THE FEDERALIST ERA (1789-1801)

DOMESTIC POLICY

I. America c. 1790
   A. Population nearly 4 million in 1790 census: doubling every 25 years.
      1. About 90% of Americans lived on farms
      2. Cities growing proportionally: Philadelphia, NY, Boston, Charleston, Baltimore
      3. 5% lived east of the Allegheny mountains
         -- New states: Kentucky, 1792; Tennessee 1796; Ohio 1803; (Vermont 1791 had became 14th state)
   B. Finances of the new nation were precarious
      1. Public debt was enormous; revenue had significantly declined
      2. Worthless paper money, both state & national, was in heavy circulation.
   C. Americans were trying to build a Republic on an immense scale.
      1. Had overthrown two constitutions in 12 years: British and Articles of Confederation
      2. Foreign challenges by Britain and Spain threatened the unity of the U.S.

II. President Washington's Administration
   A. Washington unanimously drafted as president by the Electoral College in 1789
      -- only Presidential nominee ever to be honored unanimously.
      1. Many believe Congress was willing to give the presidency power due to Washington's immense respectability
      2. Took oath of office on April 30, 1789 in temporary capital of NYC.
      -- John Adams sworn in as vice president
   B. Washington's cabinet
      1. Precedent: Consulting of cabinet members (department heads) in order to make decisions.
      2. Constitution does not mention a cabinet
      3. The cabinet has become an integral part of the "unwritten constitution."
      4. In the beginning, only three full-fledged department heads existed:
         a. Secretary of State -- Thomas Jefferson
         b. Secretary of the Treasury -- Alexander Hamilton
         c. Secretary of War -- Henry Knox
         d. Edmund Randolph--Attorney General; became the 4th major cabinet member after passage of Judiciary Act of 1789.
      5. Cabinet characterized by bickering between Hamilton and Jefferson.

III. Bill of Rights
   A. One of first priorities facing the new government
      1. Antifederalists had sharply criticized the Constitution for not having one.
      2. Many states had ratified under the condition that one be included.
   B. Amendments to the Constitution could be achieved two ways:
      1. A new constitutional convention requested by 2/3 of the states (has never happened)
      2. 2/3 vote by both houses of Congress and ratification by 3/4 of states (has happened on 18 separate occasions)
C. Federalists feared that another constitutional convention might reverse their victory
   -- James Madison drafted the amendments and submitted them to Congress.
   -- Madison's draft based largely on James Mason's bill of rights in Virginia.
D. Bill of Rights -- First ten amendments to the Constitution adopted in 1791.
   1. Provided safeguards for some of America's most precious principles:
      Amendment I. Freedom of speech, press, assembly, & religion
      Amendment II. Right to bear arms
      Amendment III. Troops may not be arbitrarily quartered on the people
      Amendment IV. Unreasonable searches and seizures forbidden
      Amendment V. The individual is guaranteed certain rights when on trial
         and the right to life, liberty and property
      Amendment VI. Right to a fair and speedy trial in criminal cases
      Amendment VII. Right to a trial in civil cases (law suits against other citizens)
      Amendment VIII. Excessive fines and unusual punishments are forbidden.
      Amendment IX. The people retain rights not enumerated in the Constitution
      Amendment X. Powers not delegated to the federal government are reserved
         to the states and the people.

IV. Judiciary Act of 1789
   A. Organized the Supreme Court with a chief justice (John Jay) and five associates
   B. Organized federal district and circuit courts.
   C. Established the office of attorney general.
   D. Fatal provision: law stated Supreme Court could force presidential appointments of judges.

V. Hamilton’s Financial Plan
   A. Economic Philosophy
      1. Report on Public Credit (1790)
         a. Plan to shape fiscal policies of the administration to favor wealthier groups
         b. In return, the wealthy would lend the gov't monetary & moral support
         c. Prosperity would trickle down to the masses
      2. Report on Manufactures (1791)
         a. Advocated promotion of a factory system in U.S. so the nation
            could exploit its national resources and strengthen capitalism.
         b. Was the basis for the tariff component in his financial plan.

