**Unit 3: The Confederation to the Early Nation**

**I. The Achievements of the Confederation Congress**

**A.** In November 1777, the Continental Congress adopted the **Articles of Confederation and Perpetual Union.** This was a plan for a loose union of the states under Congress.

**B.** The Articles of Confederation set up a weak central government. The ConfederationCongress met just once a year. It had the power to declare war, raise armies, and signtreaties. It, however, did not have the power to impose taxes or regulate trade.

**C.** The only way the Confederation Congress had to raise money to pay its debts were to sell its land west of the Appalachian Mountains. Congress arranged this land into townships to make it easier to divide, sell, and govern the land.

**D.** The Congress also set up the **Northwest Ordinance** as a basis for governing much of this territory. The ordinance created a new territory north of the Ohio River and east of the Mississippi River, which could become three to five states. When the population of a territory reached 60,000, it could apply to become a state. The ordinance guaranteed certain rights to the people living there, and it banned slavery.

**E.** The Confederation Congress negotiated trade treaties with European countries. By 1790 the trade of the United States was greater than the trade of the American colonies before the Revolution.

**II. The Congress Falters**

**A.** After the Revolutionary War, British merchants flooded American markets with inexpensive British goods. This drove many American artisans out of business. American states imposed **duties,** or taxes, on imported goods. The states did not all impose the same duties, however, so the British would land their goods at states with the lowest taxes or restrictions.

**B.** Because the Confederation Congress could not regulate commerce, the states set up customs posts on their borders and levied taxes on other states’ goods to raise money. This weakness of the Confederation threatened the union of the states.

**C.** The Confederation Congress had other problems with foreign policy. The federal government had no powers over the states, so it could not force the states to pay their debts to Britain or to return property to Loyalists, which was part of the Treaty of Paris. Also, the Congress had no way to raise money to pay these debts.

**D.** The British retaliated by refusing to evacuate American soil as promised in the treaty. Since the Congress could not regulate trade, it could not force the British into settlement. Also, the limited powers of the Confederation Congress prevented it from working out a diplomatic solution with Spain when Spain stopped Americans from depositing their goods on Spanish territory at the mouth of the Mississippi River.

**E.** The end of the Revolutionary War and the slowdown of economic activity with Britain caused a severe **recession** in the United States. To pay for the war, many states had issued bonds as a way to borrow money from wealthy citizens. To pay back the bondholders, many people urged the state governments to issue paper money. States did not have the gold and silver to back paper money, but many of them issued it anyway. The paper money greatly declined in value.

**F. Shays’s Rebellion** broke out in Massachusetts in 1786. It started when the government of Massachusetts decided to raise taxes to pay off its debt instead of issuing paper money. The taxes were worst for farmers, especially those in the western part of the state. Those who could not pay their taxes and other debts lost their farms. Farmers rebelled by shutting county courthouses. The rebellion, led by Daniel Shays, included about 1,200 farmers. They went to a state arsenal to get weapons. A government militia defended the arsenal against the rebels, killing four farmers.

**G.** Many Americans began to see the risk of having a weak central government. They called for a change in government.

**I. The Constitutional Convention**

**A.** People who supported a stronger central government were called nationalists. George Washington, Benjamin Franklin, **James Madison,** and **Alexander Hamilton** were among the prominent nationalists. Hamilton suggested that a convention of states be set up to revise the Articles of Confederation. All states, except Rhode Island, sent delegates to the Constitutional Convention held in Philadelphia in 1787.

**B.** Most of the 55 delegates to the Constitutional Convention had experience in government. George Washington was presiding officer. James Madison kept records of the debates. The meetings were closed to the public.

**C. Edmund Randolph** introduced the **Virginia Plan.** This plan proposed throwing out the Articles of Confederation and creating a new national government with the power to make laws binding upon the states and to raise its own money through taxes. It also called for a national government made up of three branches of government— legislative, executive, and judicial.

**D.** The Virginia Plan proposed that the legislature be divided into two houses. Voters in each state would elect members of the first house. Members of the second house would be elected by the first house. The Virginia Plan benefited states with large populations because in both houses, the number of representatives for each state would reflect the population of that state.

