



U. S. History: From the Colonial Period to 1877

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8.2 THE POLITICAL CRISIS OF THE 1790s

<p>ECONOMIC CHANGE</p> <p>Commercial Agriculture</p>	<p>The 1790s witnessed new prosperity and economic growth with changes in finance and growth in agriculture and transportation. For most of the 18th century, American farmers engaged in a local market economy, often bartering their produce for luxury and manufactured goods. Beginning in the 1790s, however, increasing numbers of farmers turned to LARGE-SCALE COMMERCIAL FARMING, especially in GRAIN and COTTON production. European population growth and the accompanying increase in the demand for food provided a market, as did the disruptions caused by the Napoleonic Wars. The increase in overseas grain trade generated a host of new jobs in related areas as the number of millers, coopers, and ship and wagon builders expanded. Thanks to Eli Whitney’s invention of the cotton gin in 1793, the United States by the turn of the century was well on its way to becoming one of the largest exporters of cotton in the world.</p>
<p>Improvements in Transportation</p>	<p>The prosperity brought by grain and cotton exports applied only to places within thirty miles of navigable waterways or the cost was prohibitive. This underscored THE NEED TO IMPROVE TRANSPORTATION systems. In the 1790s, road building commenced and within a few years, a network of roadways had evolved, especially in southern New England and the mid-Atlantic states. Road building greatly FACILITATED WESTWARD MIGRATION, and by 1800, four new states became sufficiently populated to join the union. Because of low passenger demand, road building and other forms of transportation in the SOUTH LAGGED FAR BEHIND THE NORTH. Cotton and tobacco planters continued to rely on rivers to move their products, which reinforced the economic dominance of property owners near the eastern waterways.</p>
<p>Merchant Class</p>	<p>The increase in overseas trade stimulated the EMERGENCE OF A COMMERCIAL CLASS in major port cities. Dominating this burgeoning class were wealthy merchants who imported and exported goods and owned some of the ships that carried the goods. The creation of the new FEDERAL GOVERNMENT WAS A BOON TO BUSINESS because all the obstacles to interstate trade were removed. NEW INVESTMENT OPPORTUNITIES appeared not only in mercantile trade but also in such areas as road construction, stagecoach lines, and textile mills. The rise of commercial banks met the need for investment capital and further stimulated the growing economy.</p>
<p>POLITICAL CONFLICTS</p>	<p>In 1790, the government changed its temporary home from new York to Philadelphia. Long-range plans called for a capital on the Potomac River between Maryland and Virginia. Meanwhile, a MAJOR CONTROVERSY OVER THE ISSUES OF ECONOMIC POLICY was brewing, creating political conflicts in the new government. At its center was Alexander Hamilton’s financial program.</p>
<p>Opposition to Hamilton’s Financial Plan</p>	<p>It is no wonder that HAMILTON’S PROGRAM MET WITH BITTER OPPOSITION. The Funding Bill was attacked as unfair to the original holders. The Assumption Bill was opposed not merely by those states which had paid off most of their debts, but also by those who did not want to see all financial power concentrated in the federal government.</p>
<p>Opposition to the Bank of the United States</p>	<p>When the bill to establish a BANK OF THE UNITED STATES was before Congress, JAMES MADISON, then a representative from Virginia attacked it on the grounds that the FEDERAL GOVERNMENT HAD NO RIGHT TO ESTABLISH A BANK. Such a power is not found among the specified powers of Congress (Art. I, Sec. 8, clauses 1-17) nor, argued Madison, is it an “implied power” allowed by the “elastic clause” (Art. I, Sec. 8, clause 18). The elastic clause gives Congress such powers as are “necessary and proper” for putting its stated powers into effect.</p> <p>A central bank, said Madison, might be useful in collecting taxes, borrowing money, and regulating interstate commerce, but IT WAS NOT NECESSARY. The federal government</p>

