

UNIT TWO: THE NEW NATION TO THE CIVIL WAR, 1787-1865

CHAPTER 8: THE BUILDING OF A NEW NATION, 1787-1800

IF YOU LEARN ONLY 16 THINGS IN THIS UNIT

1. Events leading to the formation of the new Constitution and the new laws it put into action
2. Differences between Federalists and Anti-Federalists and the major political figures on each side
3. The development of a post-Revolution foreign policy and roadblocks along the way
4. Jefferson's successes and struggles as president
5. Events leading up to the War of 1812 and the war's effect on policy and society
6. Financial changes and troubles: the Bank of America, taxes and tariffs, etc.
7. How advances and changes in transportation affected the growing nation
8. Reasons behind the formation of political parties and their effect on government
9. Major players and events of the abolition movement
10. The formation of a new American culture leading up to the Civil War, including religion, art, literature, philosophy, and the changing roles of women
11. Effects of continued westward expansion
12. Causes and results of the Mexican War
13. Slavery's role as a major nationwide issue (Three-Fifths Compromise, Missouri Compromise, the Kansas-Nebraska Act, Harper's Ferry, Dred Scott, etc.) and how it helped lead to the Civil War
14. Lincoln's rise to power and his stance on major issues of the era
15. Major battles and events of the Civil War
16. Constitutional amendments, acts, and laws put into action as a result of the war

THE CONSTITUTIONAL CONVENTION

The new nation experienced many challenges in the years immediately after the Peace of Paris was signed.

POSTWAR PROBLEMS

An economic depression occurred because of the lack and depreciated value of Continental currency. Farmers were hit particularly hard under the weight of high state taxes and high ratios of debt. The *sovereignty* of the United States was also challenged by several European nations and bands of pirates from North Africa. Even though Great Britain promised to respect the sovereignty of the United States, it refused to repeal the Navigation Laws, armed Native Americans along the western frontier, and failed to remove troops from posts along the Mississippi River. The Spanish closed the port of New Orleans to U.S. trade and also armed Native Americans in the southwest. France called for prompt repayment of the war debts owed and further deepened the economic crisis by limiting the ability of the United States to trade in the Caribbean. Taking advantage of the absence of British protection of U.S. shipping in the Mediterranean, North African **Barbary Pirates** attacked merchant ships, often seizing their goods and kidnapping crews. As a result of these problems, 12 of the 13 states agreed to send delegates to Philadelphia to improve the standing of the new nation both politically and economically by repairing the inadequate Articles.

A SECRET MEETING

The meeting was to begin on May 14, 1787. However, troubles with travel and other engagements kept many delegates from arriving on time. While they were waiting for the others, the delegates from Virginia began working on a proposal that they would present to the full body once they convened. Finally, 55 delegates from all states but Rhode Island convened in secret on May 25, 1787. The meeting was composed of young, well-educated, wealthy men who were familiar with the conventions of republicanism and democracy. Most were practicing lawyers and had taken a direct hand in the writing of their own state constitutions. Some major names did not attend the convention owing to overseas business; some were not chosen because of their radical views; and one, Patrick Henry, refused to participate owing to his feelings about the danger of a strong central power. From his desk in Paris, Thomas Jefferson called the meeting a "convention of demigods." After great delays caused by the perils of travel, the group decided to continue meeting in private and to keep the work of the convention secret until it had been completed.

MADISON TAKES CHARGE

In a unanimous vote, George Washington was elected as chairperson, but his was by no means the strongest voice at the convention. **James Madison**, a delegate from Virginia, was well read in the areas of federalism, republicanism, and Lockean theory and quickly became the leading voice of the convention. Madison provided the cornerstones for the development of what is now the U.S.

Constitution. First, he expressed the need for a **central government** whose power would exceed the power of the states. Secondly, he believed in the **separation of powers**—the executive, the legislative, and the judicial branches of government would be independent of one another but would be held accountable by each. Lastly, Madison outlined the dangers of “**factions**” and the power a strong national government would have to keep these groups in check. These views were somewhat radical. Many leaders, such as Thomas Jefferson and George Mason, did not believe that the national government should be supreme to the power of the states. “Early arrivals” from Virginia took control of the Convention, and soon it was clear that the Articles would be thrown out and a new document would be drafted to rebuild the national government.