   B. Hamilton’s Plan contained five major components:
      1. Funding at Par
         a. Purpose: Bolstering national credit
            -- Believed gov't couldn't borrow money without investor confidence
         b. Urged Congress to pay off the entire national debt by "funding at par" and to
            assume all debts incurred by the states during the Revolutionary war.
         c. Debts would be paid at face value plus accumulated interest
         d. Gov't bonds had depreciated to 10 or 15 cents on the dollar since the new
            Treasury was believed incapable of paying its obligations.
            i. Speculators still had large amounts of bonds.
            ii. Many wealthy investors rushed to buy as many bonds as possible in rural areas
               at rock-bottom prices before news of Hamilton's plan reached countryside.
iii. Many original bondholders (common people) sold unknowingly as they were often poor and desperate for immediate cash.
e. Hamilton was bitterly criticized for not alerting original bondholders to the plan.

2. Assumption of State Debts
   a. Hamilton urged Congress to assume the states' debts.
   b. Hamilton's ulterior motive: further obligate states to the federal gov't.
      i. Hamilton believed nat'l debt was a "blessing" that would cement the union.
      ii. States with huge debt were delighted (esp. Mass.)
      iii. States with less debt or no remaining debt were unhappy
         -- Hated being taxed to pay somebody else's debt. (Virginia especially angry)
      iv. North-South struggle ensued over assumption
   c. Compromise achieved in 1790 through a process called "log rolling"
      i. "Log rolling" occurs when two opposing factions agree to vote for each other’s bills so that their own cherished bills will pass.
      ii. Federal government would assume all state debt
      iii. South would get new federal district-- now District of Columbia.
         -- Pierre L’Enfant -- Created map plan for the new city.
         -- Benjamin Banneker -- African American who surveyed land Washington was to be built on.
      iv. Madison and Jefferson instrumental in helping set up compromise.
         -- Jefferson later lamented he was outwitted by Hamilton

3. Tariffs (customs duties) became a source of revenue for paying the debt
   a. Tariff revenues depended on a healthy foreign trade.
   b. Revenue Act of 1789 -- imposed an 8% tariff on dutiable imports
      i. First tariff law passed in U.S. History at the national level
      ii. Secondary goal was to help protect infant industries.

4. Excise taxes
   a. 1791, Hamilton secured an excise tax on a few domestic items incl. whisky.
      i. Backcountry distillers most affected by the 7 cent/gallon tax.
         -- Poor roads made grain transportation practical only by horseback which severely hampered profit potential of cash crops.
      ii. Whiskey flowed so freely in this region it was often used as money.
   b. Hamilton not overly concerned with the protests from the frontier – most had been antifederalist in sentiment.

5. Battle for the National Bank: most important Hamilton v. Jefferson issue
   a. Foundation of Hamilton's financial plan was a Bank of the United States
      -- Washington requested written opinions from Jefferson & Hamilton
   b. Provisions:
      i. Gov't would be the major stockholder despite bank being a private stock corp.
         -- 1/5 of members of its board of directors would be government appointees.
      ii. Federal Treasury would deposit its surplus moneys in the bank
         -- Federal gov't would have a convenient safe.
      iii. Government funds would stimulate business by remaining in circulation.
      iv. Government would print urgently needed paper money thus providing a
sound & stable national currency.

c. Jefferson strongly opposed the bank
   i. States' righters feared liberties would be jeopardized by a huge central bank.
      -- Moneyed interests would benefit at the expense of farmers.
      -- State banks would not be able to compete against federal bank.
      -- Federal gov't did eventually enjoy a monopoly of surplus funds
   ii. strict construction -- strict interpretation of the Constitution
      -- Jefferson: Constitution did not stipulate creation of a nat'l bank.

