Chapter 1

A Brief History of Washington

In This Chapter

- Choosing the capital's location and building it from scratch
- Growing into the city we recognize today
- Considering the government's growth in the past century
- Tracking the city's demographic trends
- Appreciating the power of the Washington establishment

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More than the capital of a great nation, Washington, D.C., is the political nerve center of the last (at least for now) remaining superpower, as well as a center of global diplomacy and, increasingly, the world of high-tech business. While this book focuses primarily on Washington's policymaking role as the seat of the federal government, it is also about the institutions and individuals that define the city. To understand how Washington became the unique place it is today, in this chapter we take a step back in time to its origins as a city and capital.

Becoming the National Capital

When the 13 colonies declared their independence from the British Empire in July 1776, Washington the city did not exist. Washington the man was encamped with the Continental Army in New York, years away from winning the war and still more than a decade away from becoming the nation's first president.

Commonwealth? State? What's the difference?

Why is Virginia a commonwealth and Maryland a state? Virginia is one of four states in the Union that has designated itself a commonwealth. The other three are Kentucky, Massachusetts, and Pennsylvania. These four states wanted to emphasize that their government is based on the people's common consent. Absolutely no constitutional distinction exists between commonwealths and states.

But by the early 1790s, a new city was under construction on the Potomac, and at the dawn of the 19th century the federal government would relocate to its new and permanent seat in Washington, D.C. In this section, we explain how the nation's capital came into being.

Putting D.C. on the map

The land on which Washington is built lies on the East Coast of the United States along the Potomac River, which separates it from the Commonwealth of Virginia. On its other three sides the city is surrounded by the state of Maryland.

Listening to the city's residents today, you won't hear many southern accents. But Washington is undeniably a southern city, located below the Mason-Dixon Line; a two-hour ride down I-95 takes you to the once-Confederate capital of Richmond. (President John F. Kennedy, not kindly, once described Washington as "A city of southern efficiency and northern charm.") Washington's southern location, as you will soon find out, was central to its selection for the nation's new capital.

Building Georgetown and Alexandria

The earliest inhabitants of this land were Native Americans, but by the 17th century, Europeans had arrived. For these

settlers, tobacco was king, and the trade of this commodity on the Potomac led to the founding of the federal district's first two major settlements: Georgetown and Alexandria.

Best known today for its prestigious university, rows of expensive townhouses for the D.C. elite, and swanky shops, Georgetown was located in what would become the northwest quadrant of the District of Columbia. It originally fell within the bounds of Frederick County, Maryland. In 1751, the Maryland Legislature authorized a group of commissioners to purchase 60 acres of land along the Potomac River from owners George Gordon and George Beall. The commissioners were instructed to plan and construct a new town called Georgetown. George II was the sovereign at the time, but history isn't clear about which of the many Georges the town name honors. Georgetown quickly grew into a bustling commercial port, as it was fortuitously located on a key route for tobacco shipments from Maryland and was also the farthest navigable point on the Potomac for ocean-going ships.

Alexandria, located south of Georgetown on the Virginia side of the Potomac, had similar beginnings. In response to a petition by land speculators with the Ohio Company, in 1749 the House of Burgesses (the colonists' first elected assembly of representatives) approved the establishment of Alexandria at the site of a tobacco warehouse just north of Huntington Creek, a tributary of the Potomac. The Ohio Company considered the area ideal for a port that could facilitate the trade it hoped to pursue deeper inland. (Fun fact: Two maps of the area as it existed prior to the construction of Alexandria were prepared by a young surveyor named George Washington.)

Sitting far from the early seats of power

The establishment of Washington as the capital of the fledgling United States was certainly not inevitable. The area of the future District of Columbia consisted of a few small communities founded because they were convenient places to ship and store tobacco. The common belief that Washington was built on a swamp has received significant pushback from historians. (They prefer the term *tidal marsh,* thank you very

much.) Regardless, the Founding Fathers must have had admirable amounts of imagination to picture a new Rome rising from its muddy shores. (They certainly tried hard: At the time of Washington's founding, the small Goose Creek, a tributary that flowed near Capitol Hill, was grandiosely renamed the Tiber.)

The great political events of the American Revolution occurred far from the future capital. Both the First and Second Continental Congresses met chiefly (though not exclusively) in the already established city of Philadelphia. Under the Articles of Confederation, members of the Congress of the Confederation met successively in Philadelphia, Princeton, Annapolis, Trenton, and New York City.

