

LAUNCHING A NEW GOVERNMENT

All communities divide themselves into the few and the many. The first are the rich and the wellborn; the other, the mass of the people...Give therefore to the first class a distinct permanent share in the government. They will check the unsteadiness of the second...

Alexander Hamilton, 1787

Men...are naturally divided into two parties. Those who fear and distrust the people...and...those who identify themselves with the people.

I am not among those who fear the people. They, and not the rich, are our dependence for continued freedom.

Thomas Jefferson, 1824, 1816

On March 4, 1789, the first Congress under the new Constitution assembled in New York City. The members of Congress were supporters of the new Constitution and many of them had served as delegates in Philadelphia during the summer of 1787. Their primary intention was to carry out the purposes of the nationalists; to make the federal government a lasting institution and to create respect for the republic among the older nations of the world.

George Washington, who had been unanimously elected President, was inaugurated in New York City on April 30th, 1789. **John Adams** had been chosen Vice-President. Congress created three executive departments to which Washington appointed **Thomas Jefferson** as Secretary of State, **Alexander Hamilton** as Secretary of the Treasury, and Henry Knox as Secretary of War. The office of Attorney General was created by Congress as the government's chief law officer.

The Hamiltonian Program: Steps Toward Domestic Stability

Alexander Hamilton, as the first Secretary of the Treasury, formulated an economic program aimed at building the political support and respect necessary to assure the legitimacy of the new government. Hamilton proposed the following financial plan:

Repayment of the Foreign Debt

The national government should repay approximately \$12 million to foreign governments and investors, mostly to France.

Federal Assumption of the State Debts

Amounting to \$25 million, this repayment was opposed primarily by Southern states such as Virginia, which had partially paid some of their debts. To win their support, Hamilton made a deal with Jefferson to give Northern

support for a bill to locate the future national capital on the Potomac River, i.e., Washington, D.C.

Excise Taxes

To raise revenue to help repay both the foreign and domestic debt that Congress incurred during the Revolution and confederation period, a tax was placed on whiskey. Resentment to the tax on whiskey came to a head during the summer of 1794 with the "**Whiskey Rebellion**." President Washington called out 13,000 militiamen to put down the uprising, demonstrating that the new government possessed the power to enforce its authority—a power that had been absent under the Articles of Confederation.

Establishment of a National Bank

Hamilton asked Congress to establish a Bank of the United States that would be a depository of federal funds and able to issue sound paper money on the basis of the securities it held.

- **Jefferson's arguments against the bank:** Using the "strict constructionist" view, Jefferson declared the proposed United States bank unconstitutional. He claimed that the power to create the bank was not listed in the enumerated powers (Article I, Section 8), nor could the power be implied from any other power through the use of the elastic clause.

- **Hamilton's arguments for the bank:** Using the "loose" or "broad constructionist" view, Hamilton held the bank to be constitutional. He claimed that the power to create the bank could be implied from the enumerated powers to coin money, borrow money, and raise money through taxation.

Passage of Hamilton's Program

After listening to the arguments of Jefferson and Hamilton, Washington was convinced that the Bank of the United States was constitutional and advisable. The bank proved to be a sound financial institution and the funding and assumption of the state's debts helped to put the new nation on a solid economic footing.

The Unwritten Constitution (1789–1808)

The reason the United States Constitution has lasted for such a long time is that the document was written so that it could be changed and adapted to future conditions. The provisions that have allowed for adaptation include the elastic clause, the doctrine of implied powers, judicial interpretation, and the amendment process. The flexibility of our Constitution has also been made possible by the practice of custom and tradition, or what is sometimes referred to as the unwritten Constitution.

During the young nation's first three administrations, growth, experimentation, and necessity led to unwritten developments in our constitutional form of government. These included the development of a Cabinet, the formation of political parties, the establishment of judicial review, and a **two-term tradition** for the President. Later developments were the growth of the committee system within Congress, lobbying, and the practice of presidential electors pledging their votes for specific candidates. These elements were not provided for in the Constitution but developed over time through practice.

