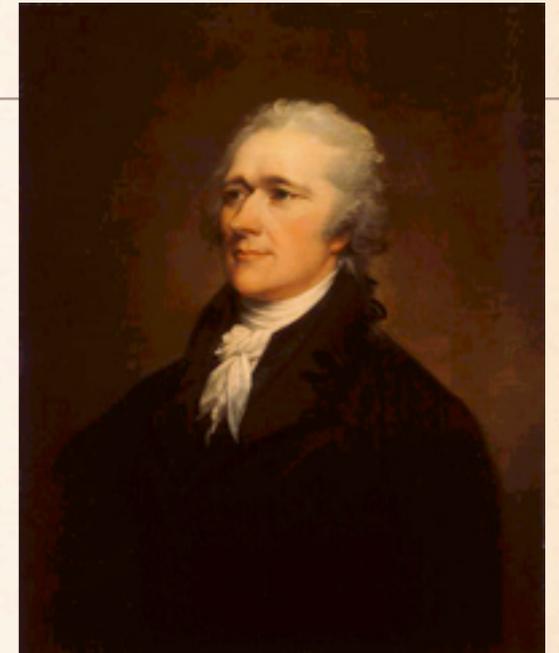


SELECTING A SITE FOR THE NATION'S CAPITAL

ANOTHER EXERCISE IN COMPROMISE

HAMILTON & ASSUMPTION OF STATE DEBTS



- ❖ Hamilton wanted the federal government to assume (take responsibility for paying) the state debts from the Revolutionary War. The total amount was \$21.5 million. He wanted bondholders, especially wealthy speculators, to have a vested interest in the success of the federal government.
- ❖ (They were not necessarily going to get cash for bonds right away; many of them were going to get national bonds to replace the state bonds they were holding. These would never be paid if the federal government did not survive.)

OPPOSITION TO ASSUMPTION OF STATE DEBTS

- ❖ Some states had smaller Revolutionary War debts than others. They may have borrowed less money to begin with, or they may have already paid off their debts.
- ❖ People in these states did not want to have to pay additional taxes to assume the debts of states which owed more money.
- ❖ The states with large unpaid Revolutionary War debts were mostly in New England. Virginia was a state with a smaller debt.
- ❖ In general, northern states wanted the federal government to assume the states' debts, and the southern states did not.
- ❖ Hamilton argued that it didn't matter which state had borrowed the money, because all Revolutionary War debts were really for the benefit of all.

WHAT DOES THIS HAVE TO DO WITH LOCATING THE CAPITAL?

- ❖ Under the *Articles of Confederation*, the Congress met in **Philadelphia** (1781 - 1783), and briefly met in other cities to escape protesting veterans. It then moved to **New York City**.
- ❖ When the *Constitution* was ratified, the new Congress (which convened in March 1789) met in **New York City**.
- ❖ But it was generally agreed that the nation needed a new capital, and it should not be located in any state, because that would give one state favored status over all the rest.

HAMILTON, JEFFERSON & MADISON MEET

- ❖ So, Hamilton needed support from the southern states, especially Virginia (since it had so many Representatives in Congress) for his Assumption Plan.
- ❖ And, Jefferson wanted the new national capital to be located somewhere in the South.
- ❖ Thus, we have the makings of a deal!

THE RESIDENCE ACT OF 1790

Officially titled "An Act for Establishing the Temporary and Permanent Seat of the Government of the United States," was passed on July 16, 1790. It designated Philadelphia as the temporary capital for a period of ten years, and provided that a new federal city would be built on a site on the Potomac River, to be selected by President Washington, to serve as the permanent capital.

The Potomac River forms the border between Maryland and Virginia, and it was considered a tacit acceptance of the continuation of slavery that the capital was to be located in the South. This was in exchange for Virginia's supporting the Assumption Act.

- ❖ The Senate passed the Residence Act by a vote of 14 to 12 on July 1, 1790.
- ❖ The House of Representatives passed it by a vote of 31 - 29 on July 9, 1790.
- ❖ On March 31, 1791, President Washington drew up a paper describing the boundaries of the new federal district.

