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Founding American Foreign Policy

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The establishment of a distinctly American approach to foreign policy, an approach that remains central to American debates even today, is one of the greatest and one of the least appreciated achievements of the American founding.

The founders' views on foreign policy were more central to their achievements than we generally acknowledge. Foreign policy is not an extraneous topic that the founders engaged once they'd settled the more pressing business of domestic affairs. Their ideas about international relations helped them define the kind of state that the Constitution needed to build. And without their concerns about the intentions of potentially hostile foreign powers, the Constitution, had one been adopted at all, would almost certainly have established a much weaker central government.

Contributing to the lack of appreciation of the founders' achievement in foreign policy is the confusion caused by the shifts in American foreign policy thinking during the 20th century. As the American superpower took on a progressively larger global role, opponents of that trend invoked George Washington's Farewell Address to support a policy of isolationism. So prestigious was that remarkable address that the isolationists' opposition preferred to argue that, while Washington's words were wise in his day, so much had changed since the time of the founders that their foreign policy ideas were no longer applicable. The result was to establish two false beliefs in the minds of three generations of foreign policy thinkers. The first was that the founders cared little for foreign affairs. The second was that there were few or no meaningful precedents or patterns in the pre-World War II era, including the time

of the founding, on which contemporary makers of foreign policy needed to reflect.

The impoverished sense of history these errors produced has contributed significantly to the poor performance of the American foreign policy class in the years since the fall of the Soviet Union. And the failure to ground contemporary American foreign policy in a respected and legitimate national tradition is costly. Grounding the foreign policy of today in the wisdom of the past and placing contemporary debates in a richer historical and intellectual context will make for better policies, better debates, and stronger public understanding of the choices that political leaders ultimately make.

Ignoring the Founders

There are several reasons why it was relatively easy for post-World War II globalists to consign the foreign policy traditions stretching back to the founders to the dustbin of history.

First, the founders' approach emerged from more than a quarter century of contentious debate rather than from a single, compressed process that would focus the attention of historians. There was no Philadelphia convention on national strategy. Some of the Federalist Papers addressed the roles that the various branches were designed to play, but none of the founders wrote a series of authoritative state papers to provide a definitive description of the intellectual framework behind the new nation's engagement in the world. Washington's Farewell Address is as close as any founder ever came to making a direct and succinct statement of the principles that guided their approach, but even that speech was directed more toward attacking Thomas Jefferson's views of US-French relations than at offering a candid and comprehensive exposition of the intellectual foundations of American statecraft.

Second, while several important essays in the Federalist Papers address foreign policy issues, the connection between the structure of

the American government and the nature of American foreign policy remained largely obscure. America's emerging international strategy was less the product of a single process of conscious reasoning than a set of precedents and examples developed over time by statesmen whose sharp and sometimes even bitter political differences were contained within some widely shared cultural and political assumptions. The actual policies of the founding era were, like most actions of most statesmen, driven more by what Harold Macmillan is said to have referred to as "events, dear boy, events" than by the intellectual necessities of a consciously held grand idea.¹ The founders did not go back to a manual of statecraft to make their foreign policy. They reflected on the events of the day through the lens of a set of ideas about history, human nature, the American republic, and the nature of international society of which they were not always fully aware.

Finally, like the Constitution itself, the emergent foreign policy of the early republic was less the product of a single controlling intelligence than the result of compromise among a variety of viewpoints. American foreign policy was elicited by responses to the pressures of the passing day, expressed in action, not theoretical explanation, and it rested on a succession of perpetually adjusted working compromises between often-antagonistic approaches rather than the consistent implementation of a single set of ideas.

The early American leaders disagreed, often bitterly, over foreign policy, and indeed, disagreements between Jefferson and Alexander Hamilton over foreign policy contributed to the creation of the first political parties in the republic's history. New England's Federalists were driven to the brink of secession by their opposition to Jefferson's embargo in 1807 and James Madison's War of 1812. Andrew Jackson's obstreperous expansionism appalled the more decorous members of the young republic's diplomatic establishment.

Nevertheless, a pattern of underlying strategic consensus gradually emerged. By the time then-Secretary of State John Quincy Adams drafted President James Monroe's response to Britain's proposal for an

Anglo-American joint guarantee of the new Latin American states' independence, the Americans had found an approach to international affairs that for the most part still guides us 200 years later.

This is not a unitary tradition. No simple body of doctrine could suffice for the needs of a dramatically growing and changing republic like the United States during a revolutionary and transformative era in world affairs like the past 250 years. The Constitution is not a set of municipal ordinances to be mechanistically enforced. It is a system for generating laws whose integrity we seek to maintain. The American foreign policy tradition similarly is less a rigid set of policies to be mechanically followed under all circumstances than a way of generating new policies in response to the flow of events.

The ability to accommodate contention and competition within a stable institutional framework was the hallmark of American statesmanship during the American founding, and just as the Constitution incorporated often contrasting ideas and aspirations into the foundations of American governance, an American approach to foreign policy emerged from the debates and contests of the first decades of American independence.

The founders saw foreign and domestic affairs as closely connected, and in their view, the tasks of organizing a suitable governing apparatus and philosophy for their new nation could not be separated from the question of how that new nation was to interact with the world. It would be foolish to construct a government capable of managing its internal affairs that was too weak or too disunited to define and defend the nation's interests abroad, and as even many critics of the strong federal system adopted in Philadelphia came to appreciate, the need to present a strong, united front to the world would require a more effective and centralized national government than Americans might otherwise have chosen to establish.

For Americans today, examining the founders' integrated approach is more than an exercise in historical scholarship. Our increasingly turbulent times are forcing us to return to first principles in both domestic and foreign affairs; we will benefit by seeing how our predecessors approached similar problems in their own revolutionary era.