d. Hamilton argued Constitution would support a plan for a national bank
   i. loose construction -- Hamilton urged a broad interpretation of the Constitution
      -- Set a precedent for enormous federal powers.
   ii. “elastic clause” -- Provided for passing any laws "necessary & proper" to carry out the powers vested in the various governmental agencies.”
      -- Also known as Congress’ **Implied Powers**
   iii. Bank would be "necessary" to store collection of taxes & moneys from the regulation of trade, both of which were stated in the Constitution.

e. Washington reluctantly signed the bank measure into law in February, 1791
   i. Hamilton's views had prevailed over Jefferson’s
   ii. Bank chartered for 20 years; located in Philadelphia
   iii. Old North-South friction surfaced again
      -- Bank favored commercial and financial centers in the North.
      -- The agricultural South saw their cherished state banks wither.

f. Bank issue sparked the open public split between Hamilton and Jefferson.

C. **The Whiskey Rebellion** (1794)

1. Southwestern Pennsylvania backcountry folks hard hit by Hamilton's excise tax.
2. “Whiskey Boys” posed a major challenge to the new national government
   a. Torched buildings, tarred & feathered revenue officers, chased gov’t supporters from the region; some talked of secession from U.S.
   b. Tax collections came to a halt.
3. Washington summoned the militia of several states resulting in 13,000-man army.
   a. Washington accompanied troops part of the way; Hamilton all the way.
4. When the troops reached the hills of w. Penn., the Whiskey Boys dispersed.
   -- Washington later pardoned the two convicted participants to heal the rift.
5. **Significance:** Washington's government showed it could ensure domestic tranquility
   a. Proved that another Shays'-type rebellion could not succeed under the new Constitution
   b. Jeffersonians condemned the action as a brutal display of force and their ranks grew.

D. Hamilton’s financial plan became the cornerstone of America's financial system.

1. Strengthened the government politically as well as financially.
   a. Established strong public credit:
   b. "Loose construction" -- paved way for increase of federal power
   c. Report on Manufactures – anticipated the industrial revolution
2. Jeffersonian opposition emerged due to encroachments upon states' rights
VI. Birth of the Party System

A. Founding Fathers in Philadelphia did not envision the existence of political parties.
1. Organized opposition seemed disloyal and against spirit of national unity.
2. No national political party had ever existed in America before Washington's administration.
3. Factions had existed only over special issues: e.g. Tories & Whigs, Federalists & Antifederalists. Factions were not parties.
4. Jefferson & Madison first organized their opposition to Hamilton only in Congress -- Did not anticipate creating a permanent, popular party.
5. As their antagonism at Hamilton grew, political parties began to emerge.
6. By 1792-1793, two well-defined groups had crystallized:
   i. Hamiltonian Federalists
   ii. Jeffersonian Republicans
7. Our two-party system is owed to the clash between Hamilton & Jefferson.

B. Federalists
1. Emerged from the federalists of the pre-Constitution period by 1793.
2. Believed in gov't by the upper classes with secondary attention to the masses.
   a. Openly advocated rule by the "best people."
      i. Rich had more leisure to study problems of governing.
      ii. Enjoyed all the advantages of intelligence, education, & culture.
   b. John Jay: "Those who own the country ought to govern it."
3. Distrusted the common people.
   a. Regarded democracy as a "mobocracy"
   b. Democracy too important to be left to the people.
4. Supported a strong central government
   a. Maintain law & order; crush democratic excesses (Shays' Rebellion)
   b. Protect life & property of the wealthy.
5. Federal gov't should foster business, not interfere with it.
   a. Federalists dominated by merchants, manufacturers, & shippers
   b. Most lived in urban areas of the seaboard where commerce & manufacturing flourished.
6. Pro-British in foreign policy over other powers
   a. Foreign trade with Britain was key in Hamilton's plan.
   b. Many Federalists were mild Loyalists
      -- Welcomed bias in favor of the mother country.

