*Period 3: The Crisis of Empire and Revolution (1754 - 1800)*

* ***Roots of Revolution:***
* By the 1750s, two major ideas had taken root in the minds of the colonists: republicanism and corruption
* Republicanism is the idea that one must subordinate one’s selfish and private needs for the greater good of society
* The ability of a society to function well was based on the citizenry’s capacity to be selfless
* This idea was fundamentally against autocracy and monarchy
* The other idea, the warning of corruption within the British government, was spurred by the Radical Whigs
* The Radical Whigs feared that the monarch and parliament were arbitrary threats to liberty and that colonists should be vigilant in observing any bribes or general corruption
* These ideas put the colonists on the edge whenever someone threatened their individual rights or liberty
* Another view that emerged later on, Republican Motherhood, emphasized the impacts that women had during the revolution and spreading equality and liberty, along with women like Molly Pitchers
* ***Mercantilist Grievances:***

* **Beginnings and Tensions**
	+ The only colony that had formally been planted by Britain in the Americas was Georgia, but the Crown still exercised its authority by imposing mercantilism
	+ London saw the colonies as tenants → main purpose was to supply raw material to Britain for manufacture and make them rich
	+ Laws were passed to regulate such a system, like the Navigation Law of 1650 where it was decreed that all commerce must be transported upon British vessels, not Dutch ones or ones from other empires
	+ Other laws made goods stop or go through Britain first in order to tax them multiple times for increased profit
	+ A currency shortage eventually developed since the colonists bought more instead of selling more to the empire and items like butter and feathers had to be used at first to make everyday purchases easier
	+ Paper money was eventually printed but it depreciated rapidly to the point where Parliament banned it since it was hurting merchants
	+ American colonists grumbled about this decree since it seemed like Britain cared more about economic prosperity over their own colonists’ welfare
	+ Other than just being major mercantilists, the Crown reserved the right to nullify any laws passed by colonial assemblies
	+ This, understandably, angered the colonists, although it only happened to around 5% of the laws
	+ While the system sounds harsh, Navigation Laws were only loosely enforced until 1763 and colonists benefited from many things like a monopoly on the British tobacco market and protection from the British Navy
	+ However, mercantilism stifled economic initiative and made the colonies dependent on British agents/creditors → treated like children
* **Britain Enforces Mercantilist Policy**
	+ Britain, emerging from the Seven Years’ War with a debt of 140 million pounds, needed America’s help to shoulder the cost
	+ Since they had defended the colonies with their navy, Prime Minister George Grenville thought that impositions of several acts were quite just and fair, especially since citizens of Britain paid higher for their taxes than the colonists did
	+ In 1763, salutary neglect ended and Grenville made the navy enforce Navigation Laws
	+ The Sugar Act was passed as well in 1764 which taxed foreign imports of sugar from the West Indies to raise revenue for the Crown
	+ While this tax was eventually reduced due to colonial annoyance, resentment kept going with the Quartering Act of 1765 which decreed that some colonists would have to house and feed soldiers
	+ The Stamp Act of 1765 was another type of revenue tax in which papers proving you had paid taxes were taxed as well in order to gain money for the military
	+ The Sugar and Stamp taxes were eligible for trying offenders in admiralty courts, which provided no jury and you were essentially “guilty until proven innocent”
	+ The Whig suspicion gripped colonists to the point where they began to believe Britain was ready to strip them of all rights as Englishmen
	+ The rallying cry of “no taxation without representation” began during this period, and inspired the American distinction between legislation and taxation
	+ While Americans believed Parliament had the right to legislate for the whole empire, they didn’t believe they had the right to tax the colonies since they were not represented within Parliament
	+ Grenville claimed that direct representation was not necessary because Parliament virtually represented the entire empire (even though Americans didn’t really want direct representation anyways, since they would’ve been outvoted every time)
* **Downfall of the Stamp Act**
	+ 27 delegates from 9 colonies gathered together in NYC for the Stamp Act Congress to demand that the act be repealed
	+ Although it was largely ignored and made little impact, this assembly was another big step towards colonial unity
