Chapter 8: The New Nation, 1786–1800

1. AMERICAN COMMUNITIES A Rural Massachusetts Community Rises in Defense

In 1786 the county was suffering from an economic depression that hit farmers particularly hard. Rising property taxes and farmer discontent culminated in Shays’ Rebellion, named for Daniel Shays. The rebellion was seen by many conservatives, including George Washington, as a class conflict between rich and poor. The rebellion was put down by private troops financed by wealthy merchants in January 1787. Perhaps the most important outcome of Shays’ Rebellion was the attention it drew to the inadequacies of the Articles of Confederation. The rebellion also caused elites to debate the virtues of popular participation in government.

1. THE CRISIS OF THE 1780

The depression of the 1780s and the political protests it spawned assisted in the development of a strong nationalist sentiment. These sentiments congealed into a political movement to strengthen the national government.

a. Economic Crisis

The economic rebellion that gave rise to Shays’ rebellion had its origins in the Revolutionary War. A shortage of goods and a flood of paper money combined to create the worst inflation in American history. As the war ended, inflation gave way to depression. The new United States continued to supply raw materials to Britain and to purchase manufactured goods from Britain. The ensuing trade deficit drew money out of American accounts and into British hands. To make matters worse, the state and national governments were still trying to pay off debts incurred during the Revolutionary War. The Confederation Congress, unable to raise taxes on its own, requested funds from the states, which in turn passed the cost on to their citizens.

b. State Remedies

At the state level, radicals called for regulation of the economy. Citizens advocated for laws that would force creditors to accept a state’s paper money at face value. Seven states enacted such legal tender laws with moderate success. The state of Rhode Island, under the control of a rural political party, enacted a more radical currency law which punished creditors for not accepting state currency at face value. This too made some people wary of popular participation in government. Other states enacted high tariffs to protect state industries. It became clear that to be effective, commercial regulations must be national in scope.

c. Movement Toward a New National Government

In 1786, the state of Virginia invited all of the states to appoint delegates to a convention for the purpose of remedying the economic crisis. Only twelve delegates from five states attended the meeting in Annapolis, Maryland. The Annapolis convention passed a resolution requesting that the Confederation Congress convene a national convention. Congress voted to endorse such a convention, to be held in Philadelphia in May 1787.

1. THE NEW CONSTITUTION

In May 1787 delegates to the convention assembled at the Pennsylvania State House in Philadelphia. There were no farmers or artisans present and women, African Americans, and Indians were also excluded. The new constitution would be framed by America’s economic elite, who were committed to the ideals of republicanism but not complete democracy.

a. The Constitutional Convention

At the Constitutional convention, Madison and his fellow Virginians drafted the Virginia Plan, which proposed scrapping the Articles of Confederation for a more centralized government with the powers to tax and to enforce laws directly. The plan also purposed a bicameral legislature with all seats determined by population. Small states objected to the Virginia Plan because of the population stipulation. An alternative plan, the New Jersey Plan, proposed increasing the powers of the central government but retained the unicameral legislature with equal representation for all of the states. The delegates finally agreed on the “Great Compromise” which provided proportional representation of the states in the House of Representatives and equal representation of each state in the Senate, agreed to count five slaves as the equivalent of three men, the “three-fifths rule” in exchange for agreeing to a commerce clause which allowed the new national government to regulate foreign trade, and prohibited the outlaw of the slave trade for twenty years. The delegates also designed a president, elected by the Electoral college, with veto power to check the legislature. The delegates approved the document on September 17, 1787, agreeing that it would become the new government once it had been ratified by nine of the thirteen states.

b. Ratifying the New Constitution

Supporters of the new Constitution called themselves Federalists. Prevailing thought in Europe throughout the eighteenth century dictated that republican government could only work properly in small nations. James Madison, Alexander Hamilton, and John Jay responded to such doubts through an eloquent series of essay known as the *Federalist Papers*. Opponents to the new Constitution were known as Anti-Federalists. On June 21, 1788 New Hampshire became the ninth state to ratify and the Constitution became law.

c. The Bill of Rights

Anti-Federalists worried that a strong national government without proper restraints may infringe on the rights of the people. In order to protect people from the government, Anti-Federalists proposed some 200 amendments to the Constitution guaranteeing the rights of citizens. Congress approved twelve of these amendments and sent them to the states for ratification. Ten of these amendments were ratified by the states and became known as the Bill of Rights.

