

Chapter 7: Chapter Outline

The following annotated chapter outline will help you review the major topics covered in this chapter.

Instructions: Review the outline to recall events and their relationships as presented in the chapter. Return to skim any sections that seem unfamiliar.

I. The Political Crisis of the 1790s

A. The Federalists Implement the Constitution

1. Federalists swept the election of 1788; members of the electoral college chose George Washington as president, and John Adams became vice president.
2. The Constitution gave the president the power to appoint major officials with the consent of the Senate, but Washington insisted that only the president could remove them.
3. The Judiciary Act of 1789 created a hierarchical federal court system with a federal district court in each state as well as three circuit courts to hear appeals.
4. The Judiciary Act permitted constitutional matters to be appealed to the Supreme Court, which had the final say.
5. The Federalists added the Bill of Rights to the Constitution, which safeguarded certain fundamental rights and mandated certain legal procedures to protect the individual.

B. Hamilton's Financial Program

1. The Federalists divided into two irreconcilable factions over financial policy, with Alexander Hamilton and Thomas Jefferson defining contrasting views of the American future.
2. Alexander Hamilton, secretary of the treasury, devised bold and controversial policies to enhance the authority of the national government and to favor financiers and seaport merchants.
3. Hamilton's *Report on the Public Credit* asked Congress to redeem millions of dollars in securities issued by the Confederation, providing windfall profits to speculators and creating a permanent **national debt** owned mostly by wealthy families.
4. The House rejected James Madison's proposal for helping the shopkeepers, farmers, and soldiers who were the original owners of the Confederation securities.
5. Congress approved Hamilton's second proposal that the national government adopt an assumption plan to assume the war debts of the states (which unleashed a flurry of speculation and some government corruption) after Hamilton agreed to reimburse those states that had already paid off much of their war debt and supported locating the permanent national capital along the banks of the Potomac.
6. Hamilton asked Congress to charter the Bank of the United States, to be jointly owned by private stockholders and the national government.
7. Washington signed the legislation creating the bank, although Jefferson and Madison charged that a national bank was unconstitutional because the Constitution did not specifically provide for one.
8. At Hamilton's insistence, Congress imposed a variety of domestic excise taxes and modestly increased tariffs on foreign imports. Hamilton did not support a high **protective tariff** that would exclude competing foreign productions. Instead, he favored **revenue tariffs** that would pay the interest on the debt and defray the expenses of the national government.
9. Increased trade and customs revenue allowed the treasury to pay for Hamilton's redemption and assumption programs.

C. Jefferson's Agrarian Vision

1. By 1793, most northern Federalists adhered to the political alliance led by Hamilton and most

southerners to a rival group headed by Madison and Jefferson, the Republicans.

2. Jefferson pictured a West settled by farm families whose grain and meat would feed Europeans in exchange for clothing and other comforts.
3. During the 1790s, Jefferson's vision was fulfilled as warfare disrupted European farming.
4. Simultaneously, a boom in the export of raw cotton boosted the economy of the lower South.

D. The French Revolution Divides Americans

1. American merchants profited from the European war because a Proclamation of Neutrality allowed American citizens to trade with both sides.
2. The American merchant fleet increased dramatically, commercial earnings rose, and work was available to thousands of Americans.
3. Even as they prospered from the European struggle, Americans argued passionately over its ideologies and events.
4. The ideological conflicts sharpened the debate over Hamilton's economic policies and brought on disruptions such as the Whiskey Rebellion, a protest against new excise taxes on spirits.
5. In 1793, the Royal Navy began to prey on American ships bound for France from the West Indies.
6. To avoid war, John Jay was sent to Britain and returned with a treaty that Republicans denounced as too conciliatory.
7. As long as the Federalists were in power, the United States would have a pro-British foreign policy.

E. The Rise of Political Parties

1. State and national constitutions made no provisions for political parties because they were considered unnecessary and dangerous.
2. Merchants, creditors, and urban artisans favored Federalist policies, while the Republican coalition included support from farmers and planters.
3. During the election of 1796, the Federalists celebrated Washington's achievements, and Republicans invoked the egalitarian principles of the Declaration of Independence.
4. Federalists elected John Adams as president, and he continued Hamilton's pro-British foreign policy.
5. Responding to the XYZ Affair, the Federalist-controlled Congress cut off trade with France and authorized American privateers to seize French ships, which extended party conflict that had begun over Hamilton's economic policies to foreign affairs.

