

STREAMS OF HISTORY
THE UNITED STATES

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THE UNITED STATES**

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CONTENTS

THE DEVELOPMENT OF THE NATION.....1

THE DEVELOPMENT OF THE NATION

1789–1902

WE have now come to a time when the American people began to live under a form of government in some particulars different from any ever worked out before. This was a federal government, providing for two great things: first, for a strong independent central power deriving its authority from the people; and second, for strong local or state governments, likewise deriving their powers from the people. It was thus the desire of the framers of the Constitution to form a government in which the states should work harmoniously with the central government, like many little cog-wheels working in one great central wheel. Although we found the English government to be the freest and best developed in Modern Europe, yet, in the hands of a selfish king like George III, the self-reliant Anglo-Saxon living in America found it impossible to live under it and enjoy the freedom he was determined to have. The central power under the English king grew too strong, and hence, as we have seen, the Americans declared themselves independent, manfully gained their independence in the war of the Revolution, soon

THE UNITED STATES

after formed the Articles of Confederation, hoping thereby to form a government in which a few could not secure supreme control at the expense of the liberties of the many. But, as we have seen in the sixth volume of this series, in less than ten years of trial of the Articles, they were found insufficient to give the Americans a vital, permanent nation, able to tax its citizens and control and guarantee the liberties of its people; for, from fear of too strong a central government, the framers of the Articles had gone too far toward the opposite extreme and had placed the real power in the hands of the states, leaving the central government “no stronger than a rope of sand.”

From this experience came the Constitution of 1789. The Articles had kept the idea of American nationality alive in the minds of the people, and had bridged over the interval of slow national growth till it was possible to form a government in which there should be an equal balance between state and nation, and in which the people might have opportunity to develop the greatest possible liberty. The work before us now consists in following the developing national life of the American people and in seeing whether the Constitution proved to be what was claimed for it. Has it made of the American people one great free nation, instead of a number of jealous independent states?

First let us look at the extent of our country in 1789. It consisted of thirteen states stretching along the Atlantic coast from the territory of Florida, which at that time belonged to Spain, to the line dividing Maine from Canada, and included the great stretch of territory extending westward from these states to the

THE DEVELOPMENT OF THE NATION

Mississippi River. It was by and for the people living in these lands that the Constitution was written and ratified. It was founded upon an agreement between the people and was itself the fundamental law by which they were to be governed,—in other words, a set of rules ordained and established by themselves as the source of authority and to which they must yield obedience; and henceforth, when any question of law should arise, they would, through their officers, turn to these rules to decide what to do.

The United States became a nation under the Constitution in 1788, nine states having ratified it; and in the following year, on April 30, 1789, General Washington was inaugurated first President of the Republic. Every one knew how much he had done to gain the independence of the colonies and to cement them into a strong nation; so it was natural that the universal desire should have been to have such an unselfish patriot placed at the head of affairs to set the new governmental machinery going. At the end of his first term (1793) he was again chosen President. By this time, however, political parties were arising. Let us see how this came about.

There were many who opposed the ratification of the Constitution when it was placed before the conventions in the several states, because they thought it gave the central government too much power. Now that the Constitution had been adopted, they set about to hold as strictly to its provisions as possible. These were called Strict Constructionists. Those who had favored and worked for the Constitution, wanted to give the central, or Federal, government a great deal of

THE UNITED STATES

power; that is, they desired to interpret the provisions of the Constitution in such a way as to give authority for the central government to do much toward regulating commerce, establishing banks, building roads, imposing a protective tariff and the like. These were called Broad Constructionists.

Of course, what the Constitution did or did not allow was a matter to be decided in the first place by the Congress and executive officers in the regular performance of their work, but finally by the Supreme Court. Thus there came to be two parties in the United States: those who were in favor of a strong Federal, or central, government, who took the name of Federalists, and those who were opposed to a strong central government, who until 1792 called themselves Anti-Federalists. Although the rise of these parties began during Washington's terms of office, the principles which they advocated were not clearly set off till after his last term, for Washington held all the people well together and made up his Cabinet of advisers from men of both parties.