1. THE FIRST ADMINISTRATION

In the spring of 1789 the new federal government assumed power. The inauguration of George Washington, the first president of the United States, took place on April 30, 1789.

a. The Washington Presidency

Although not royalty, George Washington chose to preserve many of the trappings of royalty in his administration including the use of a six-horse grand carriage for travel around Washington. George Washington appointed 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. This group of secretaries would come to be known in future administrations as the President’s cabinet.

b. An Active Federal Judiciary

The Judiciary Act of 1789, which implemented the judicial clause of the Constitution, was the most important piece of legislation to emerge from the first session of Congress. Washington appointed, with Senate confirmation, six Supreme Court Justices. John Jay became the Chief Justice of the Supreme Court.

c. Hamilton's Controversial Fiscal Program

Alexander Hamilton, Secretary of the Treasury, set out to reorganize the new nation’s finances. Hamilton proposed that the federal government assume responsibility for the state debts incurred as a result of the Revolutionary War. Despite opposition to the plan, a compromise was reached and Hamilton’s credit plan was adopted. Hamilton also proposed the creation of a national bank, the Bank of the United States. Washington signed the bill to create the bank and it went into operation in 1791. While Hamilton’s plans were greatly responsible for restoring the financial health of the nation, there continued to be disagreements between Hamilton, who represented the interests of Northern capitalists, and Jefferson, who represented the interests of Southern farmers and agriculturalists.

d. The Beginnings of Foreign Policy

In the 1790s, the French Revolution emphasized the need for America to form a coherent foreign policy. Washington’s cabinet agreed on the necessity of American neutrality in the face of the French Revolution, despite the Franco-American alliance of 1778. Neutrality in European conflicts would mean enormous profits for American industries who could continue selling to both the British and the French. George Washington issues a proclamation of neutrality on April 22, 1793.

e. The United States and the Indian Peoples

Western expansion was a pressing issue for the Washington administration. The Northwest Ordinance of 1787 outlined an inconsistent policy for westward expansion. The Intercourse Act, passed by Congress in 1790, declared that a formal treaty between the United States and Indians was the only legal way to obtain Indian land.

f. Spanish Florida and British Canada

In the 1780s, Spain had reasserted itself as a power in North America by acquiring Louisiana. Spain pursued an anti-American policy in the West that included closing the Mississippi River American shipping and blocking American settlement in Louisiana and Florida. Thousands of British Loyalists had fled north of the Ohio River and settled north of lakes Ontario and Erie. They were hostile to the new American republic. The British Parliament passed the Canada Act, creating the province of Upper Canada and allowing the Loyalists limited self-government. To protect this province, British troops remained in a number of locations within American territory.

g. Domestic and International Crises

In 1794, the combination of the government’s inability to subdue Indians in the West, to remove the British from the northern fur trade, or to persuade the Spanish to open the Mississippi to American shipping led to the most serious crisis of Washington’s administration. Additionally, rebellion broke out among Pennsylvania farmers protesting the excise tax Congress placed on the distillation of whiskey. To subdue the “Whiskey Rebellion,” Washington called up 13,000 troops and ordered the occupation of western Pennsylvania. The triumph of the national government over the rebels and over the western Indian confederacy set the stage for the Treaty of Greenville in 1795 where twelve Indian nations ceded a huge portion of their territories in the Northwest.

h. Jay’s and Pinckney’s Treaties

Washington sent Chief Justice John Jay to London to arrange a settlement with the British. In November 1794, an agreement known as Jay’s Treaty was signed, providing for British withdrawal from American territory by 1796, for “favored-nation” status in trade, and for limited American trade with the British colonies. In 1795 Thomas Pickney negotiated a treaty with Spain opening the Mississippi to American shipping and establishing the international boundary at the 31st parallel. These two important treaties helped the United States establish its sovereignty over land west of the Appalachian mountains.

i. Washington's Farewell Address

Washington published a formal Farewell Address to the nation. In it he praised the virtues of the federal government and encouraged the fledgling nation to continue its pursuit of neutrality in all European affairs.

