the proposed bank was voted into law. Although chartered by the federal government, the Bank

of the United States was privately owned. As a major shareholder of the bank, the federal government could print paper currency and use federal deposits to stimulate business.

## **Foreign Affairs Under Washington**

Washington's first term as president (1789–1793) coincided with the outbreak of revolution in France, a cataclysmic event that was to touch off a series of wars between the new French Republic and the monarchies of Europe. Washington's entire eight years as president, as well as the four years of his successor, John Adams, were taken up with the question of whether to give U.S. support to France, France's enemies, or neither side.

### ***French Revolution***

Americans generally supported the French people's aspiration to establish a republic, but many were also horrified by reports of mob hysteria and mass executions. To complicate matters, the U.S.–French alliance remained in effect, although it was an alliance with the French monarchy, not with the revolutionary republic. Jefferson and his supporters sympathized with the revolutionary cause. They also argued that because Britain was seizing American merchant ships bound for French ports, the United States should join France in its defensive war against Britain.

**Proclamation of Neutrality (1793)** Washington, however, believed that the young nation was not strong enough to engage in a European war. Resisting popular clamor, in 1793 he issued a proclamation of U.S. neutrality in the conflict. Jefferson resigned from the cabinet in disagreement with Washington's policy.

**“Citizen” Genêt** Objecting to Washington's policy, “Citizen” Edmond Genêt, the French minister to the United States, broke all the rules of diplomacy by appealing directly to the American people to support the French cause. So outrageous was his conduct, even Jefferson approved of Washington's request to the French government that they remove Genêt. Recalled by his government, Genêt chose to remain in the United States, where he married and became a U.S. citizen.

### ***The Jay Treaty (1794) with Great Britain***

Washington sent Chief Justice John Jay on a special mission to Britain to talk about two issues. One was Britain's continued occupation of posts on the U.S. western frontier. The other was Britain's offensive practice of searching and seizing American ships and impressing seamen into the British navy. After a year of negotiations, Jay brought back a treaty in which Britain agreed to evacuate its posts but included nothing about impressment. Narrowly ratified by the Senate, the unpopular **Jay Treaty** angered American supporters of France, but it did maintain Washington's policy of neutrality, which kept the United States at peace.

## The Pinckney Treaty (1795) with Spain

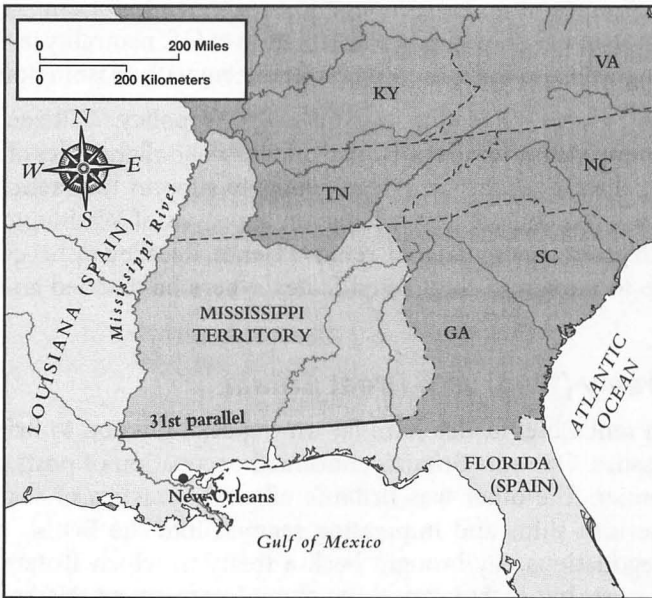
Totally unexpected was the effect that the Jay Treaty had on Spain's policy toward its territories in the Americas. Seeing the treaty as a sign that the United States might be drawing closer to Spain's longtime foe Britain, Spain decided to consolidate its holdings in North America. The Spanish influence in the Far West had been strengthened by a series of Catholic missions along the California coast, but they were concerned about their colonies in the southeast. Thomas Pinckney, the U.S. minister to Spain, negotiated a treaty with these provisions:

- Spain opened the lower Mississippi River and New Orleans to American trade.
- The **right of deposit** was granted to Americans so that they could transfer cargoes in New Orleans without paying duties to the Spanish government.
- Spain accepted the U.S. claim that Florida's northern boundary should be at the 31st parallel (not north of that line, as Spain had formerly insisted).