F. Constitutional Crisis and the "Revolution of 1800"

1. To silence their critics, Federalists enacted a series of coercive measures—the Naturalization Act, the Alien Act, and the Sedition Act—which created a constitutional crisis.
2. Republicans charged that the Sedition Act violated the First Amendment's prohibition against abridging the freedom of speech or of the press.
3. At Republicans' urging, the Kentucky and Virginia legislatures declared the Alien and Sedition Acts to be void, resolutions that set forth a **states' rights** interpretation of the Constitution.
4. Republicans strongly supported Jefferson's bid for the presidency in 1800.
5. Adams rejected the advice of Federalists to declare war on France and instead negotiated an end to the fighting.
6. Jefferson won a narrow 73 to 65 victory in the electoral college, but Republicans also gave 73

votes to Aaron Burr, sending the election to the House of Representatives.

7. Federalists in the House blocked Jefferson's election until Hamilton, declaring Burr "unfit" for the presidency, persuaded key Federalists to vote for Jefferson.
8. The bloodless transfer of power demonstrated that governments elected by the people could be changed in an orderly way, even amidst bitter partisan conflict and foreign crisis. It was therefore termed by Jefferson the "Revolution of 1800."

II. The Westward Movement and the Jeffersonian Revolution

A. The Expanding Republic and Native American Resistance

1. Invoking the Treaty of Paris and viewing Britain's Indian allies as conquered peoples, the U.S. government asserted its ownership of the trans-Appalachian west; Native Americans rejected this claim and pointed out that they had not signed the treaty and had never been conquered.
2. In 1784, the United States used military threat to force the pro-British Iroquois peoples to sign the Treaty of Fort Stanwix and relinquish much of their land in New York and Pennsylvania.
3. Farther to the west, the United States induced Indian peoples to give up most of the future state of Ohio.
4. The Indians formed a Western Confederacy to defend themselves against aggressive settlers and forced a compromise peace in the Treaty of Greenville in 1795.
5. In practice, this agreement eventually brought the transfer of millions of acres of Indian land to the U.S. government and sparked a wave of American migration into the region, resulting in new conflicts with native peoples over land and hunting rights.
6. Most Native Americans resisted attempts to assimilate them into white society and rejected European farming practices.

B. Migration and the Changing Farm Economy

1. The migratory upsurge of white farmers and planters brought financial rewards to many settlers and transformed the American farm economy.
2. Most migrants who flocked through the Cumberland Gap were white tenant farmers and yeomen families fleeing the depleted soils and planter elite of the Chesapeake region.
3. Though poor migrants to Kentucky and Tennessee believed they had a customary right to occupy "waste vacant lands," the Virginia government allowed them to purchase up to 1,400 acres of land at reduced prices but sold or granted estates of 20,000 to 200,000 acres to wealthy individuals and partnerships.
4. A second stream of migrants, dominated by slave-owning planters and their enslaved workers, moved along the coastal plain of the Gulf of Mexico into the future states of Alabama, Mississippi, and Louisiana.
5. Cotton financed the rapid settlement of this region as well as the expansion of slavery into the Old Southwest as technological breakthroughs increased the demand for raw wool and cotton.
6. Seeking land for their children, a third stream of migrants flowed out of the overcrowded communities of New England into New York, Indiana, and Ohio.
7. In New York, speculators snapped up much of the best land and attracted tenants to work it by offering farms rent-free for seven years, after which they charged rents. Many New England yeomen preferred the Holland Land Company, which allowed settlers to buy the land as they worked it, but high interest rates and the lack of markets initially mired thousands of these freeholders in debt.
8. Unable to compete against producers of low-priced western grains, eastern farmers changed their

agriculture methods—rotating crops, diversifying production, and planting year round—which increased their productivity and boosted the entire American economy.

