Chapter 6 – A Young Nation
Since all of this was brand new, some ideas that we take for granted had to be developed.

Who was to help the President? The solution was called the Cabinet. The Cabinet, such as State, Treasury, etc.
Alexander Hamilton was one of the most impressive individuals in Washington’s cabinet. He was the Secretary of the Treasury and so he was in charge of the nation’s finances. To do this, Hamilton wanted the Federal government to take on the war debts of the states.
Each state had paid for its’ own part in the Revolution, used Bonds.

Bonds are notes that the government sells to its’ citizens promising to pay a high interest rate at a later date.

Used bonds for war, but it also made the citizens want the state to succeed so they would get paid back. This is called a vested interest.
Hamilton wanted the Federal government to assume the debts of the states. He had a couple of reasons for wanting to do this.

First, he wanted the states in a position of owing something to the Federal government.

Second, the wealthy people of each state held most of the bonds. Hamilton wanted the upper classes to support the Federal Government in the future and also to buy more bonds to expand the government.
Thomas Jefferson believed that the central government should remain weak and the states should have the most power. He opposed the Constitution, he was a leading Anti Federalist. He was head of the Democratic/Republicans, a political party dedicated to small government.

Jefferson opposed Hamilton’s plan because he said the Constitution wouldn’t allow it and because it would make the states weaker.

Madison had different reasons for opposing the plan.
First of all, Madison was from Virginia and Virginia had already paid off its’ bonds, so the assumption of the debt would not help it.
Second, Madison said that northerners owned 80% of the bonds and the money would be used to pay off the north’s debts. The tax money used to pay for this would come from southern states that had already paid off their debt.
Lastly, speculators or people that take a business or investment risk now for future profit, had bought up most of the bonds. If the Federal government assumed the debt, it would simply be paying off gamblers.
The Capital of the United States in 1790 was in New York. The capital was too small and plans were being made to build a new capital on neutral ground. The last thing left was to decide where. The Northerners obviously wanted it in the North, just as the Southerners wanted it in their territory.

Jefferson wanted the capital to be in the South.
Hamilton knew this and proposed a compromise to Jefferson.
If Jefferson and his party, the Democratic/Republicans would support the Federal assumption of the state debts, then Hamilton and the Federalists would support the building the new capital in Virginia.
Jefferson agreed and in July of 1790, the deal went through.
Hamilton got his plan and Jefferson got his city, Washington D.C.
Also as part of his plan, Hamilton also wanted to create a National Bank to store the nations’ tax dollars, to issue and support currency (money) and to make loans or subsidize new businesses.

Madison opposed the bank. He said that the Constitution was a document of Enumerated Powers and that the power to create a National Bank was not on the list.

Enumerated Powers are powers that are listed in the Constitution.
Hamilton responded to Madison’s opposition by saying that there were *enumerated* powers, but there are also *implied* powers.

For example, the Constitution says that the government has the power to tax. Hamilton said that if they had that power, they would also have to have a place to put the money, they couldn’t keep it in the White House.

Implied powers are powers needed to actually do the things that enumerated powers ordered the government to do.
WASHINGTON’S PRESIDENCY

- Because he was the first president, Washington spent a lot of time setting precedents or patterns for later presidents.

- He was president for two terms (8 years). He held office for 12 years and after him an amendment was passed to limit presidents to two terms.

- He set the pattern for calling him “Mr. President”. His aides thought about calling him “your lordship” but Washington thought that was too much like what they fought the Revolution to get away from, so he just made it “Mr. President” and it has been ever since.
The second president was John Adams. He had been the First Vice President.

He was presented with a number of problems that no one had predicted.

The first was how to deal with the French.
The French and British were involved in another war. Both of them were stopping US ships at sea and seizing or impressing sailors that they said were deserters from the French or British navy. Sometimes this was true, sometimes not but it was still humiliating to the US.

Adams sent Charles Pinckney, Elbridge Gerry and John Marshall to Paris to negotiate for the end to this process.

They had to meet with the French Foreign Minister, Talleyrand. Talleyrand and others demanded a bribe to get the negotiations going.