**E.** The **New Jersey Plan** was proposed by **William Paterson.** This plan revised the Articles of Confederation to make the central government stronger. Congress would have a single house in which each state would be equally represented. Congress would have the power to raise taxes and regulate trade.

**F.** Congress voted to proceed with the Virginia Plan with the purpose of working on a new constitution for the United States.

**II. A Union Built on Compromise**

**A.** The delegates of the Constitutional Convention were divided geographically. The small states wanted changes that would protect them against the big states. Northern and Southern states were divided over the issue of slavery in the new constitution.

**B.** The convention appointed a special committee to resolve differences between the large and small states. The committee worked out the **Great Compromise.** It proposed that in the House of Representatives, the states would be represented according to the size of their populations. The Senate would have equal representation. The voters in each state would elect the House of Representatives. The state legislators would choose the senators.

**C.** The **Three**-**Fifths Compromise** came up with a plan for counting enslaved people in a state. Every five enslaved people in a state would count as three free persons for determining both representation and taxes.

**D.** Southern delegates insisted that the new constitution forbid interference with the slave trade and limit Congress’s power to regulate trade. Northern delegates wanted a government with control over foreign imports into the United States. A compromise over these issues said that the new Congress could not tax exports. It also could not ban the slave trade until 1808 or impose high taxes on the import of enslaved persons.

**E.** The Constitution was approved by the Congress. Before it could take effect, however, at least nine of the thirteen states needed to ratify the Constitution.

**III. A Framework for Limited Government**

**A.** The Constitution was based on the principle of **popular sovereignty,** or rule by the people. The Constitution created a system of government called **federalism.** This divided the government between the federal, or national, government and the state governments.

**B.** The Constitution provided for a **separation of powers** among the three branches of government. The **legislative branch** makes the laws. It is made up of the two houses of Congress. The **executive branch** enforces the laws. It is headed by a president. The **judicial branch** interprets federal laws. It is made up of a system of federal courts.

**C.** The Constitution provides for a system of **checks and balances** to prevent any one of the three branches of government from becoming too powerful. The powers of the President include proposing legislation, appointing judges, putting down rebellions, and the ability to **veto,** or reject, legislation.

**D.** The powers of the legislative branch include the ability to override the veto with a two-thirds vote in both houses. The Senate approves or rejects presidential appointments. Congress can **impeach,** or formally accuse of misconduct, and then remove the president or any high official in the executive or judicial branch.

**E.** The judicial branch of government would hear all cases arising under federal laws and the Constitution.

**F.** The Constitution has a system for making **amendments,** or changes to the Constitution. There is a two-step process for amending the Constitution—proposal and ratification. New amendments can be proposed by a vote of two-thirds of the members of both houses of Congress, or two-thirds of the states can call a constitutional convention to propose new amendments. A proposed amendment must be ratified by three-fourths of the state legislatures or by conventions in three-fourths of the states.

**I. A Great Debate**

**A.** People who supported the Constitution were called **Federalists.** Supporters of the Federalists and the new Constitution included large landowners, merchants and artisans from large coastal cities, and many farmers who lived near the coast or along rivers that led to the coast.

**B.** Opponents to the Constitution were called **Antifederalists.** Many opponents believed the new Constitution should include a bill of rights. Many opposed the Constitution because they thought it endangered the independence of the states. Antifederalists included some prominent American leaders and western farmers living far from the coast.

**C.** Factors that worked against the Antifederalists included a negative campaign, they had nothing to offer in place of the Constitution, the Federalists were better organized and had the support of most newspapers. A collection of 85 essays written by James Madison, Alexander Hamilton, and John Jay in *The Federalist* summarized the Federalists’ arguments for ratification.

**II. The Fight for Ratification**

**A.** The first state conventions took place in December 1787 and January 1788. Delaware, Pennsylvania, New Jersey, Georgia, and Connecticut quickly ratified the Constitution.

**B.** In order to get the Constitution ratified in Massachusetts, Federalists promised to add a bill of rights to the Constitution once it was ratified and to support an amendment that would reserve for the states all powers not specifically granted to the federal government.

**C.** Many feared that without the support of Virginia and New York, the new federal government would not succeed. Virginia ratified the Constitution when the Federalists agreed to add a bill of rights. New York agreed to ratify the Constitution after it learned that Virginia and New Hampshire had ratified it. New York did not want to operate independently of all of the surrounding states.