C. The Jeffersonian Presidency

1. Thomas Jefferson was the first chief executive to hold office in the District of Columbia, the new national capitol.
2. Before John Adams left office, the Federalist-controlled Congress had passed the Judiciary Act, which created sixteen new judgeships and six new circuit courts. Just before leaving office, Adams filled the judgeships and courts with "midnight appointments."
3. James Madison's refusal to deliver the commission appointing William Marbury, one of Adams's midnight appointees, as a justice of the peace in the District of Columbia caused Marbury to petition the Supreme Court to compel delivery under the terms of the Judiciary Act of 1789. In *Marbury v. Madison*, Chief Justice John Marshall asserted the Court's power of judicial review.
4. Despite this setback, Jefferson mobilized Republicans to shrink back the national government's size and power, which they believed was grossly overexpanded through Federalist policies.
5. Republicans refused to reenact the Alien and Sedition Acts when they expired, amended the Naturalization Act to permit resident aliens to become citizens after five years, and secured repeal of the Judiciary Act, thereby ousting forty of Adams's "midnight appointees," though Jefferson allowed competent Federalist bureaucrats to retain their jobs.
6. In foreign affairs, Jefferson met the crisis of the Barbary "pirates" by initially refusing to pay an annual bribe ("tribute") to protect American vessels in the Mediterranean; to avoid war, however, he negotiated a diplomatic settlement that reduced the tribute payment.
7. In domestic matters, Jefferson set a clearly republican course: he abolished internal taxes, reduced the size of the army, and tolerated the Bank of the United States.
8. With Thomas Jefferson and Albert Gallatin at the helm, the national debt was reduced and the nation was no longer run in the interests of northeastern creditors and merchants.

D. Jefferson and the West

1. As president, Jefferson seized the opportunity to increase the flow of settlers to the West; Republicans passed laws reducing the minimum acreage available for purchase.
2. In 1801, Napoleon Bonaparte coerced Spain into returning Louisiana to France; then he directed Spanish officials to restrict American access to New Orleans.
3. To avoid hostilities with France, Jefferson instructed Robert R. Livingston, an American minister in Paris, to negotiate the purchase of New Orleans; simultaneously, he also sent James Monroe to Britain to seek its assistance in case of war with France.
4. In April 1803, Bonaparte, Livingston, and James Monroe concluded what came to be known as the Louisiana Purchase for \$15 million (\$450 million in today's dollars).
5. Since the Constitution did not provide for adding new territory, Jefferson pragmatically reconsidered his strict interpretation of it.
6. In 1804, Jefferson sent Meriwether Lewis and William Clark on an expedition; they returned two years later with maps of the new territory (and regions beyond).
7. Fearing that western expansion would diminish their power, New England Federalists talked openly of leaving the Union.
8. Refusing to support the secessionists, Alexander Hamilton accused their chosen leader, Aaron Burr, of participating in a conspiracy to destroy the Union. Burr challenged Hamilton to a duel. Hamilton accepted and was shot to death.
9. As evidenced by Burr's probable plan to either capture territory in New Spain or to foment a

rebellion to establish Louisiana as a separate nation headed by himself, the Republicans' policy of western expansion increased party conflict and generated secessionist schemes in both New England and the West.

III. The War of 1812 and the Transformation of Politics

A. Conflict in the Atlantic and the West

1. As the Napoleonic wars ravaged Europe, Great Britain and France refused to respect the neutrality of American merchant vessels.
2. Napoleon imposed the "Continental System," which required customs officials to seize neutral American ships that had stopped in Britain.
3. The British naval blockade stopped American ships carrying goods to Europe and also searched them for British deserters, who were then impressed (forced) back into service in the Royal Navy.
4. Americans were outraged in 1807 when a British warship attacked the Chesapeake, killing or wounding twenty-one men and seizing four.
5. Jefferson devised the Embargo Act of 1807, which prohibited American ships from leaving their home ports until Britain and France repealed restrictions on U.S. trade.
6. The act caused American exports to plunge, prompting Federalists to demand its repeal.
7. Despite discontent over the embargo, voters elected Republican James Madison to the presidency in 1808. As president, James Madison replaced the embargo with new economic restrictions, none of which persuaded Britain and France to respect America's neutrality rights.
8. Republican congressmen from the West thought Britain was the major offender, as evidenced by its assistance to the Indians in the Ohio River Valley.
9. Republican expansionists in Congress condemned British support of Tecumseh and his brother Tenskwatawa, who had revived the Western Confederacy, and threatened to invade Canada in retaliation.
10. In 1811, following a series of clashes between settlers and the Western Confederacy, William Henry Harrison, the governor of the Indiana Territory, led an army against Tenskwatawa's village of Prophetstown, fended off the confederacy's warriors at the Battle of Tippecanoe, and burned the village to the ground.
11. Henry Clay and John C. Calhoun, hoping to gain new territory and discredit the Federalists, pushed Madison toward war with Britain.
12. With elections approaching, Madison demanded British respect for American sovereignty in the West and neutral rights on the Atlantic. When the British did not respond quickly, he asked Congress for a declaration of war. In June 1812, a sharply divided Senate voted 19 to 13 for war, and the House of Representatives concurred, 79 to 49.

