

Hammering Out a Federal Republic

1787–1820

CHAPTER OUTLINE

The following annotated chapter outline will help you review the major topics covered in this chapter.

I. The Political Crisis of the 1790s

- A. The Federalists Implement the Constitution
 1. Devising the New Government
 - a. Federalists swept the election of 1788; members of the electoral college chose George Washington as president, and John Adams became vice president.
 - b. The Constitution gave the president the power to appoint major officials with the consent of the Senate. Washington chose Thomas Jefferson as secretary of state, Alexander Hamilton as secretary of the treasury, and Henry Knox as secretary of war.
 - c. The Judiciary Act of 1789 created a hierarchical federal court system with a federal district court in each state, as well as three circuit courts to hear appeals.
 - d. The Judiciary Act permitted constitutional matters to be appealed to the Supreme Court, which had the final say.
 2. The Bill of Rights
 - a. The Federalists added the Bill of Rights to the Constitution, which safeguarded certain fundamental rights

and mandated certain legal procedures to protect the individual.

- b. These ten amendments legitimized the Constitution but also intensified the debate over the balance of power between the national and state governments.
- ### B. Hamilton's Financial Program
1. Public Credit: Redemption and Assumption
 - a. Alexander Hamilton, secretary of the treasury, devised bold and controversial policies to enhance the authority of the national government and to favor financiers and seaport merchants.
 - b. Hamilton's "Report on the Public Credit" asked Congress to redeem millions of dollars in securities issued by the Confederation, providing windfall profits to speculators and creating a permanent national debt owned mostly by wealthy families.
 - c. The House rejected James Madison's proposal for helping the shopkeepers, farmers, and soldiers who were the original owners of the Confederation securities.
 - d. Congress approved Hamilton's second proposal that the national government adopt an assumption plan to assume the war debts of the states (which unleashed a

- flurry of speculation and some government corruption) after Hamilton agreed to reimburse those states that had already paid off much of their war debt and supported locating the permanent national capital along the banks of the Potomac.
2. Creating a National Bank
 - a. Hamilton asked Congress to charter the Bank of the United States, which was to be jointly owned by private stockholders and the national government.
 - b. Washington signed the legislation creating the bank, although Jefferson and Madison charged that a national bank was unconstitutional because the Constitution did not specifically provide for one.
 3. Raising Revenue Through Tariffs
 - a. At Hamilton's insistence, Congress imposed a variety of domestic excise taxes and modestly increased tariffs on foreign imports. Hamilton did not support a high protective tariff that would exclude competing foreign productions. Instead, he favored revenue tariffs that would pay the interest on the debt and defray the expenses of the national government.
 - b. Increased trade and customs revenue allowed the treasury to pay for Hamilton's redemption and assumption programs.
- C. Jefferson's Agrarian Vision
1. By 1793, most northern Federalists adhered to the political alliance led by Hamilton, while most southerners joined a rival group headed by Madison and Jefferson, the Republicans.
 2. Influenced by Enlightenment thought, Jefferson believed in social improvement and disliked corruption and class divisions.
 3. Jefferson pictured an America settled by farm families whose grain and meat would feed Europeans in exchange for clothing and other comforts.
 4. During the 1790s, Jefferson's vision was fulfilled as warfare disrupted European farming.
 5. Simultaneously, a boom in the export of raw cotton boosted the economy of the lower South.
- D. The French Revolution Divides Americans
1. Ideological Politics
 - a. American merchants profited from the European war because a Proclamation of Neutrality allowed American citizens to trade with both sides.
 - b. The American merchant fleet increased dramatically, commercial earnings rose, and work was available to thousands of Americans.
 - c. Even as they prospered from the European struggle, Americans argued passionately over its ideologies and events. Although many supported the French Revolution's democratic ideology, wealthy Americans feared that the revolution would contribute to social upheaval in America.
 - d. The ideological conflicts sharpened the debate over Hamilton's economic policies and brought on disruptions such as the Whiskey Rebellion, a protest against new excise taxes on spirits.
 2. Jay's Treaty
 - a. In 1793, the Royal Navy began to prey on American ships bound for France from the West Indies.
 - b. To avoid war, Washington sent John Jay to Britain. He returned with a treaty that Republicans denounced as too conciliatory.
 - c. As long as the Federalists were in power, the United States would have a pro-British foreign policy.
 3. The Haitian Revolution
 - a. The French Revolution inspired a massive slave uprising, resulting in the establishment of the first black republic in the Atlantic world, Haiti.
 - b. The Haitian Revolution created the fear of slave rebellion in America. For many Americans, the notion of former slaves governing an independent nation seemed paradoxical to republican ideology.
- E. The Rise of Political Parties
1. The Naturalization, Alien, and Sedition Acts of 1798
 - a. State and national constitutions made no provisions for political parties because they were considered unnecessary and dangerous.
 - b. Merchants, creditors, and urban artisans favored Federalist policies, while the Republican coalition included support from farmers and planters.