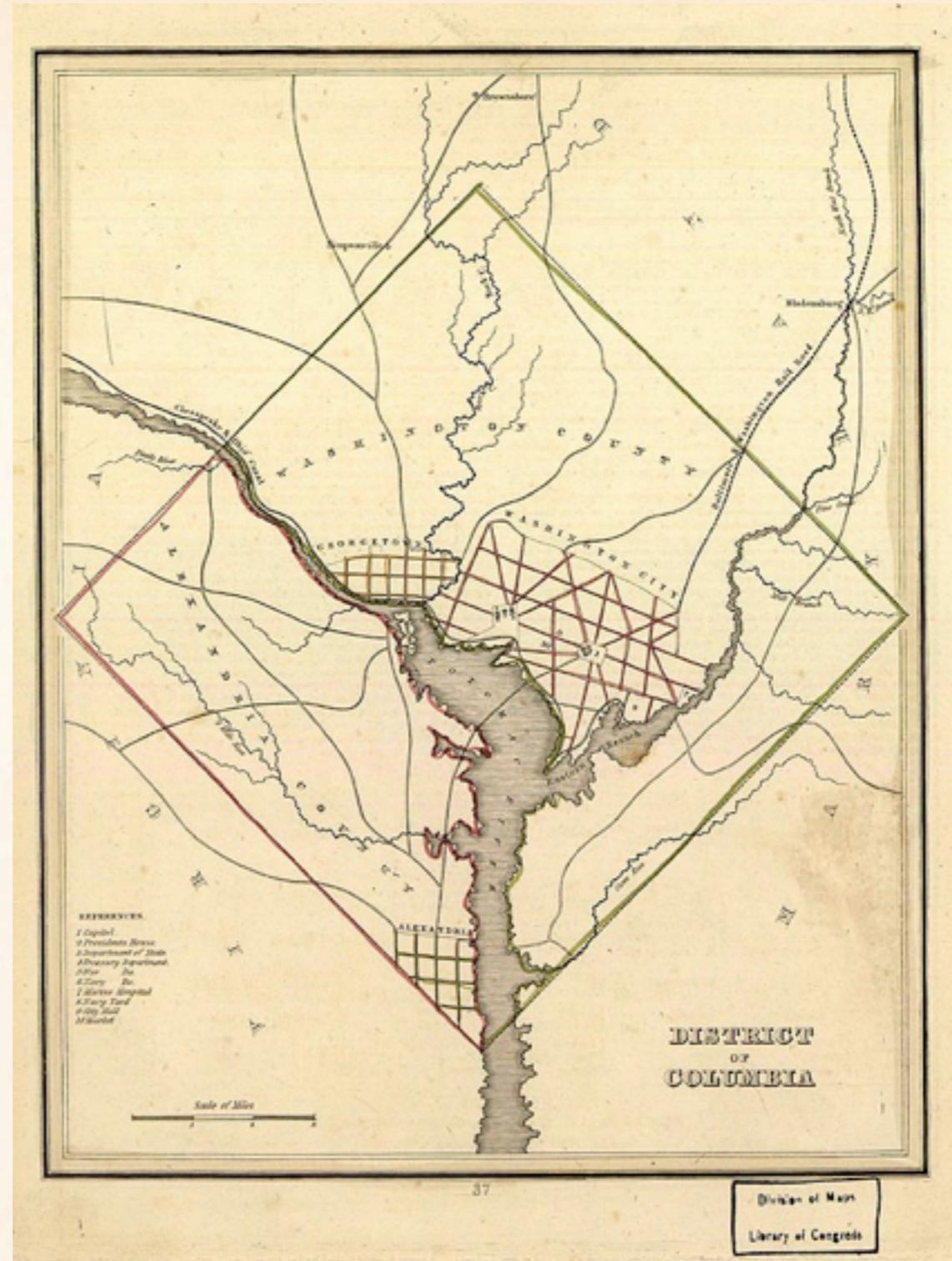
THE FEDERAL CITY

- ❖ The decision to build a brand new city to serve as the capital meant that there was an opportunity to plan it from scratch.
- ❖ George Washington hired the french architect, Pierre Charles L'Enfant, to draw up the plans. (Although he did fire him in 1792, and replaced him with American civil engineer Andrew Ellicott, assisted by an African-American named Benjamin Banneker, considered by many to be a mathematical genius.)

- ❖ The city was to be 10 miles square.
- ❖ L'Enfant's design featured a standard grid of streets, with broad avenues dissecting the grid at diagonals, with a "Congress House" and "President's Palace" the most prominent features.



❖ The Federal District





- ❖ A map of the most inhabited part of Virginia containing the whole province of Maryland with part of Pensilvania, New Jersey and North Carolina / drawn by Joshua Fry & Peter Jefferson in 1775.