National politics might have happily ignored the lonely banks on the Potomac had it not been for the failure of the Articles of Confederation to manage the fractious colonies-turned-states. But because the Articles purposely gave the Confederation Congress no real power, some states began taking matters into their own hands.

Meeting in Mount Vernon and Annapolis

In order to better regulate the Potomac River, Pocomoke River, and Chesapeake Bay, Virginia and Maryland decided in 1785 to send a group of delegates to meet in Alexandria and sort out the situation. George Washington, by now a famous (albeit retired) general, invited the delegates to continue their work at Mount Vernon, his nearby plantation. Due to Washington's hospitality, the interstate gathering became known as the Mount Vernon Conference, and the agreement the delegates arrived at became the Mount Vernon Compact.

A shining success for interstate diplomacy, the Mount Vernon Conference served as a model for the following year's Annapolis Convention, at which a dozen delegates from various states met in Maryland to discuss the defects of the federal government, specifically related to interstate trade. The gathering in Annapolis was followed by the historic Constitutional Convention of 1787, where state delegates met in Philadelphia to deliberate on a new framework for the national government.

What had begun as a small gathering in Alexandria in 1785 culminated in the drafting of the U.S. Constitution, which set the stage for the eventual establishment of Washington, D.C. Article I, Section 8 of the Constitution lists the powers of Congress, including this one:

> *To exercise exclusive Legislation in all Cases whatsoever, over such District (not exceeding ten Miles square) as may, by Cession of particular States, and the Acceptance of Congress, become the Seat of the Government of the United States . . .*

Wheeling and dealing

Some capitals emerge from the eternal depths of history. Legend has it that Washington, D.C., was the result of a backroom political compromise. President Washington, newly sworn into office at New York's Federal Hall in 1789, faced a daunting challenge: War had strained the colonies' finances to the breaking point, and the young nation was deeply in debt. Creditors were clamoring to be paid. Much of the debt was owed by individual states, but Alexander Hamilton, Secretary of the Treasury in the new Washington administration, had a plan. In his First Report on Public Credit, delivered to Congress in January 1790, Hamilton proposed that the national government fully assume the debts of the states.

Hamilton's proposal was met with swift opposition, led by Secretary of State Thomas Jefferson and James Madison, a member of the House of Representatives from Virginia. The two men leveled three main lines of attack:

- By this point, the debt was held largely by speculators who, in many cases, had bought it from desperate soldiers for far below its original value. Thus, speculators would profit at the expense of the heroes of the American Revolution.
- As everyone recognized, the assumption of the states' debts would greatly increase the power of the federal government because subsequently all creditors would look to one central authority for repayment, necessitating that the federal government raise revenues.

- The debts themselves were not evenly distributed among the states. Some southern states, Virginia among them, had already paid most of their war-era debts. Others, including several northern states, had paid little and were still struggling financially. If the federal government assumed responsibility for all state debts and began collecting federal taxes, states like Virginia would essentially be forced to help pay off the debts of the less financially disciplined states.

Hamilton needed a deal to get around this political impasse. With Jefferson's help, a bargain was struck in which Madison, both a Virginian and the most influential member of the House, would help get Hamilton the votes needed to pass the Funding Act, which would allow the federal government to assume the states' debts. In exchange, Hamilton would help Madison get the votes needed to pass the Residence Act, which would fix the site of the national capital along the Potomac River, thereby giving the South increased political power to balance the North's growing economic power. The decision on the capital's final location would be left to President Washington. In essence, the capital would be the reward for acquiescing to the debt deal — not a pretty beginning, but a harbinger of political deal-making to come.

What's in a name?

Article I, Section 8 of the Constitution refers to a "District" that should serve as the "Seat of the Government of the United States." The first commissioners who supervised the development of the city decided to name the whole 100-square-mile area the *Territory of Columbia* or *District of Columbia* and the new town they were planning the *City of Washington* (after President George Washington). At the time, the City of Washington was not the only town within the District; Georgetown and Alexandria also fell within its boundaries. Congress returned Alexandria to Virginia in 1846 and merged Georgetown and the City of Washington in 1871. Since that time, the terms *Washington* and *District of Columbia* (or just *D.C.*) have gradually become interchangeable in normal conversation. While the latter remains the federal district's official name, the former is more commonly used.