1. FEDERALISTS AND DEMOCRATIC REPUBLICANS

During Washington’s presidency, the precursor to the two party political system could already be seen. James Madison organized opposition to Washington’s policies. Although the framers had not anticipated the advent of organized political parties, the reality of the situation was so. In the twelve years between the Constitution’s ratification and the election of 1800, political parties had become and important facet of the American system.

a. The Rise of Political Parties

By the time of the 1796 election, the different political factions had taken names for themselves. Alexander Hamilton’s supporters continued to be called Federalists but Jefferson’s supporters named themselves Republicans. In the election, John Adams, a Federalist, won. Thomas Jefferson, a Republican came in second and was thus named vice-president. The new administration was divided politically from the start.

b. The Adams Presidency

Angered by Jay’s Treaty with the British, the French suspended diplomatic relations with the United States during Adams presidency. When the French began seizing American ships and cargo in spite of American neutrality, Adams sent American diplomats to France. When word returned that before negotiations could begin the French diplomats demanded bribes the “XYZ Affair” as it became known, sparked anti-French sentiment throughout the United States.

c. The Alien and Sedition Acts

The Republicans contested Federalist war measures taken during the “Quasi-War” with France. The Federalist majority in Congress, with the approval of President Adams, passed four acts that severely limited free speech and free press in an attempt to quell dissent of the Federalists’ actions. The Naturalization Act increased the residency requirement for citizenship from 5 years to 14 years while the Alien Act and Alien Enemies Act empowered the president to imprison or deport suspected aliens during wartime. The Sedition Act created large fines and possible imprisonment for anyone convicted of speaking, publishing, or writing anything “malicious” about the government or its elected officials.

d. The Revolution of 1800

The election of 1800 was the first to be contested by two well-formed and organized political parties. The candidates were John Adams and Charles Cotesworth Pinckney for the Federalists and Thomas Jefferson and Aaron Burr for the Republicans. By casting all of their votes for both Jefferson and Burr, the Republican electors unthinkingly created a tie in the race for President. A crisis was averted and Jefferson prevailed as the Republican president. After the election, the twelfth amendment was ratified creating separate ballots for president and vice president.

e. Democratic Political Culture

During the political controversies of the decade, a tradition of popular celebration developed. By 1800 the Fourth of July had become the nation’s most important holiday. These celebrations corresponded to an increase in suffrage. Pressure from the public resulted in universal white male suffrage in four states by 1800 and a reduction of property requirements for voting in other states. As suffrage increased, so too did voter turnout and the growth of popular interest in politics.

1. “THE RISING GLORY OF AMERICA”

Up to this point in history, American contributions to the arts and sciences were arguably slim. However, Americans were optimistic about what the future would bring.

a. The Liberty of the Press

By 1789 there were more newspapers in the United States, relative to population, than in any other country in the world. This was in part due to the remarkably high literacy rate of Americans, upwards of 90 percent of the population in New England. During Adams’ presidency, the Sedition Act threatened to curtail this growing industry, but with Jefferson’s election to office, the Alien and Sedition acts were repealed.

b. Books, Books, Books

The post-Revolutionary years saw an incredible increase in the numbers of books published in the new nation. Some of the most interesting books of this period, including *Letters from an American Farmer*, examined the newly developing national character. Other important works included Mason Lock Weem’s *Life of Washington*.

c. Women on the Intellectual Scene

Although women’s literacy rates were generally lower than men’s, they did rise steadily. The first admitted feminist in American history, Judith Sargent Murray, advocated for women’s independence and self-sufficiency. Such views horrified Federalists. There was however agreement that women needed to be better educated, in large part because of their vital roles as republican mothers, charged with the responsibility of instilling virtue and civic-mindedness in her children at home.