The Cabinet System

Article II, Section 2, Clause 1 of the Constitution provides that the President may "require the Opinion in writing, of the principal Officer in each of the executive Departments . . ." Functioning at the pleasure of the President, the purpose of the Cabinet is to advise the President on any matter. The evolution of the Cabinet is shown in Figure 1.17.

Political Parties

American political parties began as early as 1796 and the election of John Adams. The followers of Hamilton came to be known as **Federalists** and the supporters of Jefferson as **Republicans**. By 1796 presidential candidates were assuming political party identification.

ORIGINAL CABINET	ADDED, 1798–1913	ADDED, 1947–2006
State Dept., 1789 Treasury Dept., 1789 War Dept., 1789–1946 Attorney General, 1789 (Not head of Justice Dept. until 1870.)	Navy Dept., 1798–1946 Postmaster General, 1829–1970 Interior Dept., 1849 Agriculture Dept., 1889 Commerce and Labor, 1903 (divided in 1913) Commerce, 1913 Labor, 1913	Defense Dept., 1947 (combined War and Navy) Health, Education and Welfare, 1953 (divided in 1979) Housing and Urban Development Dept., 1965 Transportation Dept., 1966 Energy Dept., 1977 Health and Human Services, 1979 Education Dept., 1979 Veterans Affairs Dept., 1988 Homeland Security, 2003

Figure 1.17 Evolution of the Cabinet

The two major political parties in the United States today are the **Republicans** and the **Democrats**. Although third parties have existed in our political structure many times, they have never won real political power. These parties were usually formed because of a single issue. Some of these third parties have included: the **Free Soil party**, which opposed the extension of slavery; the **Greenback Labor party** of the 1870s, which supported farmers and workers; the **Progressive party** in the early 20th century that worked for political and social reform; the **Socialist party** that advocated government ownership of the means of production in American industry; the States Rights party (Dixiecrats) of the 1940s, composed of Southern Democrats who opposed the more liberal wing of the Democratic party; the **Right to Life party** of the 1970s, 1980s and 1990s that opposed abortion; and Ross Perot's United We Stand party in the election of 1992. Third parties have often had their proposals adopted by the major parties and some have been passed into law.

In the United States, political parties perform the following functions: (1) provide qualified and responsible candidates; (2) establish public policy; (3) educate the electorate; (4) encourage voter participation; (5) finance political campaigns.

Judicial Review

The practice of judicial review by the Supreme Court, a power not specifically delegated in Article III of the Constitution, but implied by the Constitution and assumed by the Supreme Court itself, has broadened the authority of the national government. The primary basis of the judicial power in our system of government has been the practice of judicial review, that is, the practice by which courts can determine whether legislative acts, both federal and state, are constitutional.

Two-Term Tradition

Although Article II, Section 1, Clause 1 states that the President shall "hold his office during the Term of four Years," it does not say how many terms a President may serve. George Washington chose to leave office after two terms, and all Presidents followed that precedent until Franklin Delano Roosevelt was elected to four terms (1932–1945; dying during his fourth term). The two-term (or ten-year limit) custom became part of the written Constitution through the Twenty-second Amendment (1951).

Committee System of Congress

Because of the many complex issues that must be considered by the legislative branch, the Senate and the House of Representatives are divided into small legislative bodies called committees. The committee system, which is part of the unwritten Constitution, grew out of necessity and became custom.

Lobbying

The term describes attempts to influence elected representatives during the passage of legislation through Congress. Lobbyists present to legislators the opinion of various groups. They also provide legislators with information concerning issues and bills before Congress. Recently, much criticism has been directed against lobbyists' efforts to influence members of Congress and to purchase the First Amendment "right to petition" with large funds from special interest groups. Deriving somewhat from the concept of lobbying are **Political Action Committees (PACS)**, special interest groups who contribute money to political candidates for their election campaigns. PACS now supply more than a third of funds raised by the House candidates and close to a fifth for the Senate.