C. Jeffersonians
1. Advocated the rule of the people; government for the people
   a. However, only by those who were literate enough to inform themselves.
   b. Believed in the wisdom of the common people; teachability of the masses
2. Biggest appeal was to the middle class and the underprivileged -- yeoman farmers, laborers, artisans, and small shopkeepers.
3. Democratic-Republicans believed the best government was one that governed least.
   a. Bulk of power should be retained by the states.
   b. Central authority was to kept at bay by a strict interpretation of Constitution lest a dictatorship develop (especially the 10th Amendment).
4. National debt was a curse to future generations that should be paid off ASAP.
5. Jeffersonians themselves were primarily agrarians
   a. Insisted on no special privileges for special classes, esp. manufacturers.
   b. Farming was an ennobling profession
7. Basically pro-French
   -- It was to America's advantage to support liberal ideas of the French Revolution.

D. Evolution of Major Parties (see Bailey p. 196)

FEDERALIST ERA: Foreign Policy

I. Impact of the French Revolution
   A. Significance: Single most important issue separating Federalists and Republicans
   B. Americans initially pleased; esp. Jeffersonians
      1. Saw the French Revolution as the second chapter of the American Revolution.
      2. 1792, supported France's war against Austria; pleased with victory over Prussia.
         -- France proclaimed itself a republic
   C. “Reign of Terror”
      1. King Louis XVI & his wife, Mary Antoinette, beheaded
         a. Guillotine went into full force against conservatives & anti-revolutionaries
         b. Christianity was abolished
      2. Jeffereysonians regretted bloodshed but felt it probably could not be avoided
      3. Federalists frightened at the scope of the carnage; viewed Jeffersonian masses apprehensively.
   D. French Revolution became a world war
      1. Britain sucked into the conflict
      2. U.S. had to decide which side to support when war spread to the Atlantic & Caribbean.

II. Washington's Neutrality Proclamation (1793)
   A. U.S. still obligated to France under the Franco-American alliance of 1778
      1. U.S. had pledged to protect French West Indies from enemies
      2. Jeffersonians favored honoring the Alliance
   B. President Washington believed war should be avoided at all costs
      1. U.S. was militarily weak in 1793 and should stay out of war for a generation or so.
      2. Premature entry into world conflicts could prove disastrous.
         -- Hamilton & Jefferson in agreement.
   C. Neutrality Proclamation of 1793
      1. Proclaimed U.S. neutrality toward the war between Britain and France
      2. Warned citizens to be impartial to both Britain & France
   D. American Reaction
      1. Jeffersonians enraged, especially by Washington not consulting Congress.
      2. Federalists supported it.
      3. Citizen Genet
         a. French envoy/profiteer undertook to entice U.S. profiteers to outfit French ships and supply the French war cause and recruited Americans
         b. Wrongly believed Neutrality Act did not truly reflect the wishes of Americans.
         c. Suggested going over "Old Washington's" head by appealing to the voters.
         d. Washington demanded his withdrawal & Genet was replaced.
E. America & France benefited from U.S. neutrality
   1. America's neutrality meant it could still deliver foodstuffs to the West Indies.
   2. France did not officially call upon U.S. to honor its obligation.
   3. If U.S. entered war, British navy would blockade coasts and cut off needed supplies.

III. Jay Treaty (1794) -- Temporarily eased U.S. conflict with Great Britain
   A. Significance: Most important immediate cause for formation of Democratic Republican party.
   B. Background: British had continued menacing Americans on U.S. soil and on the high seas
      1. British remained in their northern frontier posts on U.S. soil
         a. Violation of the Peace treaty of 1783
         b. Sold firearms and alcohol to Native Americans who attacked American settlers
      2. British navy seized about 300 U.S. ships seized in the West Indies starting in 1793
      3. Hundreds of Americans impressed into service on British vessels while hundreds of others imprisoned.
   C. Federalists unwilling to go to war
      1. U.S. depended on 75% of its customs duties from British imports.
      2. Jeffersonians argued that U.S. should impose an embargo against George III.
   D. Washington sent Jay, the Chief Justice of the Supreme Court, to London in 1794
      1. Jeffersonians feared the conservative Jay would sell out
      2. Hamilton handicapped Jay’s negotiations; secretly gave Brits U.S. bargaining strategy -- Hamilton feared war with Britain and was willing to appease them.
   E. Provisions: America won few concessions
      1. British renewed their pledge to remove their posts from U.S. soil (as in 1783)
      2. British consented to pay damages for recent seizures of American ships
      3. British refused to guarantee against future maritime seizures and impressments or the inciting of Native Americans to violence on the frontier.
      4. Jay forced to bind U.S. to pay pre-Revolution debts owed to British merchants
   F. Jeffersonian outrage vitalized the new Democratic-Republican party.
      1. South felt betrayed that northern merchants would be paid damages
      2. Southern planters would be taxed to pay pre-Revolution debt.
   G. War with Britain was averted
      1. Washington reluctantly and courageously pushed for ratification of the treaty -- Realized war with Britain was a worse evil than this humiliating treaty.
      2. The Senate narrowly approved the treaty in 1795