- c. During the election of 1796, the Federalists celebrated Washington's achievements, and Republicans invoked the egalitarian principles of the Declaration of Independence.
 - d. Federalists elected John Adams as president, and he continued Hamilton's pro-British foreign policy.
 - e. Responding to the XYZ Affair, the Federalist-controlled Congress cut off trade with France and authorized American privateers to seize French ships, which extended party conflict that had begun over Hamilton's economic policies to foreign affairs.
 - f. To silence their critics, Federalists enacted a series of coercive measures—the Naturalization Act, the Alien Act, and the Sedition Act—which created a constitutional crisis.
 - g. Republicans charged that the Sedition Act violated the First Amendment's prohibition against "abridging the freedom of speech, or of the press."
 - h. At Republicans' urging, the Kentucky and Virginia legislatures declared the Alien and Sedition Acts to be "unauthoritative, void, and of no force." The Virginia and Kentucky resolutions set forth a states' rights interpretation of the Constitution, asserting that the states had a "right to judge" the legitimacy of national laws.
 - i. Republicans strongly supported Jefferson's bid for the presidency in 1800.
 - j. Adams rejected the advice of Federalists to declare war on France and instead negotiated an end to the fighting.
2. The "Revolution of 1800"
- a. The 1800 presidential election campaign turned into a bitterly fought contest with both sides accusing the other of corruption and deceit.
 - b. Jefferson won a narrow 73-to-65 victory in the electoral college, but Republicans also gave 73 votes to Aaron Burr, sending the election to the House of Representatives.
 - c. Federalists in the House blocked Jefferson's election until Hamilton, declaring Burr "unfit" for the presidency, persuaded key Federalists to vote for Jefferson.
 - d. The bloodless transfer of power demonstrated that governments elected by the people could be changed in an orderly way, even amidst bitter partisan conflict and foreign crisis. Therefore, Jefferson termed the election the "Revolution of 1800."

II. A Republican Empire is Born

A. Sham Treaties and Indian Lands

1. The Treaty of Greenville

- a. Invoking the Treaty of Paris and viewing Britain's Indian allies as conquered peoples, the U.S. government asserted its ownership of the trans-Appalachian west; Native Americans rejected this claim and pointed out that they had not signed the treaty and had never been conquered.
- b. In 1784, the United States used military threat to force the pro-British Iroquois peoples to sign the Treaty of Fort Stanwix and relinquish much of their land in New York and Pennsylvania.
- c. Farther to the west, the United States induced Indian peoples to give up most of the future state of Ohio.
- d. The Indians formed a Western Confederacy to defend themselves against aggressive settlers and defeated American soldiers sent by George Washington in 1790 and 1791.
- e. Washington increased the size of the U.S. Army, and under the leadership of General Anthony Wayne, it defeated the confederacy at the Battle of Fallen Timbers. Continued Indian resistance forced a compromise peace, the Treaty of Greenville in 1795.
- f. In practice, this agreement eventually brought the transfer of millions of acres of Indian land to the U.S. government and sparked a wave of American migration into the region, resulting in new conflicts with native peoples over land and hunting rights.

2. Assimilation Rejected

- a. Most Native Americans resisted attempts to assimilate them into white society and maintained ancestral values and religious beliefs.
- b. Attempts by moderate chiefs to combine traditional animistic rituals