Pledging of Electoral Votes

Although the Electoral College was designed because of the founders' distrust of the common citizen's capability to select a President, this undemocratic intent has been overcome. Today, political parties name the electors who are pledged in advance to vote for the party's presidential candidate. However, only some states legally bind electors to honor their pledges and, although it is uncommon, electors sometimes do break their pledges and change their vote.

The Birth of American Foreign Policy (1789–1824)

The Administration of George Washington (1789–1797)

- *The French Revolution (1789–1793)*. Most Americans supported the French Revolution, until the executions under the Reign of Terror increased. After this and the entrance of Great Britain and Spain into the war against the Revolutionists, opinion in the United States was mixed. It was divided along political lines, with the Federalists supporting England and the Republicans supporting the French.

- *Proclamation of Neutrality (1793)*. The French Revolution proved to be one of the most important events in the diplomatic history of the United States, because it established the principles of American neutrality concerning European affairs. Although President Washington recognized the French Republic, he issued a proclamation of neutrality that never used the word "neutral," but stated that the United States would adopt "a conduct friendly and impartial toward the belligerent powers."

- *Problems with England and Jay's Treaty (1794)*. Although the United States tried to remain neutral as British hostilities with France continued, its economic ties and trade with both sides placed the nation in danger. The United States and Britain came close to war because of Britain's refusal to

abide by rules of international law (primarily the right of neutral shipping), the impressment of American sailors by the British navy, and the failure of the British to evacuate forts in the American Northwest according to the provisions of the Treaty of Paris (1783). President Washington sent Chief Justice John Jay to England to settle differences between the two nations. Jay negotiated a treaty with the following provisions: (1) the British would evacuate the Northwest forts by June 1, 1796; (2) commissions would be set up to establish the amount due to American shippers for loss of goods and other controversies; (3) England's contention that food was contraband was accepted; and (4) direct commerce between the United States and the British East Indies was provided for.

The treaty was a success because it avoided war with Britain at a time when the United States was weak and not ready to fight its former mother country.

- *Washington's Farewell Address (1796)*. Before leaving office to be succeeded by Federalist **John Adams**, President Washington conveyed through the press on September 19 his "Farewell Address." Written mostly by Hamilton, Washington advised in the address that the United States should maintain commercial, but not political, ties to other nations, and not enter into any "entangling," or **permanent alliances**. While not advocating isolationism, Washington laid out principles that would be followed in the making of American foreign policy until the 1940s and 1950s.

The Administration of John Adams (1797–1801)

- *Failure of Attempts at Neutrality*. Relations between France and the United States grew steadily worse after 1793. Hostile toward the treaties of the United States with England and Spain (the Jay and Pinckney treaties), and unhappy with the fact that the United States had abandoned the 1778 Franco-American Treaty, France ordered its vessels to start seizing American ships carrying British goods. Attempts by the United States to negotiate its differences with France were frustrated by the **XYZ Affair** of 1797 (request of bribes in exchange for negotiations by France) and by an undeclared naval war from 1798 to 1800. In 1800 **Napoleon**, who now ruled France and wanted to avoid war with the United States, agreed to the **Convention of 1800**, which established peace between the two nations and finally recognized an end to the Treaty of 1778.

The Administrations of Thomas Jefferson (1801–1809)

- *Tripolitan War (1801)*. The problems of raids on American shipping by the Barbary pirates continued. In 1801 President Jefferson refused the demand of the Tripoli government for payments of "tribute," a form of extortion. Instead of payment, Jefferson sent a naval squadron to protect American shipping. One of the Barbary states, Tripoli, declared war on the United States in 1801, causing hostilities until 1805 when Tripoli was subdued.

- **Problems with England.** After a brief interlude, Britain and France were at war again in 1803. The neutrality of the American shipping was again threatened, as both England and France issued decrees ordering the seizure of ships carrying goods to the other. The British navy resumed its practice of impressing sailors aboard American vessels, claiming they were deserters from the British fleet.

- **The Louisiana Purchase (1803).** During Jefferson's first term, thousands of American farmers had moved west to the lands between the Appalachian Mountains and the Mississippi River. They used the port of New Orleans at the base of the Mississippi River to export much of their produce.