IV. Pinckney Treaty of 1795 (ratified by Senate in 1796)
   A. Normalized relations with Spain
   B. Spanish Motive: fearful of an Anglo-American alliance; sought to appease Americans
      1. Spain a declining power in Europe
      2. Spain’s position declining on the American frontier
   C. Treaty provisions: (Spanish concessions)
      1. Granted free navigation of the Mississippi to the U.S. including right of deposit at port city of New Orleans
      2. Yielded large area north of Florida that had been in dispute for over a decade. -- 31st parallel recognized as legal border between U.S. and Spanish Florida.
V. Defeat of Indians on the Frontier
A. Iroquois nation forced onto reservations in New York & Pennsylvania after the Revolutionary war.
   1. Many fled to Canada.
   2. No longer major threat to U.S.
B. Indians in Northwest and Southwest borders, Shawnee and Miami tribes increasingly hostile toward Americans.
   -- Incited by British on far reaches of the frontier who were eager to keep U.S. in check.
C. Washington lost two armies in the Northwest in 1790-1791 to the Shawnee and allied tribes.
D. General “Mad” Anthony Wayne finally led U.S. forces to victory in Old Northwest
   1. Battle of Fallen Timbers in August 1794 was the climactic battle.
      -- Indians finally forced to abandon their British allies
   2. Treaty of Greenville (1795) – cleared 2/3 of Ohio and Indiana of Indian tribes.
   3. Britain abandoned its forts in the Old Northwest.
E. Eastern Woodlands Indians now saw their lifestyle ruined by increased competition for fur trade, white settlement, and ruining of hunting grounds.
   1. Forced westward, they came into increased conflict with tribes west of Mississippi.
   2. A movement to regenerate Indian society swept through the region and was led by certain Indian prophets but eventually failed due to continued American expansion.

VI. Washington’s Farewell Address
A. He had reluctantly accepted a second term when his friends & advisors begged him to stay
   -- Unanimously reelected
B. Washington lost his nonpartisan standing when he became a Federalist
   -- Verbal abuse from Jeffersonian wing was pronounced
C. Refused to accept a third term as President
   1. Set a precedent for the 2-term presidency (or was it Jefferson?)
   2. Washington exhausted physically and weary of verbal abuse
D. Farewell Address
   1. 2/3 domestic related: Warned against evils of political parties -- partisan bitterness.
   2. Warned against permanent foreign alliances (like treaty with France)
   3. Jeffersonians angered that speech seemed to declare U.S. hostility toward France.
   4. Isolationism became dominant U.S. foreign policy for next 100 years.
E. Washington thus kept U.S. out of war
F. Washington’s Precedents
   1. President came to rely on department heads for advice & consult regularly with cabinet.
   2. Chief executive gained the right to choose his own cabinet.
      -- This custom grew out of Congress' respect for Washington
   3. Two-term office for president
   4. After Jay resigned, went outside the Supreme Court to select new Chief Justice

VII. Election of 1796
A. John Adams became the Federalist candidate: experienced leader from Massachusetts.
   -- Hamilton too unpopular among the masses to be a serious candidate
B. Democratic-Republicans gathered around Thomas Jefferson
   -- Assailed the crushing of the Whiskey Rebellion and Jay's Treaty
C. Adams d. Jefferson 71 to 66 in the Electoral College  
-- Jefferson, as runner-up, became V.P.