- with Christian teachings resulted in divisions among Native Americans.
- c. Most Native American men also resisted efforts to turn them into farmers, and women insisted that they retain their politically influential gender roles within Indian society.
- B. Migration and the Changing Farm Economy
1. Southern Migrants
 - a. During the 1790s, two major migration patterns developed in the southern states.
 - b. Most migrants who flocked through the Cumberland Gap were white tenant farmers and yeomen families fleeing the depleted soils and planter elite of the Chesapeake region.
 - c. Although poor migrants to Kentucky and Tennessee believed they had a customary right to occupy “waste vacant lands,” the Virginia government allowed them to purchase up to 1,400 acres of land at reduced prices but sold or granted estates of 20,000 to 200,000 acres to wealthy individuals and partnerships.
 - d. Landlessness and opposition to slavery inspired many of these migrants to move across the Ohio River. Landownership, however, remained an elusive goal as more than half of Ohio’s white male population did not own land in 1810.
 - e. A second stream of migrants, dominated by slave-owning planters and their enslaved workers, moved along the coastal plain of the Gulf of Mexico into the future states of Alabama, Mississippi, and Louisiana.
 - f. Cotton financed the rapid settlement of this region as well as the expansion of slavery into the Old Southwest, as technological breakthroughs increased the demand for raw wool and cotton.
 2. Exodus from New England
 - a. Seeking land for their children, a third stream of migrants flowed out of the overcrowded communities of New England into New York, Ohio, and Indiana.
 - b. In New York, speculators snapped up much of the best land and attracted tenants to work it by offering farms rent-free for seven years, after which they charged rents. Many New England yeomen preferred the Holland Land Company, which allowed settlers to buy the land as they worked it.
 3. Innovation on Eastern Farms
 - a. Unable to compete against producers of low-priced western grains, eastern farmers adopted the higher yielding and nutritious potato as a cash crop. Farmers whose sons and daughters had moved inland made up for the loss of labor by adopting new implements. Changes in crops and technology kept yields high.
 - b. Easterners also changed their agriculture methods, including rotating crops and planting year round. Women contributed to the family economy by producing and selling milk, butter, and cheese.
 - c. Although working harder and longer, farmers increased their own standard of living and boosted the entire American economy.
- C. The Jeffersonian Presidency
1. Between 1801 and 1825, three Republican presidents—Thomas Jefferson, James Madison, and James Monroe—the so-called Virginia Dynasty, reversed many Federalist policies and advocated westward expansion.
 2. Jefferson’s first foreign policy challenge dealt with the Barbary States of North Africa. Refusing to pay bribes to assure safe passage for American ships in the Mediterranean, Jefferson engaged the United States in a four-year conflict with these extortionists, ending in lower payments yet continued attacks.
 3. Before John Adams left office, the Federalist-controlled Congress had passed the Judiciary Act of 1801, which created sixteen new judgeships and six new circuit courts. Just before leaving office, Adams filled the judgeships and courts with “midnight appointees.”
 4. James Madison’s refusal to deliver the commission of William Marbury, one of Adams’s midnight appointees, caused Marbury to petition the Supreme Court to compel delivery under the terms of the Judiciary Act of 1789. In *Marbury v. Madison* (1803), Chief Justice John Marshall asserted the Court’s power of judicial review.

5. Despite this setback, Jefferson mobilized Republicans to shrink back the national government's size and power, which they believed was grossly over-expanded through Federalist policies.
 6. Republicans refused to reenact the Alien and Sedition Acts when they expired, amended the Naturalization Act to permit resident aliens to become citizens after five years, and secured repeal of the Judiciary Act of 1801, thereby ousting forty of Adams's midnight appointees, though Jefferson allowed competent Federalist bureaucrats to retain their jobs.
 7. In fiscal matters, Jefferson also set a clearly republican course: he abolished internal taxes, reduced the size of the army, and tolerated the Bank of the United States.
 8. With Thomas Jefferson and Albert Gallatin at the helm, the country reduced its national debt, and the interests of northeastern creditors and merchants no longer dominated the nation's financial affairs.
- D. Jefferson and the West
1. The Louisiana Purchase
 - a. As president, Jefferson seized the opportunity to increase the flow of settlers to the West; Republicans passed laws reducing the minimum acreage available for purchase.
 - b. In 1801, Napoleon Bonaparte coerced Spain into returning Louisiana to France; then he directed Spanish officials to restrict American access to New Orleans.
 - c. To avoid hostilities with France, Jefferson instructed Robert Livingston, the American minister in Paris, to negotiate the purchase of New Orleans; simultaneously, he also sent James Monroe to Britain to seek its assistance in case of war with France.
 - d. In April 1803, Bonaparte, Livingston, and Monroe concluded what came to be known as the Louisiana Purchase for \$15 million (about \$500 million in today's dollars).
 - e. Since the Constitution did not provide for adding new territory, Jefferson pragmatically reconsidered his strict interpretation of it.
 2. Secessionist Schemes
 - a. Fearing that western expansion would diminish their power, New England Federalists talked openly of leaving the Union.
 - b. Refusing to support the secessionists, Alexander Hamilton accused their chosen leader, Aaron Burr, of participating in a conspiracy to destroy the Union. Burr challenged Hamilton to a duel. Hamilton accepted and was shot to death.
 - c. As evidenced by Burr's probable plan to either capture territory in New Spain or to foment a rebellion to establish Louisiana as a separate nation headed by himself, the Republicans' policy of western expansion increased party conflict and generated secessionist schemes in both New England and the West.
 3. Lewis and Clark Meet the Mandans and Sioux
 - a. In 1804, Jefferson sent Meriwether Lewis and William Clark on an expedition to gather information about the topography, animals, plants, and people in Louisiana.
 - b. After traveling for 1,000 miles on the Missouri River, the expedition spent the winter of 1804–1805 with the Mandan and Hidatsa peoples, farming tribes increasingly threatened by the powerful Sioux peoples.
 - c. During the 1,300 mile trek to the Pacific, Lewis and Clark ventured beyond the Louisiana Purchase and encountered many Native Americans who asked for guns to protect themselves from other armed tribes.
 - d. The journey's detailed accounts of resources and inhabitants inspired predictions of America as a nation spanning the continent.