On January 24, 1791, acting under the authority granted to him by the Residence Act, President Washington issued a proclamation fixing the boundaries of the new federal district. The capital would be a square measuring 10 miles on each side, although oriented on a map it would appear in the shape of a diamond. It would include 69 square miles of Maryland territory (including Georgetown) and 31 square miles of Virginia territory (including Alexandria). All that remained to be done was build a city from scratch.

Designing the national capital

The design and beauty of Washington as it exists today largely reflect the original plans of a Frenchman, Pierre Charles L'Enfant. As a young artist and engineer, he had followed in the footsteps of another Frenchman, American Revolutionary General Lafayette: L'Enfant joined the Continental Army and served under Washington in the Revolutionary War, including during the infamous winter at Valley Forge.

L'Enfant clearly impressed Washington, who in 1791 chose him to design the new capital. On March 9, 1791, L'Enfant arrived in Georgetown to begin surveying, and soon thereafter he presented his "Plan of the city intended for the permanent seat of the government of the United States."

The plan sketched by L'Enfant (a revised version of which is shown in Figure 1-1) envisaged Washington much as it exists today. The city would be a grid of north–south and east–west streets, with avenues traveling diagonally across and intersecting the grid at several large open spaces. The Capitol building in which Congress would meet would be built on Jenkins Hill (now Capitol Hill), with the future Pennsylvania Avenue connecting it to the President's house. From the Capitol directly west would run a mile-long, garden-lined grand avenue that would end just south of the presidential residence.

Political disagreements with commissioners and others prevented L'Enfant from seeing his grand plan implemented. However, today's Washington reflects the bold imagination and spirit of Pierre Charles L'Enfant.

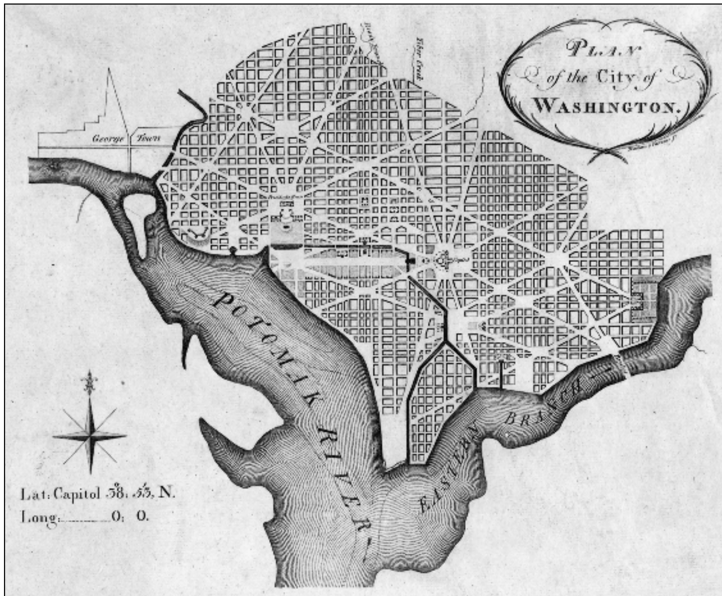

Figure 1-1: L'Enfant's "Plan of the City of Washington" as revised by city planner Andrew Ellicott.

After years of political wrangling, backroom dealing, and professional rivalries, Washington's boundaries were drawn and its street map completed. By the end of the 18th century, construction could finally commence.

Watching the City Develop

This little book is really about the Washington, D.C., of today, so we won't dwell on the fascinating history of the city (which has been detailed exhaustively elsewhere). Instead, here we quickly run through a couple centuries, with an eye toward understanding the Washington of today.

The federal government stayed in Philadelphia as the new capital in Washington was being constructed. On May 15, 1800, President John Adams ordered the federal government

to relocate to Washington, and the Adams family became the first First Family to live in what today we call the White House. "I pray Heaven to bestow the best of Blessings on this House and all that shall hereafter inhabit it," he said upon moving in. "May none but honest and wise men ever rule under this roof."