	+ A bigger impact resulted from Non-Importation Agreements which were basically boycotts of British goods → textiles were made homespun and eating of lamb chops was discouraged so the British sheep would mature and be used for wool instead
	+ Public defiance grew, and some people like the Sons and Daughters of Liberty used violence to enforce non-importation agreements → people were tarred and feathered, effigies were burned
	+ The breakdown of tax machines forced all stamp agents to resign, which hit England hard
	+ Parliament begrudgingly repealed the act in 1766 and enacted the Declaratory Act at the same time which stated the Crown had full authority over the colonies’ sovereignty
* ***Bloodshed, Sedition, and Rebellion:***

* **Townshend Acts and Boston Massacre**
	+ Charles Townshend, a British politician, persuaded Parliament to pass the Townshend Acts, which lightly taxed paper, white lead, paint, glass, and tea
	+ These acts were to be used to pay the salaries of judges and governors in the colonies, but this made the colonists angry because these people were royally appointed, not elected
	+ This seemed like just another tightening of British control to the colonists, and it became even more evident when the NY legislature was suspended for its failure to comply with the Quartering Act
	+ Colonists, ignoring the acts, increased their smuggling so the British sent troops (often drunk or profane men) who were mocked as “Red Coats”
	+ Eventually, tensions between the troops and colonists erupted when a mob of 60 people began to throw snowballs at the troops → they reacted nervously, shooting into the crowd and injuring/killing 11 people in the Boston Massacre
	+ Both sides, ultimately, are to blame for this eruption of violence
* **Committees of Correspondence**
	+ Lord North, Prime Minister at the time, convinced Parliament to repeal the Townshend Acts because they were putting a dent in Britain’s pocket with all the non-importation that the colonists were participating in
	+ The acts were repealed, except the tax on tea, which was the most offensive one to the colonists
	+ Discontent continued in America with Samuel Adams, a master of propaganda, who started the famous Committees of Correspondence
	+ Their primary function was to write letters and exchange information between colonists in order to keep the spirit of resistance alive
	+ Although deemed seditious by critics, the centralization of these committees would eventually lead to their emergence as the nation’s first congresses
* **Boston Tea Party**
	+ With non-importation weakening and an increasing number of people paying the tea tax because it was cheaper than smuggled tea, a new event occurred
	+ The British East India Company, facing bankruptcy, was given a monopoly by Britain over American tea
	+ This was especially offensive because tea was a cultural staple and easy to import as well
	+ The Americans, crying foul and saying the lowered tea tax was a trick to accept the tax, had demonstrations where they forced tea ships to return to England or burned them with their cargo
	+ Thomas Hutchinson, governor of Massachusetts, was determined in not allowing the colonists to break the law, even though he too thought the tax was unjust
	+ Either way, more than 100 Bostonians boarded the docked ships in the harbor and dumped them into the waters → more than 340 chests of tea were emptied in this event called the Boston Tea Party
* **Intolerable Acts**
	+ In response to this act of rebellion, Parliament quickly passed the Coercive Acts, or the Intolerable Acts as they were known in America, that curbed many chartered rights in MA
	+ The most drastic one closed the Boston Harbor
	+ Another act allowed British officials who killed colonists to go be tried in Britain, which was suspicious
	+ Another Quartering Act was issued, allowing the Crown to house more soldiers and to house them practically anywhere
	+ Coincidentally, these acts were accompanied with the Quebec Act of 1774 that was actually a good law surrounded by many bad ones
	+ This act pertained to the 60,000 French in Quebec → they were allowed to be Catholic and keep their customs along with getting more territory (down to Ohio River)
	+ The colonists were especially angry at this because it seemed like they were punishing Massachusetts but allowing the future-Canadians to do what they wanted (which was justified, because Quebec hadn’t rebelled)
* ***Eve of Rebellion:***
* **Congressional Summoning**
	+ In 1774, the First Continental Congress was summoned in response to the Intolerable Acts
	+ 12 colonies attended, Georgia did not attend, and many respected men participated (Samuel and John Adams, George Washington, Patrick Henry)
	+ It was more of a convention than a congress because they weren’t there to make laws
	+ John Adams swayed them towards a more revolutionary approach; they eventually drafted many documents including a declaration of rights
	+ One agreement, the Association called for a complete boycott of British goods → no buying, no selling, no consuming