## Domestic Concerns under Washington

In addition to coping with foreign challenges, stabilizing the nation's credit, and organizing the new government, Washington faced a number of domestic problems and crises.

PINCKNEY'S TREATY, 1795



**American Indians** Through the final decades of the 18th century, settlers crossed the Alleghenies and moved the frontier steadily westward into the Ohio Valley and beyond. In an effort to resist the settlers' encroachment on their

lands, a number of the tribes formed the Northwest (or Western) Confederacy. The Shawnee, Delaware, Iroquois, and other tribes allied under the Miami war chief Little Turtle. Initially, they won a series of bloody victories over the settler militias.

In some cases, the British were supplying the American Indians with arms and encouraging them to attack the settlers. Hearing this incensed the Americans. In 1794, the U.S. army, led by General Anthony Wayne, defeated the Confederacy tribes at the **Battle of Fallen Timbers** in northwestern Ohio. The next year, the chiefs of the defeated peoples agreed to the **Treaty of Greenville**, in which they surrendered claims to the Ohio Territory and promised to open it up to settlement.

**The Whiskey Rebellion (1794)** Hamilton, to make up the revenue lost because tariffs were lower than he wanted, persuaded Congress to pass excise taxes, particularly on the sale of whiskey. In western Pennsylvania, the refusal of a group of farmers to pay the federal tax on whiskey seemed to pose a major challenge to the viability of the U.S. government under the Constitution. The rebelling farmers could ill afford to pay a tax on the whiskey that they distilled from surplus corn. Rather than pay the tax, they defended their “liberties” by attacking the revenue collectors.

Washington responded to this crisis by federalizing 15,000 state militia and placing them under the command of Alexander Hamilton. The show of force had its intended effects. The Whiskey Rebellion collapsed with almost no bloodshed and the federal government solidified its authority. Some Americans applauded Washington’s action, contrasting it with the previous government’s helplessness to do anything about Shays’s Rebellion. Among westerners, however, the military action was widely resented and condemned as an unwarranted use of force against the common people. The government’s chief critic, Thomas Jefferson, gained in popularity as a champion of western farmers.

**Western Lands** In the 1790s, the Jay Treaty and the victory at the Battle of Fallen Timbers gave the federal government control of vast tracts of land. Congress encouraged the rapid settlement of these lands by passing the **Public Land Act** in 1796, which established orderly procedures for dividing and selling federal lands at moderate prices. The process for adding new states to the Union, as set forth in the Constitution, went smoothly. While the first new state was in New England (Vermont in 1791), the next two reflected the country’s push westward: Kentucky in 1792 and Tennessee in 1796.

## The First Political Parties

Washington’s election by unanimous vote of the Electoral College in 1789 underscored the popular belief that political parties were not needed. The Constitution itself did not mention political parties, and the framers assumed none would arise. They were soon proven wrong. The debates between Federalists and Anti-Federalists in 1787 and 1788 were the first indication that a two-party system would emerge as a core feature of American politics.



## Origins

In colonial times, groups of legislators commonly formed temporary factions and voted together either for or against a specific policy. When an issue was settled, the factions would dissolve. The dispute between Federalists and Anti-Federalists over the ratification of the Constitution closely resembled the factional disputes of an earlier period. What was unusual about this conflict was that it was organized—at least by the Federalists—across state lines and in that sense prefigured the national parties that emerged soon afterward.

In the 1790s, sometimes called the **Federalist era** because it was dominated largely by Federalist policies, political parties began to form around two leading figures, Hamilton and Jefferson. The **Federalist Party** supported Hamilton and his financial program. In opposition, the **Democratic-Republican Party** supported Jefferson and tried to elect candidates in different states who opposed Hamilton's program. The French Revolution further solidified the formation of national **political parties**. Americans divided sharply over whether to support France. A large number followed Jefferson's lead in openly challenging President Washington's neutrality policy.

## Differences Between the Parties

The Federalists were strongest in the northeastern states and advocated the growth of federal power. The Democratic-Republicans were strongest in the southern states and on the western frontier and argued for states' rights. By 1796, the two major political parties were taking shape and becoming better organized. In that year, President Washington announced that he intended to retire to private life at the end of his second term.