The Louisiana Territory had been given to Spain by France at the end of the French and Indian War. Americans became alarmed when it was learned that Spain had transferred the area back to France by the Treaty of San Ildefonso (1800) and that Spanish officials left in control of New Orleans had ended the right of American farmers to use the port (suspension of the "right of deposit.") Jefferson, fearful of a strong and aggressive France as a neighbor and concerned over conflicts concerning the use of New Orleans, sent **James Monroe** and **Robert Livingston** to France to try to buy New Orleans. Napoleon, burdened with problems in Europe, decided to sell the entire Louisiana Territory to the United States for \$15,000,000.

Problems arose when the strict constructionist Jefferson realized that the Constitution did not authorize Congress to purchase territory. Jefferson was forced to modify his constitutional theories because of the importance of the purchase, and in 1803 the treaty was ratified authorizing the purchase, which nearly doubled the size of the United States.

- **The Embargo Act (1807).** Seeking to force England to respect American rights while avoiding war, Jefferson pushed through Congress the Embargo Act, which forbade all exports from the United States to any country. Although it caused some harm to England, the act hurt the American economy by causing a depression.

- **The Non-Intercourse Act (1809).** In his last days of office, President Jefferson replaced the disastrous Embargo Act with the Non-Intercourse Act, which opened trade with all nations except France and England.

The Administrations of James Madison (1809–1817)

- **Macon's Bill No. 2.** Congress allowed the Non-Intercourse Act to expire in 1810 and replaced it with Macon's Bill No. 2. This promised both England and France that the United States would resume trade with the first nation that stopped abusing American shipping rights. Macon's Bill No. 2 allowed Madison to resume trade with France and to forbid all trade with England in March 1811.

- **Sectional Politics.** Sentiment for war against England came from land-hungry Southerners and Westerners (**War Hawks**) led by **Henry Clay** of

Kentucky and **John Calhoun** of South Carolina. The commercial interests of the New England states caused them to oppose war because they feared a complete shutdown of trade and continuing depression. Opposition from the New England states increased in 1814 as the British blockade strangled New England commercial interests. At the **Hartford Convention** (December 1814) Federalist representatives declared that a state had the right to oppose congressional action believed to violate the Constitution, thus supporting the doctrine of **states' rights**.

- **War of 1812.** Unable to resist the pressure by the War Hawks in Congress, President Madison recommended that Congress declare war on June 1, 1812. A close vote representing sectional divisions of the country resulted in the declaration of war on June 18, 1812.

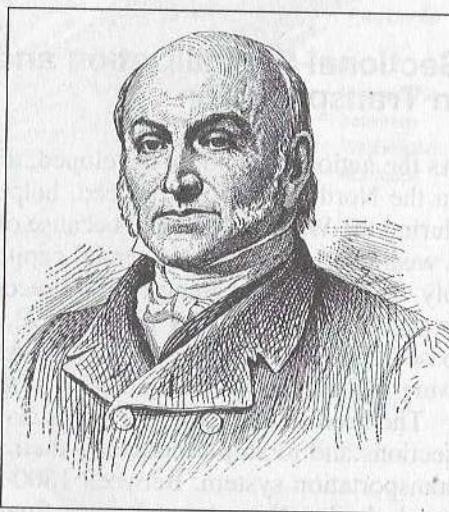
- **Treaty of Ghent (December 1814).** For the most part, the peace settlement simply restored the pre-war status. Provisions of the treaty included an end to hostilities and British influence in the Northwest Territory, restoration of conquered territory, and arbitration of boundary disputes. Perhaps the longest lasting result of the War of 1812 was the rise of American **nationalism** and the new impulse to expand the nation.

The Administrations of James Monroe (1817–1825)

James Monroe, Madison's Secretary of State, defeated the last Federalist candidate, Rufus King, to become the fifth President. Much of Monroe's success in foreign affairs can be credited to his Secretary of State, **John Quincy Adams**.