	+ Colonists didn’t want independence at this point, just wanted to go back to the days of no random taxes
* **A Clash Erupts**
	+ Parliament rejected their petitions, but people continued to be tarred and feathered for defying the Association
	+ A clash occurred when troops were sent to seize gunpowder and ammo in Lexington and Concord and to seize Adams and Hancock → 8 people were killed and the troops marched onto Concord where they were forced to retreat due to militia pushback that killed over 70 people
* ***Strengths and Weaknesses:***

 **Britain Colonies**

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| --- | --- | --- | --- |
| Strengths: | Weaknesses: | Strengths: | Weaknesses: |
| Larger population (3:1) | Many British soldiers didn’t want to kill “American cousins” | Outstanding leadership → GW and BF (inspired) | Horribly trained army, not very reliable militia |
| Professional army of 50,000 men and foreign Hessian (German) soldiers along with loyalists and natives | Had many other problems at the time, including Ireland and France | Foreign aid came from France (since the country was looking to hurt Britain) | Lacked unity and organization within the colonies; weren’t a country |
| Wealthier in terms of money and in gold/silver | Some factions were rooting for American victory (Whigs) | Fought defensively, knew the terrain | Colonies were jealous of one another |
| Strong navy, probably strongest in world | Scarce provisions and great distance from home | Colonies were self-sustaining in terms of agriculture | Continental paper money quickly depreciated/inflated |
|  | Second-rate generals |  |  |
|  | Didn’t know where to attack |  |  |

* ***The Rebel Army:***
* **Shortages and Broken Barriers**
	+ Military and manufactured supplies were scarce (Valley Forge, PA) → eventually reason for French alliance
	+ Women became camp followers who cooked and sewed for troops for money and Molly Pitchers who brought water onto the battlefield
	+ Blacks joined both sides of the war
* ***Towards Independence:***
* **Another Congressional Summoning**
	+ The Second Continental Congress was summoned in Philadelphia, 1775
	+ All 13 colonies were in attendance
	+ There was still no desire to be independent, just keep appealing to the king
	+ The congress selected George Washington to lead the Continental Army because he was already rich so he couldn’t be accused of being a gold digger
	+ They also needed a Southerner to lead the army → South was most reluctant to join the revolutionary fervor because New England was the one being slighted (South made profits, but the ship-building New England was being taxed and hurt) so they chose someone from the most populous colony (Virginia)
* **The Drum of War**
	+ While the colonists were trying to patch things up with Britain, they were also contradictorily shooting British soldiers
	+ Ethan Allen and Benedict Arnold captured Ticonderoga and Crown Point in New York, gaining much needed supplies
	+ Colonists then captured Bunker’s Hill while slaughtering the British, but were forced to give up the hill because they ran out of ammo
	+ In July, 1775, the colonists adopted the Olive Branch Petition that pledged their loyalty to the king and begged him to stop all the hostilities → he rejected it and claimed what the colonies were doing was treason; he called in thousands of hired German troops (Hessians)
	+ The colonists were appalled at this because it was only supposed to be between the Crown and the Colonists, not outsiders
	+ The British eventually burned Portland, Maine, in 1775
	+ In October, the colonists foolishly tried to invade Canada to make it the “14th colony” and to cut off the British from a base to attack the colonies from
	+ They failed when their leaders died and they retreated → colonists also assumed the Catholic French hated Britain but it turns out they didn’t want random Protestants invading them either
* ***Common Sense* and the Republic**
	+ While loyalty to Britain was ingrained, the colonists snapped out of it once they saw the British burning their cities and the Crown hiring German mercenaries
	+ In 1776, Thomas Paine, a radical, wrote a pamphlet titled *Common Sense* where he stated that the only lawful form of government is the type where power is derived from the people and that the colonies should stop resisting and just fight for independence
	+ He also stated that nowhere in the universe did a tiny island govern a bigger location, so they should separate
	+ Colonists were open to this idea, especially New Englanders, because they had already been doing town meetings and every colony had committees of correspondence
	+ However, colonists had to be careful to truly make decisions based on the common good because they would not have an all powerful king making decisions by himself
* ***The Declaration, Loyalists, and Patriots:***
* **The Declaration**