VIII. War with France
A. French Directory government infuriated by Jay Treaty  
1. Condemned it as an initial step towards alliance with Britain  
2. Saw it as a flagrant violation of the Franco-American Treaty of 1778  
3. French warships began seizing U.S. merchant vessels (about 300 by mid-1797)  
4. Refused to receive America's newly appointed envoy; threatened him with arrest.

B. XYZ Affair  
1. President Adams sent a delegation to Paris in 1797 (incl. John Marshall).  
2. Secretly approached by three go-betweeners (agents"X,Y, & Z")  
   -- French demanded a large loan of $32 million florins and a bribe of $250K for U.S. privilege of merely talking to foreign minister Talleyrand.  
3. Negotiations broke down and Marshall came home—seen as a hero  
4. War hysteria swept the U.S.  
   -- Federalists encouraged that the Jeffersonians' ally (French) was now hated

C. Undeclared Naval Warfare, 1798-1799 -- “Quasi -War”  
1. U.S. war preparations set in motion  
   a. Navy Department at the cabinet level was created: 3 ship navy expanded  
   b. Marine Corps established  
   c. Army of 10,000 men was authorized (not fully raised)  
      -- Washington was top general but gave active command to Hamilton  
2. Adams suspended all trade with France and authorized American ship captains to capture armed French vessels  
3. Undeclared hostilities ensued for 2 1/2 years between 1798-1800  
   a. Principally in the West Indies.  
   b. U.S. privateers + U.S. navy captured over 80 French armed vessels  
   c. Several hundred Yankee merchantmen lost to the French.  
   d. Full-blown war loomed imminently and Adams sought to keep U.S. out

D. Convention of 1800  
(Adam's “Finest Moment”)  
1. French Foreign Minister Talleyrand became eager to negotiate a peace  
   -- Did not want another enemy on the side of the British  
2. Adams shockingly submitted to the Senate a new foreign minister to France  
   a. Hamiltonian "High Federalists" enraged by designs for peace; sought military glory  
   b. Jeffersonians and moderate Federalists favored one last try for peace  
3. Envoy arrived in 1800 to negotiate with Napoleon (who was bent on European conquest)  
4. Convention of 1800  
   a. France agreed to end the 22-year Franco-American alliance with the U.S.  
   b. U.S. agreed to pay the damage claims of American shippers.  
   c. Thus, America's only peacetime military alliance for a century and a half was ended  
5. Significance:  
   a. Major war with France avoided  
   b. Rapprochement made possible the Louisiana Purchase 3 years later.  
      -- If war had occurred, Napoleon would not have sold Louisiana
c. Adams felt this to be his finest achievement.