A GREAT COMPROMISE IS REACHED

After the decision was made to scrap the Articles and start anew, divisive political, social, and economic issues came to light. First on the agenda was the issue of state representation in the legislative branch. Edmund Randolph and the delegates from larger states proposed an arrangement called the **Virginia Plan** that favored their states. This plan, presented on May 29, 1787, called for representation in both houses to be based solely on population or proportional representation. The small states, led by William Paterson, put forth their rebuttal to the large state proposal. The **New Jersey Plan** asked for equal representation, regardless of the number of citizens of a state, in a unicameral legislative body. At this point, June 9, 1787, the discussion was at a standstill, and the threat of the convention’s collapsing was real. On June 11, Roger Sherman rose with this proposal: “That the proportion of suffrage in the first branch should be according to the respective numbers of free inhabitants and that in the second branch or Senate, each State should have one vote and no more.” This was coined the **Great Compromise** (or Connecticut Compromise). Large states were satisfied because the lower chamber, or the **House of Representatives**, would be composed of members who reflected the population of individual states. Small states were satisfied because representation in the upper chamber, or **Senate**, was comprised of membership that was equal regardless of state population. Large states stood to gain more from this compromise, as revenue bills would only go through the lower chamber, thus possibly easing the tax burden that large states would more likely have to pay.

AN EXECUTIVE DECISION AND THE THREE-FIFTHS COMPROMISE

Next, the delegates needed to discuss the issue of executive leadership. All of the men present were unwilling to hand the executive branch too much power; however, they understood all too well the dangers of a weak chief. After much debate, it was decided that the president would be elected by a representative body rather than by direct popular vote. The delegates were all worried about a “**mobocracy**” in which the uneducated would choose a president who was dangerous to the stability of the nation. Thus, by allowing the **Electoral College** to cast votes as representatives of their states, they controlled democracy, and mob rule was avoided. The president was given many more powers than the weak governors of the states. He would be commander in chief of

the armed forces, act as chief diplomat, and have the ability to veto laws made by the legislative branch.

Just when the delegates thought the issue of representation was behind them, a conflict of geographic proportions arose. Southern delegates lived in large states, which had equally large populations of enslaved Africans who were not considered citizens. Southerners argued that although these people could not vote, they still had to be managed by the state and should thus be counted as part of the population. Northerners, some of whom disliked the practice of slavery but knew better than to ask for abolition, agreed to the **Three-Fifths Compromise** in exchange for the passage of the **Northwest Ordinance**. This compromise stipulated that each enslaved person in the South would be counted as three-fifths of a person. The South conceded to the end of the legal importation of slaves in 1808. Lastly, the Northern and Southern representatives decided on a compromise with regard to trade and taxes by agreeing that Congress could place taxes on imports but not exports.

THE DEBATE OVER RATIFICATION—FEDERALISTS VERSUS ANTI-FEDERALISTS

With the document complete, the delegates to the Constitutional Convention retired to their home states to campaign for *ratification*. Nine of the 13 states were required to ratify the national constitution. The discussion would rage on for almost a year. As word reached the state governments and citizens that the Articles of Confederation had been thrown out altogether, many feared a return of tyranny. States set out by selecting representatives to ratifying conventions. Several small states ratified quickly—Pennsylvania was the first large state to adopt the Constitution. Ratification debates occurred in statehouses, with those in favor of the Constitution and a strong central government called **Federalists** and those in opposition to the Constitution and in favor of strong states' rights called **Anti-Federalists**. Federalists were usually Northern merchants who had close ties with British trade networks. Anti-Federalists usually hailed from small Southern farms or western homesteads.