	+ Virginia’s Richard Henry Lee urged for colonial independence, and it was finally adopted by the Second Continental Congress on July 2, 1776
	+ The task of writing a formal, written declaration was given to Thomas Jefferson, whose document was approved on July 4, 1776, and is known as the Declaration of Independence
	+ In the document, natural rights were invoked over British rights, and a list of grievances condoned or performed by the king were included
	+ The document would go on to inspire the French Declaration of the Rights of Man
* **War Within a War**
	+ The Patriots, American rebels, were fighting not only the Crown, but also colonists loyal to the Crown → Loyalists
	+ Patriots were sometimes referred to as Whigs for the opposition parties in England while Loyalists were called Tories for the dominant parties
	+ Many people were neutral or just didn’t care, and both sides tried to sway them (Patriots more successful)
	+ *Loyalists*
		- About 16-20% of population
		- Generally conservative and older people
		- Some were people of education, wealth, culture
		- Most were Anglican and aristocratic (more in South except Virginia)
	+ *Patriots*
		- Generally more liberal and younger (40% of population)
		- Belonged to non-Anglican churches
		- Constantly harassed British troops and loyalists
* ***Battles and Diplomacy:***

* **Washington’s Endeavors**
	+ Britain used New York as a main base of operations due to it being a seaport and its high loyalist population
	+ When Washington got there, he was outnumbered nearly 1:2 in terms of soldiers
	+ His ill-prepared troops were routed there, and he barely made it across the Hudson River and to the Delaware River in the Battle of Long Island
	+ He stealthily crossed the icy Delaware River and surprised/captured a thousand Hessians on the day after Christmas in Trenton, NJ
	+ The British general Howe most likely didn’t crush Washington outright because he was wary when he remembered what happened at Bunker Hill
* **Burgoyne’s Failed Invasion**
	+ London devised a complicated plan to cut off New England from the rest of the colonies → John Burgoyne would push downwards from Lake Champlain, General Howe would push up the Hudson, and Barry St. Leger would come from the West (all meeting in Albany)
	+ British met Benedict Arnold at Lake Champlain, who fought them off until they retreated to Canada
	+ Howe, instead of going up the Hudson, went to Philadelphia and defeated Washington
	+ However, Burgoyne was in need of help and Howe was not there to offer it → Burgoyne’s army surrendered at Saratoga to Horatio Gates
	+ Victory at Saratoga revived the colonial cause and it made foreign aid from France possible because France saw the colonists as capable of actually winning now
* **A French Alliance Forms**
	+ France desperately wanted revenge on Britain after their defeat in the Seven Years’ War
	+ The Continental Congress sent delegates to France under the Model Treaty that stated the colonies were only looking for economic ties, not political/military ones
	+ Britain, embarrassed by their Saratoga defeat, offered the colonies home rule but not independence
	+ The French, anxious that the empire and colonies would reconcile, offered an alliance to the colonies that included a recognition of their independence → colonists accept
* **The War Widens**
	+ Spain and Holland enter the war against Britain
	+ Almost all of Europe’s neutral powers lined up in the Armed Neutrality formed by Catherine the Great of Russia in which they participated in passive hostility against Britain
	+ The colonies truly couldn’t win on their own; the combined power of the other empires along with French support led them to victory
	+ France sent an army to RI in 1780, but Americans were initially wary because they used to be enemies
	+ It turns out, the colonists were less trustworthy than the French because General Arnold became a traitor for the British
	+ The British devised a plan to attack the colonies from the South and move North because there were many loyalists farther South (Anglican Church)
	+ They got through GA and SC but were eventually pushed back
* **By Land and By Sea**
	+ Most natives supported Britain because they believed American defeat would stop expansion
	+ Seneca, Cayuga, Onondaga, and Mohawk were with Britain
	+ Oneida and Tuscarora were with the colonies
	+ The Treaty of Fort Stanwix was the first Indian-American treaty → most native land was ceded by force
	+ Pioneers continued to move West and named locations for battles and French kings
	+ Soon, privateers, basically legal pirates, began to prey on enemy shipping to the point where Parliament was being pressured by merchants to end the war
* **Final Curtain:**
	+ With inflation rising and the government nearly bankrupt, Washington marched his troops towards British General Cornwallis at Yorktown
	+ At the same time, French ships approached in order to stop Cornwallis by sea
	+ This was the final battle of the Revolutionary War, although King George III wished to continue fighting (1781)