In what follows, I will try to outline key elements in the unwritten constitution that guides the development of American national strategy by looking at how the founders coped with the issues that immediately began to confront the former colonies as their independence was recognized. In times like the present, when Americans are asking basic questions about the nature and purpose of our foreign policy, a deeper appreciation of our heritage may help sharpen, clarify, and even to some degree resolve our contemporary debates.

Competitive Statecraft

In framing the Constitution, the founders were engaging, inevitably, in competitive statecraft. They were not only designing a state that could withstand the centrifugal pressures arising from the frequently diverging priorities and values of the new union's 13 members. They were building a state that could defend its territorial integrity and independence and advance its interests in the extremely competitive world of late 18th-century world politics.

The American Revolution was, after all, an episode in what is often called the Second Hundred Years' War, a series of increasingly violent and expensive conflicts between Great Britain and France as the two European superpowers competed to control the key power centers in an emergent global arena. From the War of the League of Augsburg, beginning in 1689, through the Napoleonic Wars, ending at Waterloo in 1815, Britain, France, and their respective European and global allies fought a series of bloody wars across the world. Anglo-French competition would touch every continent except Antarctica, and the consequences of Britain's ultimate victory are still reverberating around the world today.

This long-running conflict was a principal driver of American history, and it shaped the political outlook and individual careers of many members of the founding generation. Washington's older brother named the family seat Mount Vernon after his commander, a British admiral. Worries

over the impact of the Seven Years' War on Britain's national debt led Parliament to tax the colonies, while the colonists' sense of security following the conquest of French Canada helped give them the courage to resist and feed their hopes that they could govern themselves without the protection of the British Crown. Washington, whose actions as a young officer in 1753 helped ignite the Seven Years' War and whose victory at Yorktown was made possible by the timely arrival of a French fleet, saw his presidential administration almost destroyed as Napoleonic France mounted its climactic challenge to British power.

America was born in war, and the framers of its institutions sought to make their new state strong enough to survive the shocks and assaults of a series of global conflicts that inevitably would threaten the commerce and the security of the young transatlantic republic.

Historians and policymakers endlessly debate the meaning and the salience of terms like "strategy," "grand strategy," and "national strategy," and in reality there is not much hope for consensus on what these terms mean, what differentiates the different levels of strategy, or indeed whether terms like grand strategy correspond to anything real. Nevertheless, we can see in both antiquity and the modern world important linkages among the ways states are built, the societies that build them, and the resources and methods different states bring to their international engagements.

In the ancient world, Sparta's reliance on helots to support a well-trained and well-disciplined warrior elite shaped its goals and policies during much of its existence. The Spartan army was a formidable force, making Sparta close to invincible in ordinary land battles. But invincibility had its limits. The number of Spartiates, as the elite were called, was small, and the fallen could not be quickly replaced. Fear of helot insurrection meant that a significant proportion of the city's forces needed to be kept close to home. And the lack of a commercial class limited Sparta's economic potential.

Carthage brought a different mix of strengths and weaknesses to the table. Its mercantile character gave it sea power, a wide geographic base, and the abilities to recover from setbacks and generate large resources

when needed. Its political system was flexible enough to allow considerable personal initiative. Hamilcar Barca and his sons Hannibal and Hasdrubal were able to build a flourishing province in Spain that revived Carthaginian power following the First Punic War. But the system of decentralized leadership that gave the Barcids autonomy also worked against Carthage during the Second Punic War. Hannibal fought almost as a freelancer, and political rivals in Carthage forestalled any efforts to provide his forces in Italy with the support that would have allowed him to turn battlefield victories into the conquest of Rome.

The Roman Republic, by contrast, developed an extraordinary base of strong institutions that allowed it to survive the foreign assaults, of which Hannibal's was the most serious, and contain the ambitions of domestic politicians long enough for the republic to conquer the Mediterranean world before succumbing to forces that transformed it into an empire. Beset by enemies outside the walls in the thickly settled, agriculturally fertile region of central Italy and riven internally by strife between rich and poor and among aristocratic clans struggling for supremacy, Rome by necessity developed political institutions that could tame domestic rivalries and maintain the strong military organization required by a state of perpetual danger. Not even Hannibal's sweeping victories over a series of Roman armies could shake the foundations of Roman power.

In these cases, and many more, states acquired their characteristic strengths and weaknesses from the cultural, geographic, and geopolitical milieus of their formative years. The remembered history (sometimes embedded in mythology) and cultural preferences of a given population combined with the physical and political geography of its society and neighborhood to produce a political and strategic character that both enabled and limited its ability to manage its domestic and international affairs. In many cases, this process was "natural," which is to say the result of time and chance, producing a set of customs and practices sometimes attributed to a mythical founder or reformer. But there are cases, like that of Solon's reforms in Athens, in which the impact of an individual is historically attested. In Roman history, the mythical King Numa is said to

have given Rome its original laws. Centuries later, we can see how Augustus transformed the dying republic into a principate.

Managing the complex interplay among the culture (with religion very much included) of a given people, the economic and technological base that supports that people's existence and to some degree determines its outlook and forms its institutions, and the international environment in which it finds itself constitutes the demanding art of government. No one accomplishes this task to perfection; this is one reason Enoch Powell's observation that "all political lives . . . end in failure" holds up so well.²

Many, perhaps most, political leaders are simply policymakers, attempting to meet the exigencies of the hour without devoting much thought to the architecture of ideas and institutions in which they move. Some, whose statues in the temple of fame are often more imposing, bring a richer awareness to their political work. Whether one thinks of Pericles developing a war strategy for Athens, Elizabeth I placing Protestant England on a stable foundation, or Abraham Lincoln leading the United States through our Civil War, these statesmen and stateswomen leave deep footprints in the sands of time.

Many of the American founders proved to be excellent statesmen, but they belonged to an even more august body. They did not just manage the affairs of a state. They founded one. That state endured, and not just because the Constitution served Americans well in their domestic affairs. It endured as well because the founders' republic gave the American state a distinctive and distinctively successful method of conducting its foreign affairs.