III. The War of 1812 and the Transformation of Politics

A. Conflict in the Atlantic and the West

1. The Embargo of 1807

- a. As the Napoleonic Wars ravaged Europe, Great Britain and France refused to respect the neutrality of American merchant vessels.
- b. Napoleon's customs officials seized neutral American ships that had stopped in Britain. The British naval blockade stopped American ships carrying goods to Europe and also

- searched them for British deserters, who were then impressed (forced) back into service in the Royal Navy.
- c. Americans were outraged in 1807 when a British warship attacked the *Chesapeake*, killing or wounding twenty-one men, and seizing four alleged deserters.
 - d. Jefferson devised the Embargo Act of 1807, which prohibited American ships from leaving their home ports until Britain and France repealed restrictions on U.S. trade.
 - e. The act caused American exports to plunge, prompting Federalists to demand its repeal.
 - f. Despite discontent over the embargo, voters elected Republican James Madison to the presidency in 1808. As president, Madison replaced the embargo with new economic restrictions, none of which persuaded Britain and France to respect America's neutrality rights.
2. Western War Hawks
 - a. Republican congressmen from the West thought Britain was the major offender, as evidenced by its assistance to the Indians in the Ohio River Valley.
 - b. Republican expansionists in Congress condemned British support of Tecumseh and his brother Tenskwatawa, who had revived the Western Confederacy and mobilized western Indians for war.
 - c. In 1811, following a series of clashes between settlers and the Western Confederacy, William Henry Harrison, the governor of the Indiana Territory, led an army against Tenskwatawa's village of Prophetstown, fended off the confederacy's warriors at the Battle of Tippecanoe, and burned the village to the ground.
 - d. Henry Clay and John C. Calhoun, hoping to gain new territory and discredit the Federalists, pushed Madison toward war with Britain.
 - e. With elections approaching, Madison demanded British respect for American sovereignty in the West and neutral rights on the Atlantic. When the British did not respond quickly, he asked Congress for a declaration of war. In June 1812, a sharply divided Senate voted 19 to 13 for war, and the House of Representatives concurred, 79 to 49.
 - f. Although the United States officially entered into a war with Britain to protect the commercial rights of a neutral nation, the 1812 presidential election campaign revealed that the real reason for the war was protection of western interests.
- B. The War of 1812
 1. Federalists Oppose the War
 - a. The War of 1812 was a near disaster for the United States, both militarily and politically.
 - b. Political divisions in the United States prevented a major invasion of Canada in the East; New Englanders opposed the war, and Boston merchants declined to lend money to the government.
 - c. After two years of sporadic warfare, the United States had made little progress along the Canadian frontier and was on the defensive along the Atlantic; moreover, the new capital city was in ruins, and a British blockade threatened the nation's economy.
 - d. In the Southwest, Andrew Jackson led an army of militiamen to victory over British-supported Creek Indians in the Battle of Horseshoe Bend (1814) and forced the Indians to cede 23 million acres of land.
 - e. Federalists met in Hartford, Connecticut, to discuss a strategy "for a radical reform in the National Compact." Though some proposed succession, the majority wanted an amendment to the Constitution that would limit presidents to a single four-year term and rotate the presidency among citizens of different states. They also suggested amendments restricting commercial embargoes and requiring a two-thirds majority in Congress to declare war, prohibit trade, or admit a new state to the Union.
 - f. The war continued to go badly; an American naval victory on Lake Champlain narrowly averted a British invasion of the Hudson River Valley, and British troops landed outside New