COMPARISON OF FEDERALIST AND DEMOCRATIC-REPUBLICAN PARTIES		
Trait	Federalists	Democratic-Republicans
<b>Leaders</b>	<ul style="list-style-type: none"><li>• John Adams</li><li>• Alexander Hamilton</li></ul>	<ul style="list-style-type: none"><li>• Thomas Jefferson</li><li>• James Madison</li></ul>
<b>View of the Constitution</b>	<ul style="list-style-type: none"><li>• Interpret loosely</li><li>• Create a strong central government</li></ul>	<ul style="list-style-type: none"><li>• Interpret strictly</li><li>• Create a weak central government</li></ul>
<b>Foreign Policy</b>	<ul style="list-style-type: none"><li>• Pro-British</li></ul>	<ul style="list-style-type: none"><li>• Pro-French</li></ul>
<b>Military Policy</b>	<ul style="list-style-type: none"><li>• Develop a large peacetime army and navy</li></ul>	<ul style="list-style-type: none"><li>• Develop a small peacetime army and navy</li></ul>
<b>Economic Policy</b>	<ul style="list-style-type: none"><li>• Aid business</li><li>• Create a national bank</li><li>• Support high tariffs</li></ul>	<ul style="list-style-type: none"><li>• Favor agriculture</li><li>• Oppose a national bank</li><li>• Oppose high tariffs</li></ul>
<b>Chief Supporters</b>	<ul style="list-style-type: none"><li>• Northern business owners</li><li>• Large landowners</li></ul>	<ul style="list-style-type: none"><li>• Skilled workers</li><li>• Small farmers</li><li>• Plantation owners</li></ul>

## Washington's Farewell Address

Assisted by Alexander Hamilton, the retiring president wrote a speech known as his Farewell Address for publication in the newspapers in late 1796. This message had enormous influence because of Washington's prestige. The president spoke against policies and practices that he considered unwise:

- Do not get involved in European affairs.
- Do not make “**permanent alliances**” in foreign affairs.
- Do not form political parties.
- Do not fall into sectionalism.

For the next century, future presidents would mostly heed Washington's first two warnings against foreign entanglements. However, in the case of political parties, Washington was already behind the times. By the time he spoke, political parties were well on their way to becoming a vital part of the American political system and sectional differences were growing stronger.

One long-term consequence of Washington's decision to leave office after two terms was that later presidents followed his example. Presidents elected to two terms (including Jefferson, Madison, Monroe, and Jackson) would voluntarily retire even though the Constitution placed no limit on a president's tenure in office. The **two-term tradition** continued unbroken until 1940 when Franklin Roosevelt won election to a third term. Then, the 22nd Amendment, ratified in 1951, made the two-term limit a part of the Constitution.

## John Adams' Presidency

Even as Washington was writing his Farewell Address, political parties were working to gain majorities in the two houses of Congress and to line up enough electors from the various states to elect the next president. The vice president, **John Adams**, was the Federalists' candidate, while former secretary of state Thomas Jefferson was the choice of the Democratic-Republicans.

Adams won by three electoral votes. Jefferson became vice president, since the original Constitution gave that office to the candidate receiving the second highest number of electoral votes. (Since the ratification of the 12th Amendment in 1804, the president and vice president have run as a team.)

**The XYZ Affair** Troubles abroad related to the French Revolution presented Adams with the first major challenge of his presidency. Americans were angered that French warships and privateers were seizing U.S. merchant ships. Seeking a peaceful settlement, Adams sent a delegation to Paris to negotiate with the French government. Certain French ministers, known only as X, Y, and Z because their names were never revealed, requested bribes as the basis for entering into negotiations. The American delegates indignantly refused. Newspaper reports of the demands made by X, Y, and Z infuriated many Americans, who now clamored for war against France. “Millions for defense, but not one cent for tribute” became the slogan of the hour. One faction

of the Federalist Party, led by Alexander Hamilton, hoped that by going to war the United States could gain French and Spanish lands in North America.

President Adams, on the other hand, resisted the popular sentiment for war. Recognizing that the U.S. Army and Navy were not yet strong enough to fight a major power, the president avoided war and sent new ministers to Paris.

**The Alien and Sedition Acts** Anger against France strengthened the Federalists in the congressional elections of 1798 enough to win a majority in both houses. The Federalists took advantage of their victory by enacting laws to restrict their political opponents, the Democratic-Republicans. For example, since most immigrants voted Democratic-Republican, the Federalists passed the Naturalization Act, which increased from 5 to 14 the years required for immigrants to qualify for U.S. citizenship. They also passed the Alien Acts, which authorized the president to deport aliens considered dangerous and to detain enemy aliens in time of war. Most seriously, they passed the Sedition Act, which made it illegal for newspaper editors to criticize either the president or Congress and imposed fines or imprisonment for editors who violated the law.