	+ Eventually, many Britons were ready to concede so John Adams, John Jay, and Benjamin Franklin all met in Paris
	+ They signed the Treaty of Paris (1783) with Britain that recognized their independence and granted them generous borders (from Mississippi River to Florida up to the Great Lakes)
	+ Britain was so generous to them because they wanted to lead them away from their French alliance and hopefully encourage diplomatic relations with the US in the future (Whigs)
	+ While it seemed like they had defied the French, they approved the treaty nonetheless → eager to get out of the costly war
* ***Building Democracy:***
* **Rewriting Constitutions**
	+ The 2nd Continental Congress called upon colonies to change all their constitutions in the wake of the war
	+ Some colonies, like RI, barely changed anything; others, like Massachusetts, appointed special conventions to draft a whole new constitution and have it approved by the people
	+ All of the new constitutions featured weak executive and judicial branches due to the mistrust of the king and judges of the day
* **Economic Crossings**
	+ It is said that land distribution and free trade were the first forms of democracy in America, and that they even preceded political democracy
	+ While Americans could now trade freely with other countries, namely East Asian and Baltic ones, the economy wasn’t always just booming
	+ The economy, for the most part, was disadvantageous to the normal citizens: inflation was rising, the country was in debt, and many Americans were poor especially because they wanted to make their own products (but with little experience, as they were farmers)
* **Equality is Tested**
	+ During this time period, freedom, in many aspects, became more commonplace
	+ Voting restrictions were in decline, primogeniture had mostly fallen out of use, and indentured servitude had declined to almost nothing by 1800
	+ The struggle for the separation of church and state made several gains in Virginia with Virginia’s Statute for Religious Freedom
	+ Slavery was abolished or lessened extremely in northern states, notably anything Pennsylvanian or further north
	+ The Pennsylvania Quakers created the world’s first anti-slavery society, but slavery continued to boom in the south (especially domestically)
	+ Women continued to have curbed rights, but were pivotal in pushing republican ideals along to children
* **The Articles**
	+ Shortly before declaring independence, the colonies came together in the 2nd Continental Congress to draft a constitution for the new country
	+ Thus, the Articles of Confederation were born, and they were showed to France after Saratoga in order to gain support
	+ However, discord was plentiful; 7 states had huge opportunity for westward land expansion while 6 states did not → these states held out on approving the articles until the 7 states surrendered western claims to the central government
	+ Meanwhile, Congress was in shambles → each state had one vote which was unfair once population was considered
	+ Changes to the Articles had to be unanimously approved which was near impossible
	+ Congress was crippled by its inability to enforce tax laws and control central commerce due to conflicting state laws
	+ While the articles were eventually replaced, they proved to be a good intermediate step between the Association and the Constitution
* ***Domestic and Foreign Developments:***
* **Territorial Expansion**
	+ The Old Northwest (today’s WI, MI, OH, IL, and IN) were surveyed and the Land Ordinance of 1785 allowed them to be sold in acreages in order for American debt to be paid
	+ Eventually, the Northwest Ordinance of 1785 was passed which stated that the “colonies” in the northwest would be subordinate to the rest of the country until they attained enough settlers, proper government, etc → then they would be treated equally
	+ Under this ordinance, slavery was banned in the NW as well
* **British and Spanish Relations**
	+ Britain still somewhat resented the colonies for what they did
	+ Britain had cut off America from fair trade or treaty, and they stayed in the northern frontiers of the country → allying with natives in case of another colonial attack on Canada
	+ Spain was openly hostile to the new nation → they closed them off of the Mississippi River
* **French and African Relations**
	+ The French demanded the money they had given to the Americas for aid during the war
	+ France also restricted West Indies trade
	+ African pirates enslaved Yankee sailors and ravaged Mediterranean commerce → America didn’t have the shield of the British navy to use anymore
* **The States’ Downward Spiral**
	+ Many states fought over small border disputes, while others taxed goods coming from neighbor states and continued to use depreciating paper money
	+ In MA, Shays’s Rebellion occurred, which was a violent uprising of backcountry farmers whose houses were being foreclosed and taxed heavily