- Orleans and threatened to cut American trade down the Mississippi River.
2. Peace Overtures and a Final Victory
 - a. American military setbacks strengthened opposition to the war; fortunately for the young American republic, Britain wanted peace, sapped from its twenty-year war with France.
 - b. The Treaty of Ghent, signed December 24, 1814, restored the prewar borders of the United States.
 - c. Andrew Jackson's victory against the British at New Orleans not only made Jackson a national hero but also redeemed the nation's pride, and together with the coming of peace, it undercut the Hartford Convention's demands for a significant revision of the Constitution.
- C. The Federalist Legacy
1. Marshall's Federalist Law
 - a. The War of 1812 ushered in a new phase of the Republican political revolution. Before the conflict, Federalists had strongly supported Alexander Hamilton's program of national mercantilism. After the war, the Republicans split into two factions, National Republicans and Jeffersonian Republicans.
 - b. Henry Clay of Kentucky led the National Republicans and in 1816 sponsored legislation that created the Second Bank of the United States and persuaded President Madison to sign it.
 - c. Meanwhile, the Federalist Party was in severe decline. Nationalist Republicans had won the allegiance of many Federalist voters in the East, and the pro-farmer policies of Jeffersonian Republicans maintained their party's dominance in the South and West.
 - d. The election of 1818 demonstrated Republican power: Republicans outnumbered Federalists 37 to 7 in the Senate and 156 to 27 in the House.
 - e. Despite the Federalists' demise, their policies remained very much in evidence because of John Marshall's long tenure on the Supreme Court.
 - f. Marshall was a committed Federalist who shaped the evolution of the Constitution through three principles that formed the basis of his jurisprudence: a commitment to judicial authority, the supremacy of national over state legislation, and a traditional, static view of property rights.
 2. Asserting National Supremacy
 - a. Congress chartering the Second Bank resulted in renewed discussion over its constitutionality.
 - b. In *McCulloch v. Maryland* (1819), Marshall introduced the "necessary and proper" concept arguing that the bank was constitutional because of Congress' control over currency.
 - c. In *Gibbons v. Ogden* (1824), the Court affirmed the dominance of national statutes over state legislation in cases regarding interstate commerce.
 3. Upholding Vested Property Rights
 - a. Under Marshall, the Supreme Court protected property rights of individuals from infringement by state legislatures.
 - b. In *Fletcher v. Peck* (1810) and *Dartmouth College v. Woodward* (1819), the Court invoked the contract clause of the Constitution to protect private property from state seizure. These decisions limited state power and contributed to the development of the national capitalist economy.
 4. The Diplomacy of John Quincy Adams
 - a. Although Federalist legacies remained, more and more Americans embraced Republican ideology.
 - b. The career of John Quincy Adams was a case in point. Although he was the son of Federalist president John Adams, John Quincy Adams had joined the Republican Party before the War of 1812.
 - c. As the secretary of state under President James Monroe, Adams negotiated the Rush-Bagot Treaty in 1817, which limited American and British naval forces on the Great Lakes. In 1818, he concluded another agreement with Britain setting the forty-ninth parallel as the border between Canada and the lands of the Louisiana Purchase. Through the Adams-Onís Treaty of 1819, the United States gained Florida and a

clearly defined border along Spanish claims in the West.

- d. As a result of Adams's urging, Monroe announced a new American foreign policy (the Monroe Doctrine) declaring that the American continents were not "subject for further colonization." In return, the United States agreed to not "interfere in the internal concerns" of European nations.
- e. Although the decline of the Federalists and party politics prompted observers to dub James Monroe's two terms as president (1817–1825) the "Era of Good Feeling," the Republican Party was now divided into a National faction, led by Clay and Adams, and a Jeffersonian or state-oriented faction, soon to be led by Martin Van Buren and Andrew Jackson.
- f. This division in the ranks of the Republican Party would produce a second party system in which national-minded Whigs faced off against state-focused Democrats.