Things did not remain tranquil for long. Two years into the War of 1812, the British occupied Washington and burned down many of its most prominent public buildings, including the U.S. Capitol, White House, and Library of Congress. The former two survived only as burnt-out shells; the latter survived thanks to Thomas Jefferson's offer to replace the 3,000 books lost in the fire with his own personal library of some 6,500 books, thereby doubling the Library of Congress's size and vastly expanding the variety of books in its possession. (Jefferson had a motive for his munificence; he was, as always, deeply in debt and needed the $24,000 Congress paid him.) For a time, Congress considered relocating back to Philadelphia, but in the end it decided to stay and rebuild.

Washington's public buildings were repaired, and slowly the city began adding to its array of famous edifices, monuments, and museums. Construction of the Washington Monument began in 1848 and was completed some three decades later. In the meantime, the U.S. Capitol got its iconic dome, which (as you may recall from your grade school textbook) stood conspicuously unfinished at Lincoln's inauguration in 1861. Washington even got its famous National Zoo in 1889. Nonetheless, Washington did lose one major element of its original design: The town of Alexandria voted in favor of "retrocession" in 1846 and, with President James K. Polk's signature, was ceded back to Virginia. (Proponents argued that the town received little advantage from being part of the capital and would benefit from greater investment as part of Virginia.)

Ahead of Washington's centennial in 1900, a Senate commission chaired by Senator James McMillan developed a new park system for the city. Among its most important decisions, the McMillan Commission called for a relandscaping of the National Mall (including the removal of a railroad station

and tracks) into an open greenway, re-creating to a certain degree L'Enfant's original design. Another result of the McMillan Commission was the construction of Union Station, Washington's main train station, which opened in 1908 just blocks away from the U.S. Capitol.

Throughout the 1800s and into the 1900s, Washington experienced a phenomenal population explosion. A small town of just 8,144 residents in 1800 was transformed into a small city of 486,869 residents by 1930, at which point it was roughly two-thirds White and one-third African American. The city has always had a strong African American population, which was initially the result of slavery but was bolstered during Reconstruction in part thanks to federal employment opportunities and educational institutions like Howard University.

Growing the Government in the 20th Century

The days are long gone when growth in Washington, D.C., was viewed in terms of just physical construction. Enter politics.

In this section, we shift attention toward how and when the federal government grew into the entity we recognize today.

The Roosevelt Years: The New Deal and World War II

Although the City of Washington grew throughout the 1800s and early 1900s, the federal government did not expand greatly in size and scope. The election of President Franklin D. Roosevelt in 1932, however, put the government on a new trajectory. Roosevelt's New Deal legislative program not only reshaped the role of government in the lives of Americans but also reshaped the federal bureaucracy and the city in which it was based. The buildup during World War II caused even further federal expansion.

A review of the many agencies that collectively constitute today's federal bureaucracy underlines the far-reaching legacy of the New Deal. The Social Security Administration, Securities and Exchange Commission, Federal Deposit Insurance Corporation, Federal Housing Administration, and National Labor Relations Board are but a few of the government entities that were first established as part of the New Deal expansion. Other programs — the Civilian Conservation Corps, Public Works Administration, and Works Progress Administration — were only temporary but also helped establish a new precedent for the size and reach of the federal government.

The creation of so many new departments and agencies led to an obvious problem: The city didn't have enough office space for everyone. Laws preventing skyscrapers in Washington, D.C., magnified the issue. (Although the popular conception is that no building in Washington may be taller than the Washington Monument, in fact a 1910 law prohibits buildings in Washington from being more than 20 feet higher than the width of the city street on which they are built. Periodic attempts to relax these restrictions have been unsuccessful so far.)

One result of this office space shortage was the construction of the Pentagon across the Potomac in Arlington to house the Department of War (later Defense). With a powerful display of American competitive spirit, the government ended up constructing the largest office building in the world, which the Pentagon remains to this day. Ironically, construction of this symbol of U.S. military might began on September 11, 1941 — 60 years to the day before terrorists flew a plane into the Pentagon in an effort to destroy that symbol.

From the Cold War to the new millennium

Between the end of World War II and the beginning of the Cold War, new demands to protect American security arose. President Harry S. Truman signed the National Security Act of 1947, which reorganized the entire U.S. military establishment and established the National Security Council and the Central Intelligence Agency (the successor to World War II's swashbuckling Office of Strategic Services).