There were many battles to fight in order to garner the support of nine states necessary for ratification. Virginia was critical—it was the most populous state and had the largest concentration of Anti-Federalists, many of them concerned farmers. Soon enough, Virginia's native sons George Washington, James Madison, and John Marshall were able to persuade Anti-Federalists to ratify the document with the promise of an addition of a **Bill of Rights** to protect individual freedoms and state sovereignty. To encourage ratification in New York, James Madison, Alexander Hamilton, and John Jay penned a series of 85 powerful essays collectively called *The Federalist Papers*. These papers were the *Common Sense* of the ratification period, urging ratifying conventions to set aside emotions when they considered the Constitution. Madison, Hamilton, and Jay refuted common doubts about whether a central government could effectively rule such vast territory. Soon after New York's vote to ratify, North Carolina and Rhode Island became the last states to ratify the Constitution.

If it were not for the delay of delegates in arriving to the original convention in May 1787, Federalist Virginians might not have been able to take control of the meeting and, thus, convince the others to jettison the Articles instead of repairing them. In this respect, the new Constitution and resulting system of federalism was a victory for a very small minority. The addition of the Bill of Rights was the minority's concession. Congress acted quickly in 1789 to prepare the first 10 amendments promised to the Anti-Federalists. Penned mostly by James Madison, the 10 amendments served to protect states and individuals from possible abuses by the central government. They were ratified by the states in 1791.

STRUCTURING THE NEW REPUBLIC

Selected unanimously by the Electoral College, President George Washington took the oath of office on April 30, 1789, in the temporary national capital of New York City. John Adams was sworn in as the first vice president. Besides being the first president of the United States, Washington set many other important precedents that shaped the office of the presidency and the federal government as we know it today. The Constitution specifically assigns the president the task of designating departments of the executive branch to assist in government functions. Washington appointed **Thomas Jefferson** as secretary of state, **Alexander Hamilton** as secretary of the treasury, Henry Knox as secretary of war, and Edmund Randolph as attorney general (appointed after the Judiciary Act of 1789). Washington called these four men his “cabinet” and met regularly with them to confer and gain advice. To this day, presidents regularly call advisory meetings of their cabinet members.

JUDICIARY ACT OF 1789

The smallest section of the Constitution is Article III—the Judiciary Branch. This article only applies to the federal court and is vague with regard to court structure. Therefore, Congress passed the **Judiciary Act of 1789**, establishing a Supreme Court consisting of one presiding chief justice and five associate justices. The act also provided for the establishment of 13 district courts and 3 circuit courts of appeal.

HAMILTON FIXES FINANCES

As economic problems had plagued the new nation ever since the Treaty of Paris, Secretary of the Treasury Alexander Hamilton set out to repair the nation's failing financial health. His *Report on Public Credit* (1790) explained how monetary and fiscal policy should favor the rich so that their good fortune would be spent within the economy and, thus, stimulate domestic growth. His *Report on Manufactures* (1791) promoted the industrialization of the United States and advocated strong protective tariffs to protect infant industries. His overall financial plan set out to place the United States on firm ground with regard to debt repayment, a stable currency,

and a strong federal banking system. Composed of five components, the plan sought to boost national credit, create a "father/son" relationship between the federal government and the states, earn revenue by enacting heavy tariffs on imported goods and passing *excise taxes* on whiskey, and ensure stability by establishing a national bank. Each of these provisions was hotly contested, most strongly by Thomas Jefferson and the Anti-Federalists.

By "**funding at par**," Hamilton argued that the government should pay all debts at face value plus interest. Unfortunately for many government bond holders, the value of the bonds had dropped considerably because it was thought the new government would be unable to make good on its debts. Therefore, these original bond holders had sold to speculators, who were pleased to find that the government intended to pay face value on the bonds they now held. Hamilton was criticized for not alerting Americans about his plan before they sold their bonds.

The next issue was Hamilton's suggestion that the federal government assume all state debts. Northern states that had amassed large debts because of the war were thrilled, while smaller states in the South were not pleased with this plan. To appease both sides, Hamilton acquiesced to Thomas Jefferson's request to place the nation's permanent capital on the banks of the Potomac River, which straddled the states of Maryland and Virginia. The **Revenue Act of 1789** placed an 8 percent tariff on imports, a rate much lower than Hamilton had desired. He therefore imposed excise taxes on goods such as whiskey to make up the shortfall in revenue. These excise taxes became a problem for Hamilton and the new government when the Whiskey Rebellion broke out in 1794 (see page 100).