<p><u>Interpreting the Constitution</u></p> <p>Strict Construction ↓ Limits to Federal Power</p> <p>Loose Construction ↓ No Limits to Federal Power</p> <p><u>Whiskey Rebellion</u> (Tension between Minority Rights & Majority Rule)</p> <p>WASHINGTON'S 2ND TERM</p> <p>Defeated Indian Confederation</p>	<p>must be denied a power which was neither stated nor implied in the Constitution. The Tenth Amendment stated clearly that the powers not delegated to the United States by the Constitution were reserved to the States or to the people. If the federal government were allowed to set up the Bank of the United States, reasoned Madison, there would be no limits to federal power.</p> <p>After Congress passed the bank bill, Washington hesitated to sign it. He asked his two principal cabinet members, Hamilton and Jefferson, to give him their opinions in writing. JEFFERSON OPPOSED THE BANK on the same grounds as Madison. HAMILTON, however, argued that since the PURPOSES OF THE BANK WERE CONSTITUTIONAL, the federal government had the right to choose any obvious means of putting these purposes into effect. See Jefferson's opinion opposing the Bank of the United States (http://www.yale.edu/lawweb/avalon/amerdoc/bank-tj.htm) and Hamilton's opinion supporting it (http://courses.pasleystbrothers.com/texts/Hamilton on Constitutionality.htm).</p> <p>Washington waited almost the full ten days allowed by the Constitution before signing or vetoing the bill. He realized that his decision was likely to affect the whole future of the country. If he followed the STRICT-CONSTRUCTIONIST VIEWS OF MADISON AND JEFFERSON and vetoed the bill, it would be a precedent for limitation of the power of the federal government. If he followed the LOOSE-CONSTRUCTIONIST HAMILTON, the powers of the federal government would later increase. Washington had always favored a strong union, so it was not surprising that he finally decided to sign the bill. To read about other issues, past and present, that have been interpreted according to strict or loose constructionist views, visit this web site: http://library.thinkquest.org/11572/issues/index.html.</p> <p>Gradually, there grew up a WELL-ORGANIZED OPPOSITION to almost everything Hamilton stood for. Where Hamilton's policies favored merchants, bankers, and speculators, his opponents spoke for the interests of the farmers and laborers. When Hamilton favored increasing the power of the federal government, his opponents sought to limit it. Where Hamilton's following was chiefly in the North, where shipping and commerce were centered, his opponents were strongest in the South, which was dominated by the planters, and in the frontier democracy of the West.</p> <p>Opposition climaxed in 1794 with the WHISKEY REBELLION. Western farmers began protesting the 25 percent excise tax on whiskey soon after its passage. In 1794, western Pennsylvania FARMERS REFUSED TO PAY THE TAX and began terrorizing tax collectors. These actions represented a major challenge to federal authority. At Hamilton's urging, President WASHINGTON CALLED OUT A MILITIA of nearly fifteen thousand and personally accompanied the army into Pennsylvania. By the time the militia arrived, the protesting farmers had dispersed and the rebellion quickly collapsed. Nevertheless, the Whiskey Rebellion was an initial example of what would be a continuing conflict: the TENSION BETWEEN MINORITY RIGHTS AND MAJORITY RULE.</p> <p>Washington's second term proved to be one of constant challenges and crises, both at home and abroad. On the western frontier, a powerful confederation of Indians resisted white encroachments on their lands. Simultaneously, conflicts between France and England almost forced the United States into another war. To the South, the Haitian Revolution roused fears of racial war among southern slave owners.</p> <p>By the Treaty of Paris of 1783, England had ceded all land east of the Mississippi to the United States, but a substantial portion of that land was inhabited by Indian tribes. As the growing white population moved into western lands, SKIRMISHES WITH THE INDIANS increased. In the fall of 1791, General Arthur St. Clair led an army against the Miami and Shawnee Indians but was ambushed and completely routed in the worst U.S. defeat in the history of Indian wars. In the 1794 Battle of Fallen Timbers, General Anthony Wayne, with</p>
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<p>Policy of Neutrality</p>	<p>some 3,500 men, DEFEATED THE INDIAN CONFEDERATION. The following summer, the tribes reluctantly agreed, in the Treaty of Greenville, to abandon their territory in Ohio.</p>
<p>Jay's Treaty</p>	<p>European events exacerbated political polarization on the domestic front when ENGLAND AND REVOLUTIONARY FRANCE WENT TO WAR in 1793, raising the question of whether the United States should support the French. During the American Revolution, the colonies had promised to aid France if that country were ever under attack. Now, however, the Washington administration decided on a POLICY OF NEUTRALITY. Many Americans, believing the United States was honor-bound and ideologically committed to the French cause, organized pro-French political clubs. Washington promulgated the Neutrality Proclamation, but Americans continued to trade with France and the French West Indies. In 1793 and 1794, England vented its anger at the United States' narrow interpretation of neutrality by seizing hundreds of American vessels in the vicinity of the French West Indies. Washington then dispatched John Jay to resolve the crisis and negotiate a treaty with Britain.</p>
<p>The Haitian Revolution</p>	<p>As the administration's emissary, John Jay was to secure agreement about general commercial ties between the two countries and to negotiate compensation for the seizure of American ships. Jay negotiated a long and complex treaty in 1794 that was MORE FAVORABLE TO GREAT BRITAIN THAN TO THE UNITED STATES. The opposition condemned the treaty unanimously, accusing the administration of betraying France and the American people in exchange for improved trading status that WOULD BENEFIT ONLY MERCHANTS. In the end, the treaty just barely passed in Congress with the vote in both houses divided along precisely the lines of the Hamilton-Jefferson split on economic policy.</p>
<p>Partisan Electioneering</p>	<p>French St. Domingue, the French-controlled western part of Hispaniola, erupted in a complicated revolution in 1791. Approximately 30,000 whites ruled St. Domingue, which also harbored a population of nearly half a million slaves, two-thirds of them of African birth. There were also 28,000 freed people of color (<i>gens de couleur</i>) of mixed race, who had some economic power but no political clout. The French Revolution inspired white colonists to rebel against the royalist government. Then the free people of color rebelled. They were followed by an enormous slave uprising. By 1793, there was a civil war involving the French, the Spanish, and the British in addition to local inhabitants. AMERICANS WERE HORRIFIED BY THE REVOLT, which heightened FEARS OF A SLAVE REBELLION in the United States.</p>
<p>Election of 1796 Adams: President Jefferson: VP</p>	<p>The Jay Treaty controversy proved to be the final catalyst for the formation of political parties, despite the widespread belief among the elite that parties were a curse to republican government. Washington's decision not to run again opened the door to SERIOUS PARTISAN ELECTIONEERING, as both factions, now known as Federalists and Republicans, sought the presidency for one of their own.</p>
<p>The XYZ Affair</p>	<p>The 1796 election pitted FEDERALIST CANDIDATE JOHN ADAMS against REPUBLICAN THOMAS JEFFERSON. While the two contestants remained above the conflict, their supporters worked to ensure their respective candidates' and parties' success. Since the people did not vote directly for the president, partisan maneuvering took place in the electoral college, where Alexander Hamilton tried to manipulate the election of Thomas Pinckney, Adams' running mate. Not only did Hamilton's scheme fail, but it caused Adams to win and his rival Jefferson to become the vice president. Adams promised to rise above party strife, and to demonstrate his commitment, he retained Washington's cabinet, not realizing that all three members were Hamilton loyalists. Adams and Jefferson attempted to work together, but the influence of the Hamiltonian cabinet made such an alliance impossible.</p> <p>Soon after taking office, Adams confronted angry French reaction to the Jay Treaty. In retaliation, FRANCE HARASSED AMERICAN SHIPPING, especially in the Caribbean where hundreds of U.S. vessels were seized. When negotiations with the French failed, Adams convened a special session of Congress, recommending military and defensive measures. He also continued attempts at negotiation, sending THREE COMMISSIONERS TO FRANCE. The FRENCH GOVERNMENT, however, was still angered at the American betrayal and</p>