Many more additions to the federal bureaucracy followed. Here are just some examples that span the second half of the 20th century:

- In 1958, President Dwight D. Eisenhower established the National Aeronautics and Space Administration (NASA).
- In the 1960s, President Lyndon B. Johnson's Great Society legislation introduced such federal programs as Medicare and Medicaid, the National Endowment for the Arts, the National Endowment for the Humanities, and the Department of Transportation.
- The latest wave of government expansion took place post 9/11. Once again, security concerns drove growth. President George W. Bush created the Department of Homeland Security, as well as the ubiquitous Transportation Security Administration (and airport security lines — and personal privacy issues). A new layer of bureaucracy, the Office of the Director of National Intelligence, was laid on top of the 16-member intelligence community.

Eyeing D.C. Today

The City of Washington is still readily recognizable from L'Enfant's early sketches, but it's a far different place from the rural fields and marshes he saw in the late 18th century. Washington has weathered more than two centuries of history, all the while growing in size and bureaucracy. It has also become one of the most desirable places to live in the United States, with among the highest income and education levels in the country. No matter how much trouble Washington has been accused of causing by some critics in the hinterland, legions of smart and energetic individuals continue to be attracted to the city as a place to live, work, and do their part to run (and fix) the system.

Charting a changing demographic

Washington's population grew steadily well into the 20th century, reaching a peak of 802,178 residents in 1950. But as Washington's suburbs grew, the city's population declined, hitting a low of 572,059 in 2000.

The city's racial composition also shifted dramatically in the 20th century. In 1940, roughly 71 percent of residents were White and 28 percent were African American. By 1970, those numbers had flipped: 71 percent of residents were African American and 28 percent were White. Since then, the African American population has declined slightly, while the city has become home to a growing number of Asians and Hispanics.

Recent years have heralded the start of a new trend in Washington's demographics. After decades of decline, the 2010 census revealed that Washington's population had grown 5.2 percent over the decade. Growth has since accelerated, with a 2.7 percent increase measured just between April 2010 and July 2011, making D.C. the fastest-growing "state" in the country. Washington's population growth is on a new trajectory, as Table 1-1 illustrates.

Table 1-1 D.C.'s Population through Two Centuries

Year	*Population*
1800	8,144
1850	51,687
1900	278,718
1950	802,178
1960	763,956
1970	756,510
1980	638,333
1990	606,900
2000	572,059
2010	601,723

Touting a recession-proof economy

Washington has earned the reputation of a recession-proof city, with plenty of jobs to go around. This relative economic health reflects several factors: increases in the federal workforce, government job security in harsh economic times, and the growth of industry and contractors in the Washington

area nurtured by federal spending. Think of it this way: Washington and its environs comprise a very large and successful company town, and the federal government is the company.

Respecting D.C.'s rankings

Best City to Raise Kids. Most Socially Networked City. Second Healthiest City . . . Thanks to its well-educated and high-earning workforce, Washington can be found at the top of numerous city rankings. And the accolades are by no means reserved for Washington, D.C., proper. The 2010 census found that four counties surrounding Washington are among the five wealthiest counties in the country. The top three in the United States (Loudoun and Fairfax in Virginia and Howard in Maryland) are all D.C. suburbs, and they were the only three counties in 2010 with median household incomes above $100,000. Overall, the Washington-Arlington-Alexandria metropolitan area was determined to be the wealthiest in the nation. Even Silicon Valley couldn't beat it. Your tax dollars at work.

Who runs the City of Washington?

Congress is ultimately responsible for governing the District of Columbia as outlined in Article I, Section 8 of the Constitution. Throughout D.C.'s history, Congress has established several forms of governments, both appointed and elected, to run the city's affairs. The current system was set up under the 1973 District of Columbia Home Rule Act. An elected mayor runs the city's day-to-day affairs, while a 13-strong elected Council serves as its legislature. Washington residents also elect the members of 37 Advisory Neighborhood Commissions, which provide input into the local policymaking process. Despite this devolution of responsibility, the city government is restricted from legislating in certain areas (like changing rules on the heights of buildings), and Congress still has the final say on local affairs.

Much to the annoyance of taxpaying D.C. residents, Washington lacks full representation in Congress. The city's license plates rebelliously proclaim "Taxation Without Representation."