DISAGREEMENT OVER THE BANK OF THE UNITED STATES

The last and most contested part of Hamilton's plan was the establishment of a national bank—the **Bank of the United States (BUS)**. The federal government would hold the major financial interest in the bank, with private stockholders also contributing. The national treasury would keep its deposits in the bank, keeping the funds safe and available as loanable funds. Thomas Jefferson vehemently opposed the bank, stating that the Constitution did not provide for its creation. Jefferson was a "**strict constructionist**," one who believed in the strict interpretation of the document. Hamilton, on the other hand, had a much broader, "loose" interpretation of the Constitution. He believed the Constitution supported the creation of a national bank because of the "**elastic clause**" (section 8, clause 18 of Article I of the Constitution). **Loose constructionists** like Alexander Hamilton believed this clause granted Congress "implied powers" to pass laws that were "necessary and proper" to run the country effectively. Hamilton argued that the creation of the Bank of the United States was justified under the elastic clause and by the need to keep and collect federal monies. His arguments won over George Washington, who signed the bank into law in 1791. This issue, however, caused the rift between Hamilton and Thomas Jefferson to widen.

RISE OF THE PARTY SYSTEM

The issues surrounding the ratification of the Constitution gave rise to a party system. Alexander Hamilton and the Federalists held fast to conservative *ideology*; the liberal states' rights and common man's viewpoint was held by the Anti-Federalists, soon to become the **Democratic-Republicans** championed by Thomas Jefferson.

Democratic-Republicans sought to limit the powers of the central government in favor of greater states' rights, while the Federalists believed in a strong national government whose powers were supreme over the states. These differences in opinion became clearer as conflict arose overseas.

DEVELOPMENT OF FOREIGN POLICY

Aside from developing political stability, President George Washington and his cabinet had to respond effectively to the demands of countries around the world. Soon after the new federal government was established, France experienced a revolution of her own. The war quickly extended beyond the borders of France and became a world war that involved Britain and the Caribbean. **The French Revolution** (1789–1793) challenged America's sovereignty, since Washington had to decide where U.S. loyalties would lie. Giving the French revolutionaries assistance as France had done for the Patriots during the American Revolution would strain the already delicate relationship with Britain. Initially, Americans were pleased about the overthrow of the king and queen of France, as it seemed an extension of the ideals of the American Revolution. It soon became clear, however, that this was a very different kind of revolution, a bloody and ruthless one. It did not take Americans long to become disgusted by the violence and radical nature of the French Jacobins.

Thomas Jefferson, a sympathizer with the French, urged that the United States should uphold the provisions of the Franco-American Alliance that had been forged in 1778 during the American Revolution. Alexander Hamilton, on the other hand, understood the necessity of maintaining trade relationships with Britain and, thus, called for U.S. neutrality. The president decided to side with Hamilton and declared the United States to be neutral in his landmark **Neutrality Proclamation of 1793**. Jefferson was furious. The French were not happy with the decision, either. Both the French and British began to seize American ships crossing the Atlantic, taking cargo and *impressing* sailors into military service. These seizures violated the Neutrality Proclamation, leading Washington to send Chief Justice of the Supreme Court John Jay in 1794 to negotiate with the British to seek the recognition of U.S. neutrality.

After almost a year of negotiations, **Jay's Treaty** did not settle the issue of British seizure or impressment of American sailors, but it did call for the removal of British forts in the west. The treaty further angered Democratic-Republicans and the French; the latter increased their harassment of American ships.

Jay's Treaty also worried Spain, which became concerned about a possible cozy relationship between Britain and the United States and sought to clear up any possible misunderstandings regarding the boundary between Spanish Florida and the new nation. President Washington sent Thomas Pinckney to negotiate a settlement of boundary, right of navigation along the Mississippi River, and right to deposit goods for transportation at the Port of New Orleans. The negotiations were successful and essentially removed Spain as a threat to further American settlement in the west. Pinckney's Treaty was unanimously ratified by Congress in 1796.