**D.** By June 1788, all states except Rhode Island and North Carolina had ratified the Constitution—enough to establish the new government. By 1790 both North Carolina and Rhode Island had also ratified the Constitution.

**I. Creating a New Government**

**A.** In 1789 Congress created the Department of State, the Department of the Treasury, the Department of War, and the Office of the Attorney General.

**B.** President George Washington chose Thomas Jefferson as secretary of state. Alexander Hamilton became head of the Treasury Department. General Henry Knox served as secretary of war, and Edmund Randolph became the first attorney general. This group of department heads who advised the president became known as the **cabinet.**

**C.** The judicial branch as well as the first federal judges were established. John Jay became the first chief justice of the United States.

**D.** In 1791, 10 amendments to the Constitution went into effect. These amendments are known as the Bill of Rights. The first eight amendments offered safeguards for individual rights against actions of the federal government. The Ninth Amendment states that people have rights other than the ones listed. The Tenth Amendment states that any powers not specifically listed to the federal government would be reserved for the states.

**II. Financing the Government**

**A.** By the end of 1789, the government needed additional monies to continue to operate. James Madison and Alexander Hamilton came up with two very different plans to help the government with its finances.

**B.** James Madison felt the government should raise money by taxing imports from other countries. The **Tariff of 1789** made all importers pay five percent of the value of their cargo when they landed in the United States. Shippers were also required to pay a tax depending on how much their ships carried. This angered many Southern planters. They began feeling the government did not have their best interests in mind.

**C.** Alexander Hamilton supported the tariff, but he felt the government also needed the ability to borrow money.

**D.** To finance the Revolutionary War, the Confederation Congress had issued **bonds,** or paper notes promising to repay money within a certain amount of time with interest. Hamilton wanted to accept these debts at full value, believing the bond owners would then have a stake in the success of the government and be willing to lend money in the future.

**E.** The opposition, led by Madison, felt that Hamilton’s plan was unfair to farmers and war veterans who had sold their bonds to **speculators**—people willing to take a risk with the hope of future financial gain.

**F.** Southerners were upset because Northerners owned the bonds while most of the tax money used to pay off the debt would come from the South. In 1790 Southerners were convinced to vote for Hamilton’s plan in return for the relocation of the United States capital to a southern location called the District of Columbia.

**G.** Hamilton asked Congress to create a national bank so that the government could manage its debts and interest payments. The bank would also give loans to the government and individuals and issue paper money. The paper money would in turn encourage trade and investments and stimulate economic growth.

**H.** Objections to the bank came from Southerners, who felt only the Northerners could afford the bank’s stock. Madison felt Congress could not establish a bank because it was not within the federal government’s **enumerated powers,** or powers specifically mentioned in the Constitution.

**I.** The Bank of the United States was passed after Hamilton argued that the “necessary and proper” clause in Article I, Section 8, of the Constitution created **implied powers,** or powers not specifically listed in the Constitution but necessary for the government to do its job.

**J.** In 1791 Hamilton’s proposed tax on the manufacture of American whiskey passed in Congress. Western farmers were outraged by the tax, and in 1794 the **Whiskey**

**Rebellion** began. Washington sent in 13,000 troops to stop the rebellion.

**III. The Rise of Political Parties**

**A.** The split in Congress over Hamilton’s financial plan resulted in the formation of two political parties.

**B.** The **Federalists,** led by Hamilton, wanted a strong national government in the hands of the wealthy. They believed in manufacturing and trade as the basis of wealth and power. Artisans, merchants, manufacturers, and bankers supported the Federalist Party. Supporters included urban workers and Eastern farmers.

**C.** Madison and Jefferson led the Democratic-Republicans. Their party was referred to as the **Republicans** and later became the Democrats. Jefferson and the Republicans believed the strength of the United States came from its independent farmers. His ideas were referred to as **agrarianism,** or the belief that owning land enabled people to become independent. The group supported agriculture over trade and commerce. They favored the rights of states against the power of the federal government. The rural South and West tended to support Republicans.