In this the founders succeeded beyond their expectations. Many believed that foreign policy would be the weakest point in the American government. But as it happened, the country that declared independence in 1776 and inaugurated a constitutional order 13 years later has for 250 years defended its integrity and advanced its interests with greater success than any government in the modern era.

To understand that accomplishment, we'll look first at the way the American Constitution created a state with its own approach for identifying and acting on the national interest and then at the emergence of

a distinctively American tradition of foreign policy during the long period when the framers of the Constitution remained at the helm of American government.

The Mirror State

Few phrases are used as widely or cavalierly as “national interest,” yet it is not very easy to say what the national interest actually is, and the question of how a given state discerns its national interest is one of the most consequential issues in statecraft. Historically, a number of states in Europe and elsewhere identified their national interest with the perceived interest of a ruling dynasty or a faction within it. The oligarchic, mercantile Italian states like Venice and Genoa generally saw their interests through the medium of trade—and, often, the specific trading interests of the dominant political faction of the day.

In today’s world, we see a wide variety in the way states perceive their national interest and the method by which the choice is made between alternative views of that interest. China, Iran, North Korea, and Russia think about national interest in quite different ways. Economic interest is a more dominant factor in Chinese thinking than in the thinking of the other revisionist powers. For governments like North Korea, Russia, and, for that matter, Cuba, regime survival demonstrably matters far more than conventional ideas about economic interest. Vladimir Putin holds a theory of statecraft and geopolitical competition with deep roots in Russian history. Many of his opponents in the European Union operate on an entirely different conception of the national interest, built precisely on a repudiation of the historical notions of state power and competition that currently shape the Kremlin’s perceptions.

It is not, as in the journalistic cliché, that some strategists are playing checkers while others are playing chess or even multidimensional chess. It is that some states are playing Parcheesi, others paddleball, and still others Monopoly. Some actors chase the dreams of past glory; some seek

to remake the world in the image of a favored ideology. Some want to exalt their national identity and perhaps recover lost territory or avenge past slights. Some want to transcend the dreary rounds of struggle and war that have marred human history so grievously in order to build a new international order that will end war forever. Some believe that “transnational” issues like climate change override national interests as historically understood.

And these differences of opinion about the definition of the national interest don't exist just among states. The definition of the national interest is controversial within every state. Even totalitarian states like Mao Zedong's China and Josef Stalin's Soviet Union saw continual debate over what the regime should do in response to the various opportunities and threats that different groups in the regime perceive—or think they do. How much weight should be given to the need to remain faithful to the ideological commitments of the ruling ideology? How much is to be gained, and how much to be feared, from engagement with opponents and rivals?

American foreign policy is as subject to these ideological and pragmatic debates as that of any other country, and given the regional, economic, and cultural diversity of the country, these debates can be even sharper and more divisive here than in many places. If New England were an independent country, its foreign policy would differ substantially from that of a Republic of Texas. Iowa would not see eye to eye with Oregon, and Florida and Michigan would bring very different priorities to their foreign policies if they were independent states. These differences were already apparent at the time of the Declaration of Independence and have become only more marked during the succeeding years.

To understand the American founding's contributions to American foreign policy, one must therefore look at the way the structure of the American governing system devised in the Constitution gave the United States a method of adjudicating the inevitable debates over the nature of the national interest and the steps most likely to advance that interest in a competitive world.

The most common method of conducting foreign policy in the modern world, among both democratic and nondemocratic states, has been to construct what one can call a lighthouse state. Think of a genius in a tower, a great intellectual and a deep student of history—an engaged political practitioner who looks at his country, thinks about its opponents, calculates the national interest, and then with a very clever strategy sets out to trick his enemies and achieve his own goals. Protected from importunate domestic lobbies, the genius in the tower sees farther than the groundlings can; the lighthouse emits the illumination that guides the state. That is the way most people today instinctively think foreign policy “ought” to be made.

This is not just a matter of individual gifted leaders. Very often it requires an institution. In many countries, there are foreign ministries that are largely insulated from domestic political pressures. The mandarins of the foreign office are protected to as large a degree as possible from domestic turmoil as they patiently develop a vision of the national interest and seek to achieve it.

These individuals and institutions often perform well for long periods of time. They do, however, have vulnerabilities. Prince Klemens von Metternich, who dominated the councils of the Austrian Empire for a generation, is rightly renowned as one of the greatest statesmen of European history. But ultimately, his vision of Austria was the product of his background and experience. He was an aristocrat, and the interest of Austria as he saw it was connected to the preservation of the power and wealth of the Hapsburg dynasty and the aristocratic families like his own that surrounded it.

The revolution of 1848 drove Metternich from power and disrupted the delicate balances with which he hoped to maintain Austria’s centrality in the world of European power politics. Metternich’s skill was extraordinary, but he was only one man—and one particular kind of man. As Austrian society changed under the pressures of economic development and the rise of nationalism, Metternich’s methods and aims increasingly diverged from the perceived interests of more and more Hapsburg subjects, and in the end, his policies and power could not be sustained.

That is not the kind of state the American Constitution established. The American state has typically not been a lighthouse state, emitting the radiance that guides the country onto the right path at home and abroad. The founders understood that that kind of centralized state and policymaking was unsuited to the culture of the Americans and the immense range of their interests and concerns. Some other method of deciding among conflicting visions of the national interest would be needed. If the great powers of Europe constructed lighthouses, Americans would build a mirror.

Suppose we think of the national interest less as an abstract concept discoverable by a great intellect and more as the vector of all the local and individual interests held by the various individuals and organizations active in the republic. By developing a political process in which different interest groups are represented in the institutions of government roughly in proportion to their importance in the nation at large, one might arrive at policies that reflect the national interest more accurately than the calculations of the most enlightened genius in the highest possible lighthouse.