Chapter 8 Questions

**1. Nationalist Sentiment:** What ideas and events led to sentiment for a strong national government? What groups were likely to be nationalists? Who were the most significant leaders of the nationalists?

**2. The Constitutional Convention:** What states were represented at the Constitutional Convention? What was their charge? Who were the major leaders and what groups did they represent? What prominent people and groups were missing? What was the ratification procedure?

**3. Ratifying the New Constitution:** How did ratification occur? What were the pros and cons of ratification as given by each side? What groups were generally for or against? Which states were the strongest anti-federalist ones? What was Madison’s argument on the constitution? Why was Massachusetts a critical state in ratification? How did the other states vote?

**4. Shaping the Bill of Rights:** What was the Bill of Rights and why had it been excluded from the Constitution originally? What rights were included in the final ten?

**5. The Washington Presidency:** What actions of the Washington presidency were significant in setting precedents for the nation? What was the conflict behind “Mr. President?” How was the cabinet formed and what was its significance?

**6. Hamilton’s Controversial Fiscal Program:** What were the basic elements of Hamilton’s fiscal recommendation in his “Report on the Public Credit?” What major issues were involved? How was the state debt issue settled? How was the site of the nation’s capital affected by economic and political compromise?

**7. The Beginnings of Foreign Policy:** What international issues faced the new nation? How did Washington and Hamilton, on one hand, and Jefferson and Madison, on the other, present the sides in the debate? What problems of foreign policy did the French Revolution present for the new nation? How did it tie in with American issues of liberty and authority? How was it resolved?

**8. Domestic and International Crises:** What were the issues in the crisis of 1794 both at home and abroad? How did Washington deal with them? How did these crises affect Washington’s reaction to the Whiskey Rebellion? How serious was the rebellion and what was the outcome? What did Washington’s government demonstrate?

**9. Jay’s and Pinckney’s Treaties:** What were the issues these treaties dealt with and what were the terms of the treaties? Why were the British and Spanish more anxious than before to reach agreement? How did ratification of one treaty assure the ratification of the other?

**10. Washington’s Farewell Address:** What appeals did Washington make in his Farewell Address? What part of the message did Jefferson reinforce in 1801?

**11. The Rise of Political Parties:** On what issues did factions first appear and what were their basic beliefs? Who were the major leaders of each group? What role did these coalitions play in the presidential election of 1796? Where were these partisan organizations the strongest?

**12. The Adams Presidency:** What difficult position did Adams find himself in as president? What was the XYZ Affair and how did it help his popularity? What country was the U.S. in conflict with and what were the results?

**13. The Alien and Sedition Acts:** What were the provisions of the Alien and Sedition Acts? What was their intent? How were they used in a fractional way? Why did the Republicans incur this reaction? What resolutions did Madison and Jefferson author and what ideas were expressed in them?

**14. The Revolution of 1800:** What was the revolution of 1800 and what political changes took place? What divided the Federalists and what was the result? How did each party present themselves in the campaign? Where was Jefferson’s major support?

Chapter 8 Vocabulary

**15**. Whiskey Rebellion

**16**. Annapolis Convention

**17**. Virginia Plan

**18**. New Jersey Plan

**19**. Great Compromise

**20**. Three-fifths rule

**21**. Federalists

**22**. *The Federalist*

**23**. Anti-federalists

**24**. Bill of Rights

**25**. Bank of the United States

**26**. Neutrality of 1793

**27**. Indian Intercourse Act

**28**. Jay’s Treaty

**29**. Treaty of Greenville

**30**. Pinckney’s Treaty

**31**. Democratic-Republican Party

**32**. Election of 1796

**33**. XYZ Affair

**34**. The Sedition Act

**35**. The Alien Act

**36**. Naturalization Act

**37**. Fries’s Rebellion