	+ These rebels, led by Captain Shay, were losing their farms and money and demanded that MA issue paper money, lighten taxes, and suspend the taking away of property
	+ MA raised a small army against these men and the rebellion was quickly ended, however the fear of “mobocracy” grew in the hearts of citizens when the laws that Shays had championed were actually passed
	+ People didn’t want just anyone forcing laws upon Congress that the rest of them had to accept so a meeting was called in the next year in Philadelphia for the revision of the Articles
* ***A Constitution is Born:***
* **Differing Visions**
	+ While Congress had told the delegates to revise the articles, some had the idea of scrapping them altogether in mind
	+ Virginia proposed an idea, The Virginia Plan, in which more populous states were given an advantage in terms of representation → more citizens, more representatives
	+ New Jersey, feeling threatened, proposed the New Jersey Plan which would give each colony equal representation regardless of population
	+ After heated debate, the Great Compromise was reached; equal representation was guaranteed within the Senate while proportional representation was guaranteed within the House
* **The Final Constitution and Congress**
	+ The final document was rather short, following the practice of common law in which it was unnecessary to go over every single detail (other places followed civil law which was painstakingly descriptive)
	+ The presidency was restricted but still an important part of the country → presidents could veto and wage war, but Congress had to declare said war
	+ Presidents were also elected through the electoral college (today, 100 senators + 435 representatives + 3 DC votes) rather than directly by the people
	+ However, more problems emerged when the Southern states asserted that slaves must be counted in the population
	+ The North disagreed, saying slaves were voteless and had no rights, so a compromise was reached called the Three Fifths Compromise that counted slaves as ⅗ of a person
	+ While it seems that there was a lot of disagreement between the delegates, most of them agreed on major issues like the need for a stronger government with three branches
	+ Daniel Shays and his rebellion spurred conservatives to be wary of direct democracy, which is why so many democratic proceedings were set up to be indirect (electoral college, senators elected indirectly)
* **Federalists vs. Antifederalists**
	+ The federalists, like Alexander Hamilton and Ben Franklin, supported the new constitution and a stronger government
	+ The anti-federalists, like Samuel Adams and Patrick Henry, opposed the new constitution and a stronger government
	+ Federalists were generally more wealthy, more educated, and more organized than the anti-federalists, (controlled the press)
	+ The anti-federalists were usually poorer and many of them were debtors who opposed the growing power of the government→ they said the constitution needed a bill of rights for an individual’s rights and that the document was largely aristocratically based and not really democratic
	+ Federalists tended to live around coastal areas while anti-federalists, usually backwoods farmers, tended to live more inland
	+ Federalists believed that three branches of government were necessary while anti-federalists favored only a legislative one
	+ 9 states ratified the document, but NY, VA, NC, and RI resisted
	+ In VA, the federalists met fierce competition while in NY, Alexander Hamilton wrote *The Federalist* in order to put the constitution in a favorable light
	+ These two states ratified while the otherwise-minded NC and RI continued to resist for nearly two more years until they were forced to assimilate with the rest (it wouldn’t have mattered if they hadn’t signed in the end, the 9 states required for ratification had already accepted the constitution)
* ***A Blossoming of Government:***
* **Early Changes**
	+ As population exploded, people stayed mostly rural
	+ Kentucky, Tennessee, and Ohio (all west of Appalachians) eventually gained statehood along with Vermont
	+ Meanwhile, Washington is unanimously elected by the Electoral College as the first president
	+ Washington established the Cabinet for political advice
		- Secretary of State → Jefferson
		- Secretary of War → Knox
		- Secretary of Treasury → Hamilton
	+ The Constitution lacked discussion on individual rights, so many believed more was needed → the Bill of Rights was drafted by James Madison with the first Ten Amendments
	+ Further, the Judiciary Act of 1789 created an effective court system and established the Supreme Court
* **Monetary Crises**
	+ Alexander Hamilton, a master of finances, planned to employ trickle-down economics in order to help America spread prosperity and pay off its debts
	+ Hamilton courted the rich while also pressing the federal government to fund at par, or pay off the debts and interest immediately at face value