This of course is the application in the world of foreign policy of what I've called the Golden Meme, the characteristic idea of Anglo-American civilization that the best order comes from the free play of various elements, each acting in accordance with its own nature. This is Isaac Newton's law of gravity. It is Adam Smith's concept of political economy. It is the theory behind the Madisonian system of checks and balances built into the American Constitution. It is the intellectual basis of Charles Darwin's theory of evolution.

The founders nodded in the direction of the centralized control and coherent planning of foreign policy by giving presidents more power in conducting relations with foreign countries than they had at home. Nevertheless, the Senate's power to confirm nominees for ambassadorships and cabinet posts and the requirement that treaties receive a two-thirds supermajority for ratification ensure that presidents cannot long conduct international relations without the concurrence of Congress.

The traditional or lighthouse system can also be compared to the command structure of a naval ship. The foreign minister or the sovereign is

the captain, surveying the seas with a telescope in hand and giving orders to the well-disciplined crew. That is not how the American ship of state works. On the *Good Ship America*, all the sailors are up there wrestling with the captain and one another in a never-ceasing contest to control the ship's wheel.

The result is rarely elegant and often bizarre. American foreign policy wanders erratically and is often unpredictable. Sometimes it seems to head straight for the rocks. But over time, in the long run, one can argue that the American ship's course has corresponded better to the actual interest of the American people than a ship steered by someone with all Metternich's talents but also all his limitations would have done. One of our Founding Fathers, Massachusetts politician Fisher Ames, is reputed to have compared the European model to a man-of-war, sailing gracefully and powerfully until it strikes a reef. A republic, he said, was like a raft. It never sinks, but your feet are always wet.³

In opening foreign policy to the interplay of the domestic political order's checks and balances, the founders gave American foreign policy a character that has persisted through many changes of fortune and circumstance. It has not always worked well. Presidents have negotiated complex international agreements, like Woodrow Wilson's Treaty of Versailles and League Covenant and Barack Obama's Joint Comprehensive Plan of Action, only to see domestic opponents frustrate their designs. American foreign policy is sometimes too hot, as in the McCarthyite era of rigid anti-Communism or the post-9/11 frenzy leading to the war in Iraq. It is also sometimes too cold, as with the passive indifference to rising threats abroad that contributed to World War II, the greatest man-made catastrophe in the history of the human race.

No system of governance, however sophisticated and clever, is proof against human folly. The mirror state devised by the founders has, however, enabled the United States to rise over time to become the most prosperous and powerful state that history knows. That is not how state failure looks.

Strategies of Emergence

Mirror states and lighthouse states assess the world in different ways and develop their responses differently as well. A Metternichian lighthouse state is organized around the vision and priorities of a key policymaker, in some cases the highest political authority in the state and in others an official like Metternich himself, to whom, within certain constraints, supreme authority in foreign affairs has been granted. Today, the People's Republic of China is the world's most important lighthouse state. The Marxist-Leninist model of centralized leadership in a one-party state directing the nation's social, economic, and international policies in the service of an overarching ideological vision represents the logical end point of the lighthouse state. Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, as Xi Jinping's ideas are officially labeled in the Chinese constitution, serves as a source of guidance for all state tasks, including the formation and execution of foreign policy. In a conversation with a Chinese diplomat, I once suggested that Beijing not take published American strategies too seriously, saying that "nobody in any American administration, when confronted by a policy challenge, runs to dust off the office copy of the National Security Strategy to look for guidance on how to respond." My Chinese interlocutor was surprised by this and advised me that that is exactly what Chinese officials do.

There never has been and never will be a foreign policy document for a mirror state that possesses the kind of authority Xi Jinping Thought has in China. Those seeking to understand American national strategy cannot confine themselves to research in official documents and the speeches of senior officials. They must look for patterns in the superficially chaotic path the American raft takes across the stormy seas. Are there general tendencies that become apparent over time, patterns of behavior that continually recur, considerations that over time appear to weigh more heavily on the public mind, and therefore on the policy process, than other, conflicting ideas?

But if the founders' development of a mirror state is one side of their foreign policy, the actual national strategy that gradually took hold during the era of their political activity, culminating in the Monroe Doctrine, was of equal importance.

For the vast majority of American history, the country's foreign policy has been centered on its complex, and often adversarial, relationship with Great Britain and that country's capacity to project power in the Western Hemisphere. Before the Revolution, as part of the British Empire, the American colonies operated within the maritime security system that the British had spent the better part of a century building. Within this framework, the national interests of the American colonies were predominantly commercial and largely aligned with those of Britain. While there were limitations and restrictions designed to give the British a competitive edge—most notably the Navigation Acts—American merchants generally benefited from the protection of the Royal Navy, which allowed them to travel and trade across the world without fear of persecution or piracy. However, business as usual was simply not an option after the end of the Revolutionary War.

While the Revolution had granted the colonies political independence from the British Crown, they remained deeply entangled in and dependent on the British mercantile system.⁴ In the three decades leading up to the Revolution, British imports from the American colonies doubled, while British exports—primarily manufactured goods and consumer products—to the colonies tripled. Britain was America's largest trading partner, its largest export market for its staple crops, and its primary source of credit. In the years following the Treaty of Paris in 1783, roughly 90 percent of US imports came from Britain, while nearly a fourth of American exports were bound for Britain.⁵ The relationship was asymmetrical, however, as only 6 percent of Britain's imports were from the United States, while the colonies owed British businesses £6 million—more than twice the value of their exports.⁶

Profound disagreements arose over how much the colonies should decouple from Britain after the Revolution, and this very question shaped

the first several decades of political debate in Congress; some loathed the thought of partnering with the Crown, while others hoped to learn from the British and, in due time, to emulate them. On one side were the Republicans, led by Jefferson. Wary of British naval power, they favored a stronger partnership with the French, which at the time was the strongest land power in Europe. Without the backing of the French navy and the extension of French finance, the Revolution would have surely ended in defeat. Naturally, Jefferson and others wanted to continue this alliance. Additionally, the French—having recently overthrown their tyrannical monarchy and imposed a new democratic constitution—were, in Jefferson's eyes, not just partners of convenience but ideological brethren.