<p>Alien and Sediton Acts</p> <p>Kentucky & Virginia Resolutions</p> <p>DISCUSSION QUESTIONS</p>	<p>insulted the American diplomats by DEMANDING BRIBES BEFORE TALKS COULD TAKE PLACE. The XYZ Affair, as it became known, led to public cries in the United States, especially among the Federalists, for war. As a result of American mobilization, an unofficial QUASI-WAR WITH FRANCE broke out at sea, mostly in the Caribbean, with American ships seizing French merchant ships.</p> <p>One of the most serious domestic ramifications of the war was the passage of the ALIEN AND SEDITION ACTS, which Federalists argued were ESSENTIAL TO MAINTAIN NATIONAL SECURITY during this turbulent time. The SEDITION ACT REPRESSED FREE SPEECH by punishing “false” criticism of the government with jail times and fines and was mostly against Republican newspaper editors. The ALIEN ACTS IMPOSED LONGER PERIODS FOR NATURALIZATION and allowed the president to deport without trial foreigners thought to be a danger to the country. These acts were deployed to harass French immigrants in the United States and discourage others from coming.</p> <p>With the KENTUCKY AND VIRGINIA RESOLUTIONS, Jefferson and Madison opposed both the ALIEN AND SECTION ACTS on the grounds that they VIOLATED THE BILL OF RIGHTS, but to little effect. In January, 1799, peace overtures from France arrived, which Adams accepted, thus ending the quasi-war. However, in accepting peace, Adams lost the support of his own party.</p> <p>Based on the suggested readings, discuss one or more constitutional issues that have been interpreted according to strict or loose constructionist views.</p> <p>How is the Whiskey Rebellion an example of the tension between minority rights and majority rule?</p> <p>Explain how the Alien and Sediton Acts represented a constitutional crisis? How did the Kentucky and Virginia Resolutions propose to resolve the difficulty?</p>
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