Upon leaving office in 1797, Washington delivered his **Farewell Address**, in which he warned the infant nation to remain neutral with regard to European affairs, to avoid entangling alliances, and to refrain from the formation of "factions," or political parties.

INTERNAL ISSUES FACING THE NEW GOVERNMENT

In addition to foreign policy issues, the fledgling nation had to deal with domestic challenges such as the constant threat of Native American attack, insurrection by angry citizens, and the settlement of newly acquired western lands. As American settlers pushed further and further westward, tensions with Native American tribes escalated. Having been given supplies and munitions by the British, the Shawnee, Miami, and other tribes rose up against the settlers and soldiers stationed in the region. In 1794, a U.S. force led by General Anthony Wayne defeated Native American fighters at the Battle of Fallen Timbers in the Old Northwest region of Ohio. The chiefs of the tribes agreed reluctantly to the Treaty of Greenville in 1795, whereby they surrendered tribal claims to land in what is now Ohio and Indiana. As these tribes moved west away from their homelands, they were in almost continual battle with other tribes vying for land and power.

At nearly the same time, another uprising of backwoods farmers broke out in western Pennsylvania. These farmers were hit particularly hard by the excise tax imposed on the whiskey they distilled to supplement their incomes. Much as had the Sons of Liberty during the pre-Revolutionary era, some of these farmers violently protested the tax by tarring and feathering tax collectors or destroying public buildings. President Washington would not stand for such rebellion and immediately sent a militia to quell the protest. A Shays-like fiasco was averted, and the new federal government proved that it had the power to maintain peace and stop the **Whiskey Rebellion**.

PUBLIC LAND ACT OF 1796

Modeled after the Northwest Ordinance of 1787, the Public Land Act of 1796 set clear procedures for the settlement, sale, and distribution of federal lands.

The original 13 states had surrendered a good amount of land in the west to be administered by the federal government. The fear of losing control of this land spurred Congress to act quickly.

ADAMS AS SECOND PRESIDENT

Foreign affairs and domestic troubles did not let up as the second president of the United States, **John Adams**, took office. As was provided for in the Constitution, Thomas Jefferson, runner-up in the race for president, became Adams's vice president.

THE XYZ AFFAIR AND AVOIDING WAR

Seeking to halt the incessant seizures of American vessels by the French, Adams sent a delegation to Paris in 1797 to negotiate an agreement. As the delegation arrived in France, they were approached by three French agents only named as X, Y, and Z. These agents demanded a large sum of money as a loan and an additional bribe from the American delegation just for the opportunity to speak with French officials. The delegation refused to comply, and word of the incident quickly spread across the Atlantic, where the American press dubbed it the **XYZ Affair**.

Federalists, including Alexander Hamilton, called for immediate military action. With war fever taking hold across the country, preparations for war began. An undeclared naval war, or "quasi-war," ensued. Most of the action took place in the West Indies between U.S. sailors and French vessels. From 1798 to 1800, this undeclared naval war strained trade in the Caribbean and was on the verge of escalating into a full-scale conflict. Adams, determined to keep the United States from engaging in total war with France, sent a team of envoys to meet with French foreign minister Talleyrand and Napoleon to negotiate a settlement. The meeting, dubbed the **Convention of 1800**, ended with the termination of the Franco-American Alliance, an agreement by the United States to pay for damages inflicted on French vessels, and the avoidance of an all-out war with France.