Identifying the Washington Establishment

Now that you've taken a whirlwind tour of the city through time and made a quick visit to the city as it exists today, it's time to turn to Washington's most precious resource: its inhabitants. After all, without the people who actually run the federal government and drive the policymaking process, Washington would be only a smallish city with some interesting museums and a handful of Greco-Roman monuments to dead people — in other words, a lot like Europe.

D.C. is clearly much more than that, and its small scale (compared to great political-financial capitals like London and Tokyo) obscures the fact that today Washington exerts enormous influence — arguably greater influence on global politics and business than any other city in the world. To know Washington is not just a matter of knowing one's way from the National Portrait Gallery to the nearest Starbucks. It is essential to understand who lives there and what these people actually do to make the U.S. government work.

You notice quickly upon meeting a few members of the Washington establishment that virtually no one is really "from" Washington. Instead, these people usually come to Washington early in their careers, maybe even for college. Most are not digging for gold, at least as a primary motivation; Wall Street and Silicon Valley offer much better returns for the young and intelligent. They come to D.C. because the work of the U.S. government has its own unique rewards: power and the chance to actually make a difference in the world. Likewise, professionals from the nation's leading banks and law firms may make far less money and squeeze into less luxurious offices when they come to work as staffers at the Department of Treasury or Justice. But the issues they deal with are usually far more interesting and consequential.

Putting the President and Congress in their place

Who are all these people who call Washington home? Not the President or members of Congress. While they are indispensable to the policymaking process, their time in the city is restricted by term limits, constituents, or seemingly inevitable scandal.

True, some members of Congress settle in Washington permanently after they turn in their congressional office keys. (Those who settle permanently *before* leaving office often find that fact comes back to bite at election time.) The real Washington establishment, however, consists of the people under the radar who spend decades there. They hold various titles — federal bureaucrat, lobbyist, lawyer, journalist, consultant, think-tank fellow — but they are alike in being inextricably linked to the policymaking process. They're the ones who make the trains run on time.

Focusing on federal bureaucrats

These are the dark-suited types with the lanyards of security cards. For many of them, the work is not glamorous. Neither is the pay, at least compared to what some could make on Wall Street or in private practice. But the devoted individuals who burrow deep in the bureaucracy and climb their way up the hierarchy can achieve enormous influence and power. J. Edgar Hoover, for instance, became one of the most powerful men in America by turning the FBI into his personal fiefdom. Regulators, to take another example, can hold the attention of entire industries.

Every D.C. operation, from the lowliest agency to the largest department, endeavors to defend and expand its own turf. See Chapter 2 for a thorough introduction to this segment of the D.C. population.

Spotting the lobbyists

At the most basic level, lobbyists strive to influence policy, which is actually what nearly everyone in Washington does (or tries to do). Why else would you want to be in Washington? So, is everyone in Washington a lobbyist? We answer this question in Chapter 3.

Recognizing other voices in the debate

Many other groups and individuals belong to the city's permanent establishment. Among them are think-tank fellows, journalists, long-serving foreign diplomats, activists, and members of NGOs (non-governmental organizations) and international organizations. They may have widely different jobs on paper, but they all, through various means and channels, take part in the policymaking process.

Ironically enough, many of these other voices often define themselves as outsiders in comparison with the insiders who allegedly decide everything behind closed doors. In fact, many of the outsiders are as much a part of the establishment as the insiders they often decry. See Chapter 4 to find out what we mean.

Trying to figure out who really runs the show

Cynics may read the last few paragraphs on the Washington establishment and scoff: "Make Washington work?! These people are the real problem in the political process!" The reason for this disconnect is simple: The workings of Washington can be so inscrutable that it is difficult to understand the purpose of all its moving parts. This book aims to help you gain a greater appreciation for the role of each little gear and spring. It may not turn cynics into true believers; indeed, the cynics may be right on certain points. But at the very least this greater understanding can inform their arguments and sharpen their recommendations for reform.

Ignoring the establishment at your own peril

Most people don't have time for messy politics, regulation battles, or reading the *Federal Register* (the daily journal of the federal government) with their morning coffee. Yet ignoring Washington is risky. You don't have to be a card-carrying conspiracy theorist to acknowledge that the federal government affects our everyday experience.

And yet, Americans vote in far greater numbers in the typical *American Idol* season than in any presidential election. What does that tell us about our democracy? Our government? Americans? (It would seem to tell us that Americans think *American Idol* is a great show.)