James Monroe (1758–1831), 5th President of the United States. The Monroe Doctrine discouraged European involvement in the Western Hemisphere.



John Quincy Adams (1767–1848), 6th President of the United States. As Secretary of State to President Monroe, Adams was the real author of the Monroe Doctrine.

• **Monroe Doctrine (1823).** As the stability of the Western Hemisphere was threatened by European events, the United States could ally with Great Britain in defending its close-to-home interests, or act independently. Russia was threatening to expand and was establishing trading posts on the West Coast. Moreover, the European alliance of France, Russia, Prussia, and Austria was considering an attempt to reclaim as colonies the Latin American states that had recently gained their independence in their war with Spain. President Monroe addressed Congress on December 2, 1823, with a statement of foreign policy that came to be known as the **Monroe Doctrine**. It declared: (1) the American continent was no longer open to colonization by European nations; (2) the United States would not interfere in European affairs; and (3) an act of intervention by a European power in the affairs of a country in the Western Hemisphere would be considered an act against the United States.

Manifest Destiny (1789–1853)

As nationalism grew, Americans came to believe that westward expansion would spread American freedom and democracy across the continent.

The acquisition of large tracts of territory during the 19th century increased sectional conflict, primarily over the extension of slavery. As the nation expanded rapidly from coast to coast, the American population with its varying social, political, and especially economic interests was able to find harmony only through compromise. However, in time, sectional differences made compromise impossible, and the final result was the Civil War.

Sectional Specialization and Improvements in Transportation

As the nation's economy developed, differences between the sections grew. In the North, industry advanced, helped by the decreased trade before and during the War of 1812, and because of the supply of adequate water power, a wealthy class with commercial capital to invest, and a plentiful labor supply. The South had an agricultural economy based on slave labor. After the invention of the **cotton gin** in 1793, the South had a one-crop economy based upon the cultivation of cotton. At the same time, the grains of the West were quickly transforming that area into the "breadbasket" of the nation.

The need to transport raw materials and manufactured goods between the sections and to ship products to their market created a demand for a better transportation system. Between 1800 and 1825 hundreds of turnpikes (privately built toll roads) and roads financed by the federal government were built to help transport people and products. In 1808, Secretary of the Treasury Albert Gallatin proposed a system of internal improvements at federal expense, an issue that would eventually raise debate between states' rights and nationalists.