THE ALIEN AND SEDITION ACTS

Tension between the Federalists and the Democratic-Republicans intensified after the congressional elections of 1798. Emboldened by American anger over the XYZ Affair, Federalists swept control of Congress and began enacting laws aimed at silencing the opposition. The first of these laws were the **Alien Acts**, which increased the residency requirement for citizenship from 5 to 14 years and gave the president power to detain and/or deport enemy aliens in times of war. The second law aimed at silencing Democratic-Republicans was the **Sedition Act**. This law made it illegal to criticize the president or Congress and imposed a heavy fine or a threat of imprisonment upon violators, such as editors of newspapers. Obviously, Jefferson and the Democratic-Republicans were angered by this violation of their protected right to free speech guaranteed by the First Amendment. Republicans fought back by encouraging states to pass their own statutes to *nullify* the Alien and Sedition Acts. By invoking the **compact theory**—that the federal government was formed because of a compact among states—Kentucky and Virginia passed resolutions overturning the Alien and Sedition Acts. However, no other states followed suit, and the issue of nullification disappeared for a short time.

“THE REVOLUTION OF 1800”—THE ELECTION OF THOMAS JEFFERSON

Through disagreements over going to war with France, the Alien and Sedition Acts, and increasing debts, the Federalists lost much of the momentum they had gained after the XYZ Affair leading up to the election of 1800. The Federalists resorted to nasty mudslinging during the presidential election, accusing Thomas Jefferson of everything from being a thief to an atheist. These tactics backfired when the Federalists were swept from both the presidency and Congress. Although Thomas Jefferson defeated John Adams in the popular vote, he tied in the Electoral College with his vice presidential running mate, Aaron Burr. It was then up to the House of Representatives to decide who would take the presidency. Still in control of the House, the Federalists debated for four days over the issue. At the urging of Alexander Hamilton, who hated Aaron Burr, the House chose Thomas Jefferson as the third president of the United States.

This election was significant because there was a relatively peaceful (nonviolent) transfer of power from the Federalists to the Democratic-Republicans. This peaceful transfer of power was unprecedented in world history and proved that democracy could be strong in the face of adversity.

REVIEW QUESTIONS

1. During the debate over ratification, Anti-Federalists argued that the Constitution
 - (A) did not protect individual and states' rights from the federal government.
 - (B) needed to abolish slavery.
 - (C) must specify proportional representation in the legislative branch.
 - (D) required new provisions for the coinage of money.
 - (E) should specify a powerful executive.
2. Which of the following became the most controversial aspect of Alexander Hamilton's financial plan?
 - (A) Funding at par
 - (B) Excise taxes
 - (C) Protective tariffs
 - (D) A national bank
 - (E) Assumption of state debts
3. In his Farewell Address, George Washington
 - (A) argued for increased powers for the president.
 - (B) criticized Federalist views of the Constitution.
 - (C) warned against alliances and factions.
 - (D) urged a restoration of states' rights.
 - (E) demanded an immediate alliance with Britain.
4. The decline in the strength of the Federalist party can be attributed to
 - (A) the addition of the Bill of Rights to the Constitution.
 - (B) the election of 1798.
 - (C) the Alien and Sedition Acts.
 - (D) Washington's Neutrality Proclamation.
 - (E) failure to stop the Whiskey Rebellion.
5. The Kentucky and Virginia Resolutions argued that
 - (A) the Constitution provided for the establishment of a national bank.
 - (B) states were justified in declaring federal laws null and void.
 - (C) states should be consulted before neutrality was proclaimed.
 - (D) the House could settle tied votes in presidential elections.
 - (E) the federal government had the right to detain enemies during times of war.

KEY TERMS	
Names	James Madison Thomas Jefferson Alexander Hamilton John Adams
Groups	Barbary Pirates House of Representatives Senate Electoral College Federalists Anti-Federalists Bank of the United States Democratic-Republicans
Events	The French Revolution Farewell Address Whiskey Rebellion XYZ Affair Convention of 1800
Documents and Laws	Virginia Plan New Jersey Plan Great Compromise Three-Fifths Compromise Northwest Ordinance Bill of Rights <i>The Federalist Papers</i> Judiciary Act of 1789 <i>Report on Public Credit</i> <i>Report on Manufactures</i> Revenue Act of 1789 elastic clause Neutrality Proclamation of 1793 Jay's Treaty Alien Acts Sedition Act
Vocabulary	central government separation of powers factions mobocracy funding at par strict constructionist loose constructionist compact theory