**I. Washington’s Foreign Policy**

**A.** The civil war in France, known as the French Revolution, began shortly after George Washington was inaugurated in 1789. Americans were divided over the French Revolution. Federalists opposed it because of the violence. Republicans supported it because of the fight for liberty.

**B.** In 1793 France declared war on Britain. The war between Britain and France forced Washington to issue a proclamation stating that the United States would remain friendly and impartial between the two countries.

**C.** The British navy intercepted neutral ships, including American ships, carrying goods to French ports.

**D.** Wanting to avoid war, Washington sent John Jay to Britain to find a solution. **Jay’s Treaty** gave Britain the right to seize American cargo headed for French ports. Inexchange, Britain agreed to give the United States **most**-**favored nation** status. Thismeant that American merchants would not be discriminated against when they tradedwith Britain. The treaty prevented war with Great Britain and protected the Americaneconomy.

**E.** Jay’s Treaty raised concerns in Spain that the British and Americans might join forces to take over Spain’s North American holdings. Thomas Pinckney negotiated with Spain, resulting in **Pinckney’s Treaty,** signed by the Spanish in 1795. The treaty gave the United States the right to navigate the Mississippi and to deposit goods at the port of New Orleans. Western farmers supported the treaty.

**II. Westward Expansion**

**A.** Americans moved in large numbers to the area between the Appalachian Mountains and the Mississippi River because of abundant land, fertile soil, wide rivers, and a variety of fish and game. The increase of white settlers led to tension with Native Americans.

**B. Little Turtle,** a chief of the Miami people of the Northwest Territory, formed a confederacy of several Native American groups against the white settlers. After two battles in which American troops were defeated, Native American resistance was put down by American troops under General Anthony Wayne.

**C.** In 1795, 12 Native American nations signed the Treaty of Greenville. The Native Americans gave up parts of what later became Ohio and Indiana in exchange for a yearly payment of $10,000 from the federal government. As a result of the treaty, even more settlers moved into the region.

**III. Washington Leaves Office**

**A.** George Washington retired from office after being irritated by party politics and attacks on his character.

**B. Washington’s Farewell Address** included advice to the American people to avoid sectionalism, or the dividing of the country into North against South or East against West. He also warned against political parties and becoming too attached to any foreign nation.

**C.** In 1796 the country’s first openly contested election was held. The Federalists promoted John Adams, while the Republicans supported Thomas Jefferson. John Adams won the election 71 to 68.

**IV. The Quasi-War With France**

**A.** The French, angry over Jay’s Treaty, stopped American ships and seized goods while en route to Britain. Federalists called for war against France. Instead Adams sent negotiators to France. Tension increased as France demanded bribes from the Americans before they would negotiate, in what became known as the XYZ Affair..

**B.** In 1798 Congress suspended trade with France and ordered the navy to capture French ships. The undeclared war at sea was called the **Quasi-War.**

**C.** New negotiations with France led to an agreement in 1800. The Convention of 1800 gave up all United States claims against France for damages to American shipping. In return, France released United States from the treaty of 1778. The Quasi-War ended.

**V. The War Between the Parties**

**A.** The Federalists pushed four laws through Congress known as the **Alien and Sedition Acts.** The first three laws were aimed at **aliens**—people living in the country who arenot citizens. The laws stated that immigrants could not become citizens for 14 years.This weakened Republican support since most immigrants from France and Irelandtended to vote Republican. The laws also gave the president the power to deport withouttrial any alien that seemed dangerous to the United States.

**B.** The fourth law prevented **sedition,** or incitement to rebellion. It made it unlawful to say or print anything false or scandalous against the government or its officers.

**C.** In 1798 and 1799, the Republican legislatures of Kentucky and Virginia passed resolutions criticizing the Alien and Sedition Acts. Written secretly by Jefferson and Madison, the resolutions stated that because states created the Constitution, they had the power to judge whether a federal law was unconstitutional.

**D.** The Virginia Resolutions introduced **interposition,** arguing that if the federal government did something unconstitutional, the state could interpose between the federal government and the people and stop the illegal action.

**E.** The Kentucky Resolutions advanced the theory of **nullification.** This theory states that if the federal government passed an unconstitutional law, the states had the right to nullify the law or declare it invalid.