B. The War of 1812

1. The War of 1812 was a near disaster for the United States, both militarily and politically.
2. Political divisions in the United States prevented a major invasion of Canada in the East; New Englanders opposed the war and Boston merchants declined to lend money to the government.
3. After two years of sporadic warfare, the United States had made little progress along the Canadian frontier and was on the defensive along the Atlantic; moreover, the new capital city was in ruins.
4. In the Southwest, Andrew Jackson led an army of militiamen to victory over British-supported Creek Indians in the Battle of Horseshoe Bend and forced the Indians to cede 23 million acres of

land.

5. Federalists met in Hartford, Connecticut, to discuss a strategy “for a radical reform in the National Compact.” Though some proposed succession, the majority wanted an amendment to the Constitution that would limit presidents to a single four-year term and rotate the presidency among citizens of different states. They also suggested amendments restricting commercial embargoes and requiring a two-thirds majority in Congress to declare war, prohibit trade, or admit a new state to the Union.
6. The war continued to go badly; an American naval victory on Lake Champlain narrowly averted a British invasion of the Hudson River Valley, and British troops landed outside New Orleans and threatened to cut American trade down the Mississippi River.
7. American military setbacks strengthened opposition to the war, but, fortunately, Britain, sapped from its twenty-year war with France, wanted peace.
8. The Treaty of Ghent, signed December 24, 1814, restored the prewar borders of the United States.
9. Andrew Jackson’s victory against the British at New Orleans not only made Jackson a national hero but also redeemed the nation’s pride, and, together with the coming of peace, undercut the Hartford convention’s demands for a significant revision of the Constitution.
10. As a result of John Quincy Adams’s diplomacy, the United States gained undisputed possession of nearly all the land south of the forty-ninth parallel and between the Mississippi River and the Rocky Mountains.
11. It was also at Adams’s urging that Monroe announced a new American foreign policy (the Monroe Policy) which declared that the American continents were not “subject for further colonization.” In return, the United States agreed “not to interfere in the internal concerns” of European nations.

C. The Federalist Legacy

1. The War of 1812 ushered in a new phase of the Republican political revolution. Before the conflict, Federalists had strongly supported Alexander Hamilton’s program of national mercantilism. After the war, the Republicans split into two factions, National Republicans and Jeffersonian Republicans.
2. Henry Clay led the National Republicans. In 1816, Republican Henry Clay of Kentucky sponsored legislation that created the Second Bank of the United States and persuaded President Madison to sign it.
3. Meanwhile, the Federalist Party was in severe decline. Nationalist Republicans had won the allegiance of many Federalist voters in the East, and the pro-farmer policies of Jeffersonian Republicans maintained their party’s dominance in the South and West.
4. The election of 1818 demonstrated Republican power: Republicans outnumbered Federalists 37 to 7 in the Senate and 156 to 27 in the House.
5. Despite the Federalists’ demise, their policies remained very much in evidence because of John Marshall’s long tenure on the Supreme Court. The issue of national vs. states rights framed debate during his tenure.
6. Marshall was a committed Federalist who shaped the evolution of the Constitution through three principles that formed the basis of his jurisprudence: a commitment to judicial authority, the supremacy of national over state legislation, and a traditional, static view of property rights.
7. After Marshall proclaimed the power of judicial review in *Marbury v. Madison*, the doctrine evolved slowly; the Supreme Court and state courts used it sparingly and only to overturn state laws that conflicted with constitutional principles.
8. Marshall adopted a loose construction of the Constitution and asserted the dominance of national

statutes over state legislation (*McCulloch v. Maryland*, 1819, and *Gibbons v. Ogden*, 1824).

9. Under Marshall, the Supreme Court construed the Constitution so that it extended protection to the property rights of individuals purchasing state-owned lands (*Fletcher v. Peck*, 1810 and *Dartmouth College v. Woodward*, 1819).
10. Nationalist-minded Republicans won the allegiance of many Federalists in the East, while Jeffersonian Republicans won the support of western farmers and southern planters.
11. The career of John Quincy Adams is a case in point. The son of President John Adams, a Federalist, John Quincy Adams joined the Republican Party before the War of 1812. He served two terms as secretary of state under President James Monroe and played a role in several major treaties signed with foreign governments ceding land to the young United States.
12. Although the decline of the Federalists and of party politics prompted observers to dub James Monroe's two terms as president (1817–1825) as the "Era of Good Feeling," the Republican Party divided into a "national" faction and a "Jeffersonian," or state-oriented, faction.
13. This division in the ranks of the Republican Party would produce a second party system in which national-minded Whigs faced off against state-focused Democrats.