Many Republicans, including Jefferson, saw trade as an instrument of foreign policy and favored a strategy of aggressive commercial warfare, in part because they believed that it advanced the domestic vision they wished to promote. As Jefferson put it,

Let our workshops remain in Europe. . . . The loss of transportation of commodities across the Atlantic will be made up in happiness and permanence of government. The mobs of great cities add just so much to the support of pure government, as sores do to the strength of the human body.⁷

Jefferson detested the urbanized, manufacturing-based economies of Britain and Europe that gave birth to a commercial elite who dominated the economy and had an outsized influence on the political process. Fearing that the rise of a similar commercial elite in America would undermine republican virtues and democratic institutions, Republicans viewed this concentration of private wealth—and, as an extension, political power—as a mortal threat to the American experiment in self-government. For Jefferson, societies based on urban modernity and industry—like the European empires—were irredeemably corrupt, prone to venality, runaway speculation, and the degradation of the human spirit. Famously, the Jeffersonians preferred an agrarian-based economy that they believed

was better suited to preserving the Republican virtues on which American democracy rested.

In contrast, Hamilton and his allies in Congress and in the Washington administration advocated for a *modus vivendi* with Great Britain. With the United States separated by more than 3,000 miles of ocean from many of the world's critical global markets, they believed that safe access to maritime routes was a vital national interest. It was the fear of trade disruption, rather than territorial loss, that shaped the Federalists' strategic thinking. For Hamilton and the Federalists, reaching an understanding with the British would alleviate some of these concerns by granting American merchants access to important markets free from persecution or piracy. Moreover, they rightfully recognized that war with Britain would have devastated the young republic's fledging finances. In 1792, the interest alone on American debt soaked up 87 percent of total revenues, and a massive war would have forced the colonies to take on even more debt while cutting off the primary source of revenue for the federal government—customs duties, which accounted for roughly 90 percent of federal revenue until the War of 1812.⁸

In contrast to Jefferson's disdain for the commercial urbanism in Europe, Hamilton sought to adapt the British system to American conditions. It was his conviction that replicating the British system offered the best chance for the colonies to generate the wealth and power necessary to stabilize America's domestic politics and secure its commercial interests. The British had a powerful executive and the most sophisticated financial markets in the world, which were supported by an independent central bank and a pragmatic, sustainable approach to managing public debt. They also had an integrated national market, with a strong judicial system that facilitated the rapid exchange of goods and money between creditors and debtors, from India to the Mediterranean to North America. Hamilton believed that the American colonies needed a similarly sophisticated financial system—with deep capital markets and a robust network of creditors and debtors.

A financialized economy would allow the young nation to make the necessary investments in its infrastructure, develop a competitive

manufacturing sector, and diversify its economy. As Hamilton argued, this model would grant the colonies

security from external danger, less frequent interruption of their peace with foreign nations, and, what is more valuable, an exemption from these broils and wars between the parts, if disunited, which their own rivalships, fomented by foreign intrigue . . . would inevitably produce.⁹

From this position, rapid economic growth was a necessary condition for political independence, as it would allow the young republic to amass the resources necessary to check any security threats emanating from across the Atlantic and engage with the Europeans from a position of strength. Additionally, the establishment of integrated national markets and the progression of interstate trade would—so the thinking went—cohere the bickering regional factions into a unified political force. In short, Hamilton believed that realizing this vision would allow the restive colonies to enjoy the sovereignty they had shed so much blood for during the Revolution.¹⁰

Ultimately, the conflicting visions of the Federalists and Republicans were rooted in divergent views over the relationship between capitalism and democracy, the limits of federal power, and the national interest. This contest nearly broke the United States as the series of revolutionary and Napoleonic wars between England and France consumed Europe and spread across the Atlantic, driving wedges between the pro-British, commercially minded Hamiltonians and the agrarian-based, Francophile Jeffersonians. However, despite some early setbacks, American strategists in both parties would learn to shrewdly exploit the tensions in European politics during this tumultuous period and were able to deliver a series of strategic gains that would ultimately transform this league of states into a continental empire.

Commercial Interests and Federalism

Following the Revolution, the predominant foreign policy issue facing the colonies was essentially commercial: The colonies no longer had unfettered access to international markets spanning from the Far East to the West Indies to the European world and beyond. After the Revolution, the British sought to punish their former colonies by cutting off market access to their possessions in the West Indies, imposing trade restrictions on imports to the British Isles, and arbitrarily levying duties on American goods whenever they saw fit. The elimination of trade with the West Indies was especially ruinous for the New England merchant class, the primary domestic constituency for the Federalists. The New England shipbuilding industry was nearly eradicated, while the once-thriving fishing and whaling industries were devastated. By the mid-1780s, the lucrative cod fisheries off the coast of New England were running at just 20 percent of their prewar level.¹¹

While many Americans blamed these difficulties on the evils of British power, in reality, the root of the problem was American weakness stemming from a disorganized and powerless Congress that had no legal authority to control interstate trade, impose duties on imports, or field a respectable military. It showed in the imperial courts of Europe as the bargaining position of American diplomats was undermined time and again. Reflecting on his experience as the French ambassador after the Treaty of Paris in 1783, Jefferson stated that the colonies were “the lowest and most obscure of the diplomatic tribe.”¹² With each state assuming the authority to regulate its own commerce, Britain would masterfully play rival states off of one another—exacerbating sectional divisions in the process—as they sought to acquire better trade conditions in American markets while constraining the nation’s exports.

Additionally, other European powers enacted a set of trade restrictions aimed at denying American merchants access throughout the Western Hemisphere and across the Atlantic. Spain imposed bounties on American traders along the Mississippi River and at the vital port of New Orleans.

Holland, Portugal, and Sweden slapped heavy duties on American tobacco and rice. France obstructed American shipping to the West Indies and constrained American exports of specific staple crops that directly threatened its own prized monopolies. At every turn, the struggling confederation of states was berated and rejected by its larger European cousins.