**F.** The election of 1800 was closely contested and revealed a flaw in the system for selecting a president. Each state chooses electors who cast two votes, one for president and one for vice president. In the election of 1800, two candidates, Thomas Jefferson and Aaron Burr, each had the same number of electoral votes. According to the Constitution, the House of Representatives votes for president when there is a tie.

**G.** Hamilton urged his followers in the Federalist Party to vote for Jefferson, leading to another tie in the House. Finally, in February 1801, Jefferson promised to not dismantle Hamilton’s financial system. Jefferson won the presidency by one vote.

**H.** The election of 1800 proved that despite disagreements between political parties, power in the United States could be peacefully transferred.

**Unit 4: The Rise of Jeffersonian Republicanism**

**I. Thomas Jefferson Takes Office**

**A.** Thomas Jefferson had a less formal style of presidency. Instead of overturning all of the Federalist’s policies, he tried to integrate Republican ideas into policies that the Federalists had already put in place.

**B.** He began paying off the federal debt, cut government spending, and did away with the whiskey tax. He planned to use local militia instead of a standing army.

**II. The Rise of the Supreme Court**

**A.** The Judiciary Act of 1801, passed by the Federalist majority, created 16 new federal judges. Before leaving office, Adams appointed Federalists to these positions.

**B.** Jefferson and the Republicans were unhappy that Federalists controlled the courts. After Jefferson took office, Congress repealed the Judiciary Act of 1801, doing away with the “midnight judges” and their offices.

**C.** The impeachment of Justice Samuel Chase established clear guidelines that judges could not be removed from office simply because Congress disagreed with their decisions.

**D.** John Adams had chosen **John Marshall** as Chief Justice. He served for 34 years and was responsible for making the Supreme Court a powerful independent branch of the federal government.

**E.** The Supreme Court was a very minor body until the 1803 case of *Marbury* v. *Madison*. The ruling strengthened the Supreme Court because it asserted the Court’s right of **judicial review**—the power to decide whether laws passed by Congress were constitutional and to strike down laws that were not.

**III. The United States Expands West**

**A.** Jefferson supported the idea of expanding the country farther west, believing that a republic could survive only if most people owned their own land.

**B.** In 1800 French leader Napoleon Bonaparte convinced Spain to give Louisiana back to France in exchange for helping Spain take control of part of Italy. Jefferson ordered **Robert Livingston,** his ambassador to France, to block the deal or at least gain concessions for the United States.

**C.** By 1803 Napoleon began plans to conquer Europe. Short on funds, Napoleon agreed to sell the Louisiana Territory as well as New Orleans to the United States. On April 30, 1803, the United States purchased Louisiana from France for $15 million. The **Louisiana Purchase** doubled the size of the United States.

**D.** Jefferson had secretly funded an expedition into the Louisiana Territory led by **Meriwether Lewis** and **William Clark. Sacagawea,** a Shoshone woman, joined them and became their guide and interpreter. The trip increased American knowledge of the Louisiana Territory and gave the United States a claim to the Oregon territory along the coast.

**E.** In 1805 **Zebulon Pike** explored much of the upper Mississippi, the Arkansas River, and Colorado. The trip provided Americans with their first detailed description of the Great Plains and the Rocky Mountains.

**F.** While the South and West gained political strength through the new states, many New England Federalists felt their region was losing influence. A small group of Federalists, known as the **Essex Junto,** wrote a plan to take New England out of the Union.

**G.** Wanting to add New York to the movement, the Essex Junto asked Aaron Burr to run for governor of New York. Alexander Hamilton criticized Burr in a published document. Enraged, Burr challenged Hamilton to a duel. Hamilton agreed but refused to fire. Burr shot and killed Hamilton.

**IV. Rising International Tensions**

**A.** During his second term in office, Jefferson focused on keeping the United States out of the war between Britain and France.

**B.** At first, the war benefited Americans as merchants began trading with French colonies in the Caribbean. The British left the American ships alone because the United States had proclaimed neutrality.

**C.** Americans were caught in the middle, however, when Britain declared that ships going to Europe needed British licenses and when Napoleon declared merchants who obeyed this would have their goods confiscated when they reached Europe.

**D. Impressment,** a legalized form of kidnapping, was the solution Britain came up with to stop sailors from deserting and going on American ships.