**The Kentucky and Virginia Resolutions** Democratic-Republicans argued that the Alien and Sedition Acts violated rights guaranteed by the 1st Amendment of the Constitution. In 1799, however, the Supreme Court had not yet established the principle of judicial review, the idea that the court could overturn a law that it found in conflict with the Constitution (see Topic 4.2). Democratic-Republican leaders challenged the legislation of the Federalist Congress by enacting nullifying laws of their own in the state legislatures. The Kentucky legislature adopted a resolution that had been written by Thomas Jefferson, and the Virginia legislature adopted a resolution introduced by James Madison. Both resolutions declared that the states had entered into a “compact” in forming the national government. Therefore, if any act of the federal government broke the compact, a state could nullify the federal law. Although only Kentucky and Virginia adopted nullifying resolutions in 1799, they set forth an argument and rationale that would be widely used in the nullification controversy of the 1830s (see Topic 4.8).

The immediate crisis over the Alien and Sedition Acts faded when the Federalists lost control of Congress after the election of 1800, and the Democratic-Republican majority allowed the acts to expire or repealed them. Further, in 1803, the Supreme Court under Chief Justice John Marshall asserted its power in deciding whether federal laws were constitutional.

## REFLECT ON THE LEARNING OBJECTIVE

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1. Explain how and why disagreements deepened struggles among peoples and nations from 1754 to 1800.



## KEY TERMS BY THEME

### Disputes (WXT)

national bank

### New Republic (POL)

executive departments

Henry Knox

Edmund Randolph

cabinet

Supreme Court

federal courts

Judiciary Act (1789)

national debt

Federalist era

Federalist Party

Democratic-Republican

Party

political parties

two-term tradition

John Adams

### Founders (NAT, SOC)

Washington's Farewell

Address

"permanent alliances"

Alien and Sedition Acts

Kentucky and Virginia

Resolutions

### Expansion (MIG, POL)

Battle of Fallen Timbers

Treaty of Greenville

Public Land Act (1796)

### Foreign Affairs (WOR)

French Revolution

Proclamation of Neutrality

(1793)

"Citizen" Genêt

Jay Treaty (1794)

Pinckney Treaty (1795)

right of deposit

XYZ Affair

## MULTIPLE-CHOICE QUESTIONS

Questions 1-3 refer to the following excerpt.

"Friends and Fellow Citizens: I should now apprise you of the resolution I have formed to decline being considered among the number of those out of whom a choice is to be made. . . .

I have already intimated to you the danger of parties . . . with particular reference to . . . geographical discriminations. . . .

Let it simply be asked—where is the security for property, for reputation, for life, if the sense of religious obligation desert the oaths. . . .

As a very important source of strength and security, cherish public credit . . . avoiding likewise the accumulation of debt . . . which unavoidable wars may have occasioned . . . in mind that toward the payment of debt there must be . . . taxes. . . .

By interweaving our destiny with that of any part of Europe, [we] entangle our peace and prosperity in the toils of European ambition, rivalry, interest, humor, or caprice. . . . It is our true policy to steer clear of permanent alliances with any portion of the foreign world."

George Washington, Farewell Address, 1796

1. One of the primary reasons Washington and others warned against political parties was concern about
  - (A) damage to the national reputation
  - (B) divisive sectionalism
  - (C) rights of property owners
  - (D) unavoidable wars
2. One of the outcomes of the Farewell Address was
  - (A) the two-party system
  - (B) the precedent of a two-term limit
  - (C) the first presidential library
  - (D) the beginning of greater U.S. involvement overseas
3. Which of the following developments during Washington's presidency most likely had a direct impact on the views he expressed in the excerpt?
  - (A) The status of American Indians
  - (B) The creation of a federal court system
  - (C) The Proclamation of Neutrality
  - (D) The National Bank

### SHORT-ANSWER QUESTION

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Use complete sentences; an outline or bulleted list alone is not acceptable.

1. Answer (a), (b), and (c).
  - (a) Briefly explain ONE historical event or development in the period 1789 to 1800 that is an example of the American foreign policy of avoiding war.
  - (b) Briefly explain ONE positive or negative result in the period 1789 to 1800 of the American foreign policy of avoiding war.
  - (c) Briefly explain how ONE person or group in the U.S. in the period 1789 to 1800 challenged the United States government's foreign policy.