Madison, acknowledging the grim commercial realities confronting the United States, remarked, "Our trade . . . entirely contradicted the advantages expected from the Revolution, no new channels being opened with other European nations, and the British channels being narrowed by a refusal of the most natural and valuable one to the US."¹³ He assessed that "the trade of this Country is in a deplorable Condition."¹⁴

The inability of American diplomats to successfully secure the country's trade interests would bring the issue of federal versus state power to the forefront of the national discussion and, as a result, set the stage for the clash between the Hamiltonians and Jeffersonian-led Republicans over the future of the young republic.

The inability of the weak postrevolutionary government established by the Articles of Confederation to protect American commercial and security interests was a major factor leading to the adoption of the Constitution. But while Americans were constructing their new government, the French Revolution was leading Europe into a new series of destructive wars that would test and almost break the new American republic.

Navigating Napoleon

With the outbreak of war between Revolutionary France and Britain in 1793, the United States found itself embroiled in what soon became an intercontinental struggle for global domination between the European empires. Despite this perilous situation for the colonies, the eruption of hostilities between Paris and London provided them with three critical strategic opportunities. First, throughout the course of the revolutionary wars in Europe, the Spanish Empire would suffer a series of defeats in

both the Caribbean and Europe that undermined its strategic position in the Western Hemisphere, which opened the door to American westward expansion and, critically, the eventual acquisition of the Louisiana Territory. Second, war dramatically increased demand for American exports, as the maintenance of large standing armies in Europe required increasingly large amounts of raw materials. American sales of cotton, meat, fish, and grains soared as a result, with the total value of American exports increasing from \$19 million to \$49 million from 1791 to 1807.¹⁵ Third, the titanic military struggle in Europe and into Eurasia would lead to the diversion of military resources and naval assets away from the Western Hemisphere, which helped facilitate the de facto reinstatement of American trade with the West Indies—a formerly vital market for American merchants, particularly those from New England.

Almost immediately following the outbreak of hostilities, there was near-unanimous consensus within government and the halls of Congress that maintaining American neutrality was a strategic imperative. Despite the adoption of the new Constitution, the 13 colonies were still relatively weak and divided. The republic was still struggling to get over the economic depression caused by the Revolution, and the colonies were saddled with enormous debts that made reconstruction nearly impossible. Taxes were even higher than they had been under King George, and real per capita incomes fell by about a third between 1774 and 1790, with the economy contracting by roughly 30 percent between 1774 and 1789.¹⁶ The dark economic conditions exacerbated squabbling in the capital as various regional factions sought funding from an impotent Congress.

To make matters worse, the country was deeply vulnerable to military intervention—or even conquest—by the European empires; Britain still maintained large military contingents around the Great Lakes and in Canada while Spain and France still had sizable footprints in Florida and the Caribbean, respectively. In turn, Congress could not afford to field an army, and the Continental Navy had been disbanded. If the country was going to survive, it desperately needed partners to alleviate its security issues, and it needed injections of capital to remain solvent. However,

maintaining neutrality proved to be extremely difficult and deeply polarizing, as American policy vacillated between antagonizing and then pacifying either the British or the French, simultaneously reassuring one and necessarily irritating the other, all while both nations harassed and inhibited American shipping over the ensuing decade.

Within just a few short months after the outbreak of hostilities in 1793, the British, seeking to suffocate the French economy, moved to interdict American merchants trading foodstuff and staple crops with the French. In that time, they seized hundreds of merchant vessels and forcibly conscripted their sailors into the Royal Navy. Enraged by the audacity of their former oppressors, the Jefferson-led Republicans called for retaliatory trade restrictions on the British, while the Hamiltonian-led Federalists, fearing that a commercial war could escalate into open war, pushed for *détente*.

For the Republicans, America's revolutionary triumph was essentially nullified as long as the colonies remained economically dependent on the British mercantilist system—"Dependence begets subservience and venality," Jefferson lamented.¹⁷ From his perspective, imposing wide-ranging tariffs and aggressively confronting the British would accelerate the process of decoupling, thus granting the colonies the independence they so desperately sought. In contrast, the Federalists viewed aggressive reciprocity as a recipe for disaster, as the financial system that Hamilton sought to build depended on the revenue generated from the relatively free exchange of goods with European powers. The depredation of American shipping, though tragic, was seen as a necessary trade-off for the greater good.

At the behest of Hamilton and the Federalists in Philadelphia, the Washington administration was able to temporarily halt the path toward confrontation with the British following the signing of Jay's Treaty in 1794. Any serious person would acknowledge that Jay's Treaty was a disappointment at best. While it technically granted "most favored nation" status to the American colonies, American diplomats were unable to extract any other major concessions from the British, and critical postrevolutionary issues such as the strategic threat posed by British forces on America's

northwestern frontiers as well as the restrictions on American shipping to the West Indies remained unresolved.

Most importantly, American shipping bound for France was still subject to confiscation and American sailors to forcible conscription. For Republicans like Madison and Jefferson, the Jay Treaty was irrefutable evidence that the current state of affairs was untenable: Economic dependence on Britain was incompatible with true political independence. However, at this juncture, avoiding war and appeasing the formidable British Empire was a necessary condition for economic revival.

To make matters worse, the French were furious with the Washington administration and viewed their former allies' new understanding with the British as a treacherous stab in the back. Decrying Charles Pinckney, the American minister to France, French officials proclaimed that they "would not acknowledge nor receive another minister plenipotentiary from the United States," unless the Jay Treaty was dismantled.¹⁸ Soon thereafter, the French seized over 300 merchant ships, driving up insurance rates on merchant shipping and paralyzing Congress. President Adams, desperate to avoid war, was now faced with the seemingly impossible task of somehow smoothing over tensions with the French while avoiding the wrath of the recently appeased British.