The Americans refused and sent a letter to Adams describing this. This event was called the XYZ Affair. This made relations between the US and France worse.

At this time, the US was fighting an undeclared war with the French at sea.
The elections in 1798 were particularly vicious. Both sides accused each other of corruption and the Federalists accused the Republicans with being Pro-French.

Because it was so vicious, the newspapers got involved and some attacked the President.

The Federalists passed a series of laws that made it illegal to print “malicious or scandalous” against the government.

The government arrested 15 newspaper editors, all of whom were Democratic/Republicans.

This was obviously in violation of the 1st Amendment right of freedom of the press, but no one knew what to do.
The issue of the Sedition Act was that it was obviously unconstitutional, but up to now, no one knew who could declare a law unconstitutional.

Was it the President? Was it the Congress? Was it the Court?

Thomas Jefferson and James Madison thought they knew who could decide – the states.

Each of them went back to their home states, Virginia and Kentucky and wrote the Virginia and Kentucky Resolutions.

The Resolutions said that the states and ONLY the states could decide if a law was constitutional and, if not, declare it NULL.
Marbury v. Madison was the first time the Supreme Court declared something "unconstitutional," and established the concept of judicial review in the U.S. (the idea that courts may oversee and nullify the actions of another branch of government). The landmark decision helped define the "checks and balances" of the American form of government.
The Louisiana Purchase was the acquisition by the United States of America of 828,800 square miles of France's claim to the territory of Louisiana in 1803.

The U.S. paid 15 million dollars for the Louisiana territory.
Napoleon was preparing to invade Russia in 1802 and he needed money.
He had inherited the Louisiana Territory in America after he conquered Spain.
He thought at first that he would set up a new empire in America, so he sent an army to Santo Domingo to prepare. The army was destroyed by malaria and the slave armies of Toussaint l’Overture, so he decided to sell the Louisiana Territory.
Jefferson wanted to buy New Orleans because it controlled all the trade on the Mississippi River.
He was offered the whole of the Louisiana Territory for 15 million dollars.
At first Jefferson wasn’t sure he had the constitutional authority to buy the land, but the deal was too good to pass up.
The Louisiana Purchase in 1803 sparked interest in expansion to the West Coast of the American continent. The United States did not know precisely what it was buying and France was unsure of how much land it was selling. A few weeks after the purchase, President Thomas Jefferson, an advocate of western expansion, had Congress appropriate $2,500 for an expedition.
In 1803, President Thomas Jefferson commissioned the Corps of Discovery as a scientific expedition to explore the newly acquired Louisiana Purchase. The expedition's goal was "to explore the Missouri River and communication with the waters of the Pacific Ocean. In addition, the expedition was to learn more about the Northwest's natural resources, Jefferson selected U.S. Army Captain Meriwether Lewis—his aide and personal friend—to lead the Corps of Discovery. Lewis selected William Clark as his partner.
They left St. Louis in 1804 on the Missouri River.

The expedition collected specimens plants and animals and were the first white men to see the Great Plains, The Rocky Mountains and the Continental Divide.

It is one of the greatest adventures in history.
Back in the east, things were not going so well.
British impressment of US sailors was causing a problem
Another problem was that as the US expanded west, they put pressure on the British forts that were still in the wilderness.
This expansion was the primary reason for the War of 1812.
It was a war without resolution to a large extent. The British captured and burned Washington D.C.
Andrew Jackson, a frontier aristocrat, used frontiersmen to defeat the British forces at the Battle of New Orleans.
This made Andrew Jackson a national hero and eventually led to his being elected president.
The other big result of the War of 1812 was a sense of Nationalism or National Pride in America. This was the first time the people of the US had actually felt they were part of something important.
A tariff is a tax placed on imported and/or exported goods, sometimes called a customs duty.

A revenue tariff is set with the intent of raising money for the government.

A protective tariff, usually applied to imported goods, is intended to artificially inflate prices of imports and "protect" domestic industries from foreign competition.
December 2, 1823, which stated that further efforts by European countries to colonize land or interfere with states in the Americas would be viewed by the United States of America as acts of aggression requiring US intervention.