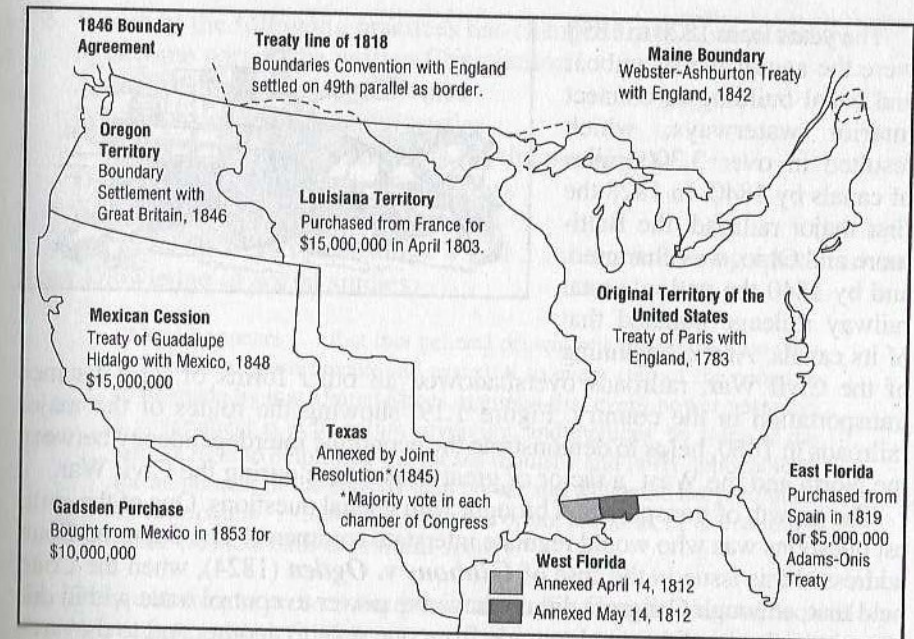


Figure 1.18 Territorial Growth of the United States, 1783–1853

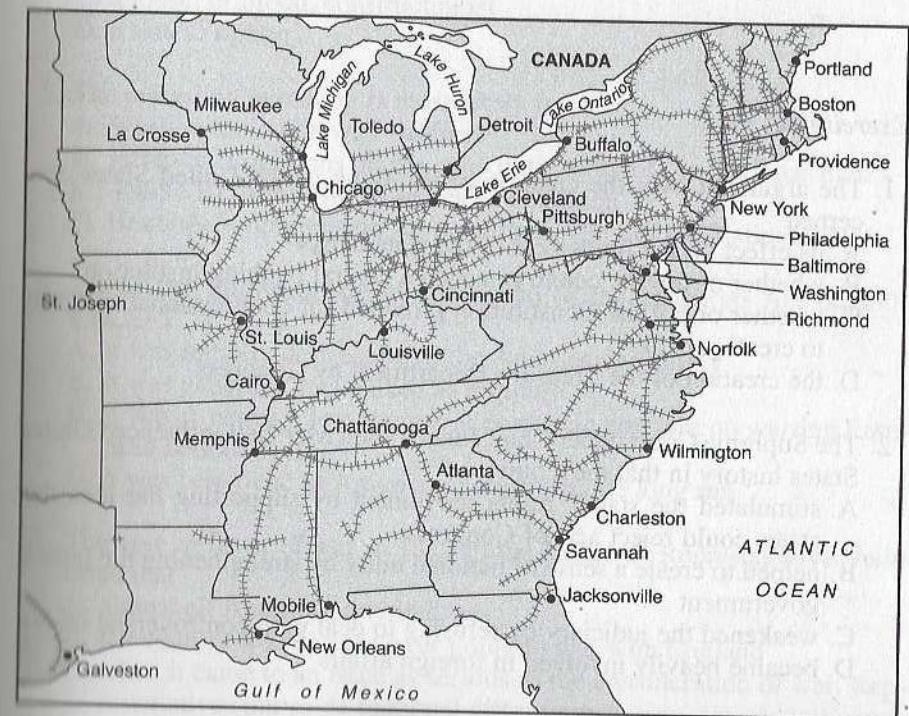
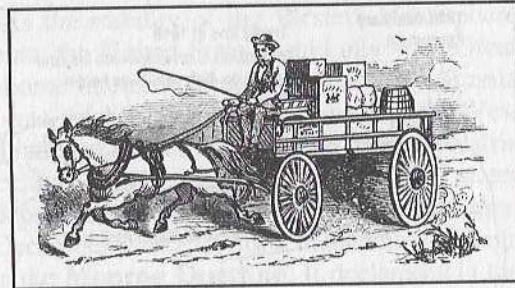


Figure 1.19 Major Railroads in 1860

The years from 1820 to 1850 were the age of the steamboat and canal building to connect interior waterways, which resulted in over 3,300 miles of canals by 1840. In 1828 the first major railroad, the Baltimore and Ohio, was chartered, and by 1840 the nation's total railway mileage equaled that of its canals. At the beginning



of the Civil War, railroads overshadowed all other forms of long-distance transportation in the country. Figure 1.19, showing the routes of the major railroads in 1860, helps to demonstrate the economic interdependency between the North and the West, a factor of great importance during the Civil War.

The growth of transportation brought with it legal questions. One of the earliest questions was who would regulate interstate commerce. The Supreme Court addressed this issue in the case of *Gibbons v. Ogden* (1824), when the Court held that, although Congress did not have the power to control trade within one state, its authority did extend to trade from one state to another and to the navigable rivers on which interstate or foreign commerce could be carried.

- B. one in agreement with Thomas
- C. a loose, or broad, construction