Tensions were further inflamed following the infamous XYZ Affair, in which French officials demanded bribes from American diplomats to even begin negotiations. War seemed inevitable. However, due to Adams's steadfast—yet fully necessary—appeasement of Paris, America was able to dodge full-blown war with the French, a war that Adams knew the colonies could not possibly win. Tragically, his conciliatory stance toward Paris made him a one-term president, as many within the Federalist ranks were irate over his refusal to deepen relations with the British and confront the French. As his former allies now turned their back on him in droves, the presidency was handed over to Jefferson and the Republicans in 1800.

By the turn of the century, the American economy's prospects were on a much sounder footing, with substantial economic growth and increased

commercial integration into key foreign markets such as the British West Indies. Before the British cut off American trade with the West Indies after the Treaty of Paris in 1783, the region had accounted for nearly a quarter of the future nation's total exports. In turn, the surge in exports provided the colonies with the revenue needed to pay off cumbersome debts left over from the Revolution and turbocharged interstate commerce and urban growth. Critically, the ensuing influx of capital led to the emergence of the monetary and fiscal infrastructure necessary for the issuance of credit, enabling large substantial private investments back into the economy.

The results were astounding. Before the outbreak of war in Europe, the colonies had just three banking institutions, in Boston, New York, and Philadelphia. By 1812, nine of the top 10 companies in the country were banks, and the financial sector comprised nearly 50 percent of the 500 largest corporations across the nation. Moreover, between the outbreak of war in 1793 and the War of 1812, the country saw the rise of a thousand chartered corporations, a figure that dwarfed those of the older European empires.¹⁹ Adams's approach, while conciliatory, undeniably served the national interest, as he needed to ensure that the country could bide its time and make the necessary investments into its economy and military to bolster its long-term strategic position.

Importantly, however, the uneven distribution of economic gains stemming from the revival in trade reinforced political divisions between the Hamiltonian Federalists, who drew support from the commercial centers in New England, and the agrarian-based Jeffersonian Republicans, as the vast majority of these new charters, financial institutions, and commercial enterprises were based in New England and the mid-Atlantic states. Consequently, their opposition to tariffs and commercial warfare was shaped by the fear that not only would such measures halt transatlantic commerce, but their economic contagion would reverse the country's recent fortunes: Banks would likely fail, and new businesses would go bankrupt.

Jefferson, Madison, and the Napoleonic Wars

The Jeffersonian-led Republicans pursued a strategy aimed at economically disentangling America from its former adversary—a strategy that would prove disastrous. As the Napoleonic Wars intensified and the British and French navies continued to pillage American neutral shipping, Jefferson was growing increasingly desperate to avoid being drawn into the European conflict, which had by then escalated into a global war spanning from India to the West Indies. Embracing a trade policy of aggressive reciprocity and heavy tariffs, he passed legislation that essentially shut down US trade with Britain in 1807. The economic implications of Jefferson's embargo were severe: Exports fell by more than 80 percent, from \$108 million in 1807 to \$22 million in 1808, and imports for domestic consumption dried up by nearly 50 percent. The agrarian, slaveholding South, Jefferson's base of support, was particularly hard-hit, as the prices of cotton, flour, tobacco, and rice declined by 27 percent from December 1807 to June 1808.²⁰ Eventually, trade tensions would increase with the British and boil over into the War of 1812.

The Americans launched the war in the summer of 1812 when Britain faced a largely united Europe under the leadership of a triumphant Napoleon, with few resources to spare for an American conflict. But Napoleon's reckless invasion of Russia changed the strategic balance, and by the end of the year, Britain had far more flexibility. The ensuing war with Britain would kneecap American trade, with the value of American imports declining from \$70 million in 1812 to \$13 million in 1813.²¹ With just over a dozen battle-ready warships, the American Navy was no match for the larger and more experienced British fleet. By the end of the war, the British had burned Washington, and the American economy was in shambles.

At this time, Britain had defeated Napoleon and the French war machine and controlled a maritime empire spanning from the Strait of Gibraltar to the Cape of Good Hope and the Strait of Malacca. It dominated the fantastically rich Indian subcontinent and had naval bases

scattered across the world, from the Mediterranean to the Persian Gulf. Britain boasted close to 45 percent of global shipping, and its fleet had more than 600 warships patrolling the high seas.²² Fresh off his victories in Europe, the British government offered the Duke of Wellington the command of British forces in the Americas with the objective of ending the upstart republic that had been a thorn in the Crown's side since it had secured its independence.

Still in its restive infancy, the United States came to the realization that it simply couldn't compete with the British Empire and thus sought a *modus vivendi* with the British Crown. Moreover, by the turn of the 19th century, as the United States began to expand westward, Washington was almost always short on investment, and the country simply didn't have the political capital or resources necessary to underwrite the kind of naval buildup needed to effectively protect its commercial shipping. The result was that the United States sought the agreement with Great Britain that Hamilton and Washington had originally wanted in the 1790s—an agreement that would last until the outbreak of World War I nearly a century later. Under this new understanding, the British would do the heavy lifting abroad, by maintaining a stable balance of power in Europe that would keep any potential threats to American interests bottled up on the Continent. In turn, the United States refrained from directly challenging Britain's international position.

It was British naval muscle, not the American Navy, that enforced the Monroe Doctrine, as the Royal Navy would prevent both the French and the Spanish from reconquering the South American countries that had declared their independence during the Napoleonic Wars. Britain would respect America's commercial interests, refrain from military encroachment in the Western Hemisphere, and, all things considered, leave the youthful colonies to their own devices. Moreover, the triumph of free trade in British politics meant that throughout the 19th century, American access to global markets dramatically increased.²³

The Raft Reaches Shore

The story of American foreign policy in the generation between the ratification of the Constitution and the proclamation of the Monroe Doctrine is a story of failed calculations, compromises from weakness, and poor judgments. Yet the United States emerged from the era of the Napoleonic Wars with significant gains. Territorially, it acquired Louisiana from Napoleon. Economically, the progress in banking and manufacturing prepared the United States, alone in its hemisphere, to flourish and compete at the highest levels in the increasingly sophisticated and global economy that the accelerating Industrial Revolution would promote. Politically, its ability to survive the storms of European great-power conflict and its growing size and population made the republic respectable, if not popular, in the courts of Europe. American emissaries would never again meet the levels of contempt their predecessors endured in the supercilious 18th-century courts.