**E.** In 1807 tensions mounted when the British warship *Leopard* stopped the American warship *Chesapeake* to search for British deserters. The *Chesapeake* refused, and three Americans were killed.

**F.** The attack angered the American public. Anti-British mobs rioted. To avoid war, Jefferson asked Congress to pass an **embargo,** or a government ban on trade with other countries. This ended up hurting the United States more than France or Britain. The embargo was repealed in 1809.

**I. The Decision for War**

**A.** In 1808 James Madison easily defeated Charles Pinckney to become the next president. He took office in the midst of an international crisis that threatened the United States.

**B.** Madison hoped to avoid war. To get the British to stop seizing American ships, Madison asked Congress to pass the **Non**-**Intercourse Act,** which banned trade with France and England while authorizing the president to reopen trade with whichever country removed its restrictions first. This plan to play France against England failed.

**C.** The plan known as Macon’s Bill Number Two reopened trade with both Britain and France, but if either country dropped restrictions on trade, the United States would stop importing goods from the other nation.

**D.** Napoleon announced that France would no longer restrict American trade, but it would still seize American ships. Madison hoped this would force the British into dropping their trade restrictions. Britain refused, forcing Congress to pass a nonimportation act against Britain. In 1812 Britain finally ended all restrictions on American trade. Two days later, however, the United States Congress declared war on Great Britain.

**E.** Most members of Congress that voted for war were from the South and West. They were nicknamed the **War Hawks** by their opponents. The Americans in the South and West favored war because British trade restrictions had hurt Southern planters and Western farmers. They also felt the British were to blame for the clashes with Native Americans.

**F.** The increasing demands of speculators and settlers sparked Native American resistance. **Tecumseh,** a Shawnee leader, wanted the Native Americans to unite to protect their lands.

**G. William Henry Harrison,** governor of the Indiana territory, prepared to stop Tecumseh’s movement. The Battle of Tippecanoe had no clear winner, but it shattered Native American confidence in their leadership. Tecumseh and others fled to British-held Canada. This added to the belief that the British were supporting and arming the Native Americans.

**H.** In June 1812, Madison gave in to pressure and asked Congress to declare war. The vote split with the South and West generally voting for war, while the Northeast was against the war.

**II. The Invasion of Canada**

**A.** The Republican-led Congress declared war, but the country was not ready to fight. Insufficient troops and equipment, a division over the war itself, and financial concerns all added to the problems. Madison ordered the military to invade Canada anyway.

**B.** All three American attacks against Canada failed.

**C.** The next year, Commodore **Oliver Perry** secretly arranged for the construction of a fleet on the coast of Lake Erie. On September 10, 1813, the fleet attacked the British fleet on Lake Erie. Britain surrendered. Later, the Canadian militia stopped an American attack from the east at the Battle of Stony Creek. By the end of 1813, the United States had not conquered any territory in Canada.

**III. The War Ends**

**A.** With the collapse of Napoleon’s empire in 1814 and the end of the war against France, the British sent troops to deal with the United States. The British had a strategy they hoped would force the United States into peace.

**B.** In 1814 a British fleet landed troops near Washington, D.C. The capital was seized, and Madison and other officials fled. The White House and the Capitol were both set on fire. The next British attack was on Baltimore. Baltimore was ready, and the British abandoned their attack.

**C.** That same month, British soldiers moved into New York. American naval forces defeated the British fleet. The British retreated to Montreal.

**D.** New England’s opposition to the war increased. The **Hartford Convention** called for several constitutional amendments that would increase New England’s political power.

**E.** In 1815 a British fleet landed near New Orleans. The American commander, General Andrew Jackson, had troops use cotton bales to absorb British bullets. The result was an American victory. The **Battle of New Orleans** made Andrew Jackson a hero and destroyed the Federalist Party. **Nationalism,** the feeling of strong patriotism, was strong in the United States.

**F.** On December 24, 1814, in the European city of Ghent, negotiators signed the **Treaty of Ghent,** ending the war of 1812. The treaty restored prewar boundaries but did notmention neutral rights, and no territory changed hands.

**G.** The War of 1812 increased American prestige overseas and created a new feeling of patriotism and national unity.