	+ Another thing that was encouraged was assumption, which meant that state debts would now be a national debt → states with large debts were happy but states with small debts were ticked
	+ Virginia, a state with small amounts of debt, was courted into supporting the policy by the bargain of building Washington D.C. on Virginia land
	+ Hamilton used the large debt as a form of unity for the states
	+ To pay for the large national and state debt, Hamilton encouraged the passage of an 8% tariff and an excise tax on whiskey
	+ This tax eventually led to the Whiskey Rebellion in western Pennsylvania where farmers protested since whiskey was their business → protest easily stopped by strong government
	+ Hamilton wanted a central bank to circulate cash to stimulate businesses, to store excess money, and to print money that was worth something → Jefferson opposed this as unconstitutional and encroaching upon states’ rights
	+ Hamilton’s loose interpretation of the Constitution prevailed over Jefferson’s literal interpretation, and the Bank of the United States was established
* **Parties and Factions**
	+ The Jeffersonian-Hamiltonian disagreements eventually led to actual political parties
	+ While the Founding Fathers had never anticipated political parties to form, mostly in fear of disunity, they would never be able to stop them
	+ The Jefferson supporters were called Democratic-Republicans while Hamilton supporters were called Federalists
	+ Democratic-Republicans supported the French Revolution much more than the Federalists
* **Neutrality Proclaimed**
	+ With JDRs (Jeffersonian Democratic-Republicans) calling for the U.S. to help the French and enter a war, Washington had other ideas
	+ Assuming his “isolationist” policy, Washington said in the Neutrality Proclamation of 1793 that the U.S. must stay out of the conflict because of the new country’s political and economic weaknesses that could threaten to overturn all their progress if entering a war
* **Problems with Britain**
	+ Britain continued to terrorize Americans by supplying natives firearms in the Old NW
	+ Eventually, this land around the Ohio River was ceded to the Americans in the Treaty of Grenville
	+ However, Britain continued to terrorize Americans by seizing merchant ships or kidnapping seamen → JDRs were furious and called for war/embargo but federalists opposed this due to what could happen to Hamilton’s financial system
	+ John Jay was sent to Britain to negotiate against war, but Hamilton made his argument even weaker than it already was by divulging details to the crown ahead of time
	+ The John Jay Treaty that resulted was resented by JDRs because it gave the U.S. nothing it wanted and only reaffirmed their debt
	+ Spain, however, believed that this treaty was a sign of a new alliance forming so it was quick to form the Pinckney Treaty which gave the U.S. permission to be on the Mississippi River and gave them the disputed land near Florida
* **Shift of Power and Focus**
	+ After Washington retired with his Farewell Address warning America of permanent alliances, a new president was needed
	+ Hamilton, though an obvious choice, was probably impossible to elect because of his extremely unpopular fiscal policies
	+ The federalists then rallied behind the current vice president, John Adams, while JDRs supported Jefferson
	+ Adams barely squeaked out a victory in the electoral college and Jefferson was made VP
	+ Adams was not very likeable when compared to Washington, and he and Hamilton hated each other
	+ Meanwhile, France, angered by the John Jay treaty, started attacking some American ships
	+ America wanted to negotiate but the XYZ Affair occurred
	+ 3 Frenchmen (“X, Y, and Z”) said that they would only negotiate with America if they paid $250,000 dollars and 32 million florins → Americans rejected this immediately and Adams heeded Washington’s words and stayed neutral
	+ The Convention of 1800 ended the French-American alliance that had become a burden → Avoiding war with France plunged Adams’ popularity and sunk the Federalist’s chances for viable election ever again but he did the right thing by avoiding conflict since the country was weak
* **Federalists Clamp Down**
	+ In order to reduce JDR influence, federalists passed discriminatory anti-immigrant laws (since many immigrants supported JDRs) and also tried to protect reputation
	+ The Alien Laws → made citizenship requirement living in America for 14 years instead of 5 and allowed deportation
	+ The Sedition Act → curbed freedom of speech and press against government policies
	+ The Supreme Court was dominated by federalists, so nothing was done to stop these unconstitutional acts
	+ However, Jefferson and Madison opposed them by helping pass laws in state legislatures (Kentucky and Virginia Resolutions) that asserted the power of the states to reject federal laws if they thought they were unfair
	+ The divide between the two parties was growing, setting up the opportunity for change in 1800 in terms of the next presidential election