Behind all this was the reality that America emerged from the founding era with a strategic orientation. The young republic's commercial interests tied it to the world and, especially, to Europe. And while Great Britain was America's most serious commercial rival and, potentially, the only European country with the ability to harm the United States at home, the mutual Anglo-American interest in a balance of power in Europe, the importance of British capital for American economic development, and the promotion of a global economic system provided an adequate basis for a *modus vivendi*. That relationship could never be naive; Americans understood that the British were rivals as well as partners, and Washington would repeatedly have to overcome British opposition as the Americans expanded across the continent.

This strategic accommodation was the dominant reality of not only American but world history through the remainder of the 19th century. The relationship continued to shape the 20th century even as the British Empire fell, and the strategic orientation behind it continues to shape American calculations even today.

The American presidents of the day had their great moments. Washington's constancy in support of the controversial Jay Treaty, Adams's courageous capitulation to the French, and Jefferson's sacrifice of constitutional principle in the service of securing the Louisiana Purchase are all admirable. But the genius of American foreign policy in those years stemmed more from the efficiency of the constitutional machine at creating a mirror state than from anyone seeking to clamber into a lighthouse. The agricultural interests of the South, the focused attention in the West on the mouth of the Mississippi and the British presence south of the Great Lakes, the commercial interests of New England, and the financial interests in New York and Philadelphia were all affected by the turbulence on the international scene—and their representatives labored tirelessly to get those interests taken seriously in national policy. Presidents and secretaries of state could not dictate; they had to negotiate and compromise.

The strategic orientation that emerged in the early republic has lasted so long, and been so effective, because the structure of the American government permitted the emergence of a foreign policy that reflected the actual interests of the American people in all their variety and diversity. Statecraft matters. Let us hope that the raft of the American republic continues to slosh its way through the currents and storms of many years to come.

Notes

1. The source of this quote is contested, but Nigel Rees offers a helpful discussion of its origins in Nigel Rees, ed., *Brewer's Famous Quotations* (Weidenfeld & Nicolson, 2006), 306.
2. Enoch Powell, *Joseph Chamberlain* (Thames & Hudson, 1977), 151.
3. Ralph Waldo Emerson attributed this line to Ames in his 1844 essay "Politics." Available in Ralph Waldo Emerson, *Essays: First and Second Series*, ed. Irwin Edman (Harper Colophon Books, 1981), 412.
4. A. G. Hopkins, *American Empire: A Global History* (Princeton University Press, 2018), 110, 180.
5. Douglas A. Irwin, *Clashing over Commerce: A History of US Trade Policy* (University of Chicago Press, 2017), 96.

6. Walter Russell Mead, *Special Providence: American Foreign Policy and How It Changed the World* (Routledge, 2002), 113.

7. Thomas Jefferson, *Notes on the State of Virginia*, ed. William Peden (University of North Carolina Press, 1954), 77.

8. These figures draw on the historical tables made available by the Office of Management and Budget at White House, “Historical Tables,” <https://www.whitehouse.gov/omb/information-resources/budget/historical-tables/>.

9. This quote is from Hamilton’s original draft of Washington’s Farewell Address. It can be found in *Selected Writings and Speeches of Alexander Hamilton*, ed. Morton J. Frisch (AEI Press, 1985), 436.

10. Alexander Hamilton, “Alexander Hamilton’s Final Version of the Report on the Subject of Manufactures,” December 5, 1791, Founders Online, <https://founders.archives.gov/documents/Hamilton/01-10-02-0001-0007>.

11. Gordon C. Bjork, “The Weaning of the American Economy: Independence, Market Changes, and Economic Development,” *The Journal of Economic History* 24, no. 4 (1964): 541–60, <https://www.jstor.org/stable/2115760>.

12. Quoted in Bradford Perkins, *The Cambridge History of American Foreign Relations*, vol. 1, *The Creation of a Republican Empire, 1776–1865* (Cambridge University Press, 1993), 56.

13. Perkins, *The Cambridge History of American Foreign Relations*, 1:56.

14. James Madison to Richard Henry Lee, July 7, 1785, Founders Online, <https://founders.archives.gov/documents/Madison/01-08-02-0168>.

15. Douglass North, “The United States Balance of Payments, 1790–1860,” in *Trends in the American Economy in the Nineteenth Century* (Princeton University Press, 1960), 581.

16. North, “The United States Balance of Payments, 1790–1860,” 588.

17. Jefferson, *Notes on the State of Virginia*, 71.

18. Charles Cotesworth Pinckney, *Dictionary of American Biography*, ed. Dumas Malone (Scribner’s, 1934), 615.

19. Richard Sylla and Robert E. Wright, “Scale and Scope in Early American Business History: The ‘Fortune 500’ of 1812,” Working Paper No. 224 (Institute for New Economic Thinking, August 3, 2024), <https://www.ineteconomics.org/research/research-papers/scale-and-scope-in-early-american-business-history-the-fortune-500-of-1812>.

20. Douglas A. Irwin, “The Welfare Cost of Autarky: Evidence from the Jeffersonian Trade Embargo, 1807–1809,” Working Paper No. 8692 (National Bureau of Economic Research, December 2001), <https://www.nber.org/papers/w8692>.

21. North, “The United States Balance of Payments, 1790–1860,” 583.

22. Hopkins, *American Empire*, 84.

23. Walter Russell Mead, *God and Gold: Britain, America, and the Making of the Modern World* (Alfred A. Knopf, 2007), 160.