First, he chose as Secretary of State, Thomas Jefferson, the writer of the Declaration of Independence and now the leader of the Anti-Federalist party. For Secretary of the Treasury he chose Alexander Hamilton, as ardent a Federalist as Jefferson was an Anti-Federalist. Besides these, he appointed Henry Knox, a Federalist, Secretary of War, and Edmund Randolph, an Anti-Federalist, Attorney-General. Thus Washington's first Cabinet was composed of two Federalists and two Anti-Federalists. With these especial advisers in each department of the government, Wash-

THE DEVELOPMENT OF THE NATION

ington put in motion the national government under our present Constitution.

There were many trying questions which came up during Washington's first term which required great insight and wisdom for settlement. One of the most perplexing difficulties was the providing of means for paying old debts contracted during the Confederacy, and for paying the running expenses of the government. This was given to Hamilton to work out and to report his plan to Congress. Hamilton, as already said, was Secretary of the Treasury. He had from the first been one of the strongest supporters of the Constitution, and now began to put life into it by showing the entire country how quickly he could raise taxes under it to pay the outstanding debts of the country.

Besides our debts to France and other foreign countries, the government owed a great deal of money to Revolutionary soldiers, and others, who had lent it money to carry on the war. But the government had no money with which to pay debts, so Congress, by the advice of Hamilton, passed a law, taxing certain articles brought into and sold in the United States, and the money thus obtained was used to pay the national debt. In this way a tariff, designed mainly for revenue, arose. Different articles, such as wine, silk, tea, sugar, etc., were taxed when they were shipped into the country, and the money obtained was turned into the United States Treasury. But the government had also another way of raising money. Besides the tax on foreign goods brought into the United States, taxes were laid on certain articles made in the United States, as, for example, so many cents per gallon on whisky. This

THE UNITED STATES

was called an internal revenue tax, because it was placed on articles made in our own country for home consumption. This tax was resisted in 1793 by persons who were distilling liquors in western Pennsylvania, but it was forcibly collected by government officers. By examples like these, you can see how much stronger and firmer is the hand of the general government under the Constitution, in all these money matters, than it was under the Articles of Confederation. Millions of the national debt were paid during Washington's administrations through Hamilton's intelligent guidance of financial affairs.

Another question which Washington was called on to settle (1793) was what our relation should be with England and France. England and France were at this time at war with each other, and France asked the United States for help, while England, also, was equally desirous of getting our help. Now, although France had helped win American independence, and had still due her from the United States a large sum of money, Washington knew that for our infant Republic to engage then in foreign war would endanger the government itself. He thus refused help, issued a Proclamation of Neutrality as between France and England, but directed arrangements to be made at once by the Secretary of the Treasury for paying France what was due her. Here the strength of the new Republic was beginning to show itself in our successful and independent dealings with foreign nations.

It was during Washington's term also that the national bank was created, it being likewise a part of the financial plan of Hamilton. The capital of the bank

THE DEVELOPMENT OF THE NATION

was fixed at ten million dollars, of which the government owned two million, while the rest was held by the people. Hamilton saw that by leading the people to become interested in a national bank, they would also become interested in the national government which created the bank. This was not just one banking house, but a system of banks, with its center in Philadelphia, and sub-banks or branches in other cities. The number of banks grew, as the number and size of cities grew throughout the country. The collected revenue of the country was deposited in these banks, and they were to help the government in making payments to government officers, such as postmasters, army officers and soldiers, all over the United States. The charter, or law, regulating the bank was passed by Congress in 1791, for twenty years. It would thus have a right to do business till 1811, but no longer, unless Congress at that time should renew the charter. In 1792 a mint was established at Philadelphia, by the government, for the making of United States money of gold, silver and copper; and at the same time, our decimal system of ten mills make one cent, ten cents one dime, etc., was begun. By means of the bank money and the money made by the mint the country was supplied with the proper means of carrying on its growing business. Placing the entire money system under the control of the central government made it vastly superior to what it was under the Articles of Confederation, when each state exercised the power to make its own money. So far, things seem to be moving on well under the new Constitution. The people in general came slowly to have interest in the nation, as they saw it bringing peace, order and prosperity to them.