E. Alien and Sedition Acts (1798)
1. Purpose: Federalists passed a series of oppressive laws in 1798 that would reduce power of Jeffersonian foes and silence anti-war opposition
2. Alien Acts
   a. Attack on pro-Jeffersonian "aliens"
      i. Most immigrants lacked wealth and were welcomed by Jeffersonians.
      ii. Scorned by Federalists who did not want the "dregs" of Europe voting in U.S.
   b. Raised residence requirements for U.S. citizenship from 5 yrs to 14 yrs.
   c. President empowered to deport "dangerous" foreigners in time of peace and to deport or imprison them in time of hostilities.
   d. Laws in some ways seemed sensible
      i. Some foreign agitators were coming into the country (Citizen Genet)
      ii. Many from France sought anti-British policies
      iii. Others were foreign agents who should have been expelled.
   e. Alien Acts never enforced but some frightened foreign agitators left
3. Sedition Act
   a. Anyone who impeded the policies of gov't or falsely defamed its officials, incl. the president, would be liable to a heavy fine and imprisonment.
   b. Direct violation of the 1st Amendment to the Constitution
      -- Federalist Supreme Court not interested in declaring it unconstitutional.
   c. Many outspoken Jeffersonian editors were indicted; 10 brought to trial & convicted
   d. Law expired in 1801 the day before Adams left office.
      -- Demonstrated dubious intentions of bill (in case a Federalist was not elected in 1800, Republicans would not have the Sedition Act to prosecute Federalists.)
4. Popular support for Alien and Sedition Acts significant
   a. Anti-French hysteria played into the hands of the Federalists
   b. Largest ever Federalist victory in 1798-99 congressional elections
5. Virginia and Kentucky Resolutions (Jefferson and Madison)
   a. Republicans convinced Alien and Sedition acts were unconstitutional
      -- Process of deciding constitutionality of federal laws hitherto undefined
   b. Jefferson & Madison secretly created a series of resolutions
      -- As V.P. Jefferson in awkward position & feared prosecution from Sedition Act
   c. Premise: States had the right to nullify unconstitutional laws passed by Congress
   d. Aim not to break up the union but preserve it by protecting civil liberties.
      -- Essentially campaign documents to defeat the Federalists
   e. Compact theory
      i. Popular among 17th c. English political philosophers (John Locke)
      ii. 13 sovereign states created the federal gov't & had entered a "compact"
      iii. Thus, national gov't was an agent or creation of the states.
      iv. Nullification: Individual states were the final judges of whether a federal law was constitutional.
   f. Result:
      i. No other states passed the Jefferson & Madison resolutions
      ii. Federalists argued that the people, not the states, had made the original compact
-- Argued Supreme Court, not states, could nullify laws.
g. Significance: Later used by southerners to support nullification and ultimately secession prior to Civil War.

IX. The Jefferson "Revolution of 1800"

A. Federalist handicaps
   1. Federalist split over going to war with France biggest reason for Adam’s defeat
      -- Hamilton and "High Federalists" openly broke from Adams for his refusal to fight against France
   3. Federalists swelled the debt in preparation for war with France.
      -- New taxes (incl. a stamp tax) were levied to pay the costs.
   4. Military preparations now seemed unnecessary

B. Federalist mudslinging accused Jefferson of:
   1. being an atheist (Jefferson really a deist)
      -- His success with separating church & state in Virginia incurred the wrath of the orthodox clergy esp. in Congregationalist & Federalist New England.
   2. robbing a widow and her children of a trust fund
   3. fathering mulatto children by his own slave woman (note: in 1998, genetic tests apparently proved that Jefferson had fathered at least one child from his slave mistress, Sally Hemmings)

C. Jefferson defeats Adams: 73 to 65
   1. Most support from South & West where universal manhood suffrage was adopted.
      -- New York was the pivotal key: Aaron Burr narrowly turned NY to Jefferson
   2. Yet, Jefferson tied with Burr, his V.P. running mate, for electoral votes
      a. House of Representatives had to break the deadlock
      b. Federalists wanted Burr; hated Jefferson
      c. Eventually, a few anti-Burr Federalists, refrained from voting and Jefferson became president (swayed by Hamilton; Burr now hates Hamilton)
   3. Significance: Peaceful change of power was revolutionary
      a. Transfer of power on a basis of an election that all parties accepted
      b. Britain would not achieve the same stature for another generation.

X. The Federalist Legacy

A. Highest concentration of brains, talent, and ability in a party than any other in U.S. History.
   -- Party of the elite
B. Built enduring political and financial foundations for the new gov't
   -- Washington’s presidency and Hamilton’s financial plan
C. Diplomats kept the U.S. out of war and signed advantageous treaties with Br. Fr. & Sp.
D. Preserved democratic gains of the Revolution and fended off anarchy.
E. Opposition to party resulted in creation of two-party system.
F. Federalist demise a result its inability to adapt to changes
   1. Westward movement dictated fresh policies
   2. Unwilling to adjust and appeal to the common people.
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