

CHAPTER 8 – The Federalist Era

Presidents: Washington (2 terms) & Adams (1 term)

First acts of Congress

1 - Set up Executive Departments:

- Dept. of State (*Jefferson*)
- Dept. of War (became Dept. of *Defense*)
- Dept. of Treasury (*Hamilton*)
- Office of Attorney-General
(*who now functions as "Sec'y" of Dept. of Justice*)
- Office of Postmaster-General
 - ✓ *The heads of the executive depts. are usually called "secretaries"*
 - ✓ *Secretaries of depts. make up the President's "Cabinet," advise him*

2 - Set up Federal Court System (Judiciary Act of 1789)

- Supreme Court w/ 6 justices
- John Jay – first Chief Justice
- District Courts & Circuit Courts

Hamilton's Financial Program

- committed to paying off all debt
- three points:
 1. **Funding** the debt
 - bonds issued to cover wartime debts and soldiers' back pay
 - to be repaid in 15-20 yr.
 - bonds would be legal tender (use like money)
 2. **Assumption** (*takeover*) of state debt by Federal gov't
 3. **National Bank**
 - took deposits, made loans
 - issued bank notes (legal tender)

...this "currency" was not backed by enough gold/silver!

National Bank spurred first volley between

loose constructionists:

- Hamilton, *et al*
- interpret Constitution as a more flexible document
- stressed "elastic clause" [Art. 1, § 8]; "implied powers"

strict constructionists

- Jefferson, Madison, *et al*
- word-for-word strict reading of Constitution
- stressed Tenth Amendment
- ✓ the first of many Hamilton-Jefferson debates
(Hamilton won – *naturally--!?!?*)

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Hamilton's followers - "Federalists"

- strong central government
- loose construction
- typically Northerners (*\$\$, investors, industry, etc.*)

Jefferson's followers - "Democrat-Republicans"

a.k.a. "Republicans" (*NOT same as today's Republican party*)

- limited power in central gov't
- strict construction
- typically Southerners (*agrarian economy*)
(*see last ¶, p. 158 – first ¶, p. 158*)

Tariff act passed (1789) to raise revenue

tariff: a tax on imports (rarely, on exports)

- 2 yr. later – protective tariff for our fledgling industry
- SOUTH – opposed!

Other incidents during Washington's 2nd term:

French Revolution (& their war w/ England):

Americans first welcomed revolution, then cooled

- Hamilton viewed it as "mobocracy"
- Jefferson held confidence in the masses
- Washington: Proclamation of Neutrality

Citizen Genêt:

- France's ambassador tried to stir up US sympathy and an army to fight England
- When French gov't switched hands, Washington graciously granted him *political asylum**

Jay Treaty:

- cargoes headed for France seized by England
- British *impressment* of American seamen
- Unpopular treaty avoided another war w/ Britain (!!!)

EXCISE tax – on WHISKEY

excise tax: tax on a product made, sold, & consumed in the home country

- led to WHISKEY REBELLION
- Washington led 13,000 troops to stop the rebellion
- increased respect for government

Election of 1796

- Washington retired after 2nd term (*precedent 'til 20th century*)
- Adams elected President (Federalist)
- *Jefferson* – VP (Republican) -- !!!

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XYZ Affair

- France – began raiding US ships (worse than England's)
- Adams sent team to negotiate w/ French Directory
- France *agreed* thru 3 agents “X, Y, & Z” – *for a price!*
- “Millions for defence, but not one cent for tribute!”
- semi-war ensued
- Napoleon assumes power, hints willingness to settle
- Adams sends peace commission; cost: his popularity

Alien and Sedition Acts

Federalist legislation limiting speech and placing restrictions on (typically Republican) immigrants led to

Virginia and Kentucky Resolves [Resolutions]

-- the first declaration of “states' rights”

- viewed Constitution as an agreement among states
- states could nullify any “unconstitutional” act
- hinted at right of states to secede
 - Kentucky Resolution – written by Jefferson (VP!)
 - Virginia Resolution – Madison

Adams loses election of 1800 to Jefferson; appoints “midnight judges” to preserve Federalist influence. *Judiciary Act of 1801*
= more judges

12th Amendment reorganizes elections (*Pres. & VP separate*)