

US HISTORY I

Constitution Review

"The Rise of Political Parties Review"

Federalist/Republican Activity

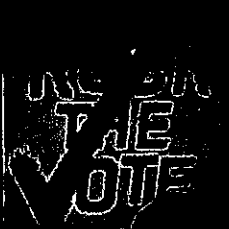
The following questions are review questions. Use your notes and the information from the chapter to answer the questions. DO NOT WRITE ON THESE PAGES! WRITE ON YOUR OWN PAPER. Copy down the questions and answer them for full credit. Writing the answers will not get you full credit!

- P 87-96
1. What three branches of government were created by the Constitution?
 2. Define "federalism."
 3. What is the difference between reserved powers and enumerated powers?
 4. How would you describe the checks and balances system?
 5. What is the main job of the legislative branch?
 6. What is the main job of the judicial branch?
 7. What is the main job of the executive branch?
 8. The opening words of the Constitution are, "We the people." What idea does this relate to? Define that idea.
 9. Give an example of how one branch of government can use the checks and balances system against another branch.
 10. Who is known as the "father of the Constitution?" James Madison
 11. What is the purpose of the constitution?

The following questions review the rise of political parties. Use your notes and the information in the chapter to answer these questions.

- P 120-123
12. Why were southern people typically against the Tariff of 1789?
 13. Alexander Hamilton thought that debt was good for the American government. Why?
 14. Why did many southerners oppose Hamilton's plan to pay off Continental Congress debt?
 15. If you were an American citizen in the 1790's would you agree or disagree with Hamilton? Why?

120
Read in your book about Federalist and Republicans. Start on p. 120 "The Rise of Political Parties." Read through the end of the section on page 123. Make sure to pay attention to the chart on page 123. You are going to pretend to be a member of one of the two parties. If your ~~First~~ Name A-M you are a Federalist. If your Last Name N-Z you are a Republican. Create a campaign slogan for supporters of your party. Decorate a sheet of notebook paper, creating a flier for your party. Each flier must include a slogan, an image, color, and it must make people want to support your party. BE CREATIVE!! USE YOUR YOUNG IMAGINATIVE MIND TO CREATE SOMETHING COOL!



The CONSTITUTION HANDBOOK

Reading **HELP**DESK



Academic Vocabulary

- grant
- responsive

Content Vocabulary

- popular sovereignty
- federalism
- enumerated powers
- reserved powers
- concurrent powers
- impeach
- bill
- cabinet
- judicial review
- due process

TAKING NOTES:

Key Ideas and Details

Organizing As you read about the Constitution, use the major headings of the handbook to fill in an outline like the one below.

- I. Major Principles
 - A.
 - B.
 - C.
 - D.
 - E.
 - F.

Alabama Course of Study
10th Grade U.S. History to 1877



Standard 4 Describe the political system of the United States based on the Constitution of the United States.

IT MATTERS BECAUSE

The Constitution is the most important document of the United States. It serves as the framework of national government and the source of American citizens' basic rights. To preserve self-government, all citizens need to understand their rights and responsibilities.

Major Principles

GUIDING QUESTION *How does the Constitution lay the framework for individual rights and a balanced representative government?*


The principles outlined in the Constitution were the Framers' solution to the complex problems of a representative government. The Constitution rests on seven major principles of government: (1) **popular sovereignty**, (2) republicanism, (3) limited government, (4) **federalism**, (5) separation of powers, (6) checks and balances, and (7) individual rights.

Popular Sovereignty and Republicanism

The opening words of the Constitution, "We the people," reinforce the idea of popular sovereignty, or "authority of the people." In the Constitution, the people consent to be governed and specify the powers and rules by which they shall be governed.

The Articles of Confederation's government had few powers, and it was unable to cope with the many challenges facing the nation. The new federal government had greater powers, but it also had specific limitations. A system of interlocking responsibilities kept any one branch of government from becoming too powerful.

Voters are sovereign, that is, they have ultimate authority in a republican system. They elect representatives and give them the responsibility to make laws and run the government. For most Americans today, the terms *republic* and *representative democracy* mean the same thing: a system of limited government in which the people are the final source of authority.



A replica of the U.S. Constitution

► **CRITICAL THINKING**

Drawing Conclusions Why do you think the first three words of the Constitution were written in such a large size?

popular sovereignty
authority of the people

federalism political system in which power is divided between the national and state governments

grant to award or give as law

enumerated powers
powers listed in the Constitution as belonging to the federal government

reserved powers powers retained by the states

concurrent powers powers shared by the state and federal governments

Limited Government

Although the Framers agreed that the nation needed a stronger central authority, they feared misuse of power. They wanted to prevent the government from using its power to give one group special advantages or to deprive another group of its rights. By creating a limited government, they restricted the government's authority to specific powers **granted** by the people.

The delegates to the Constitutional Convention were very specific about the powers granted to the new government. Their decision to provide a written outline of the government's structure also served to show what they intended. Articles I, II and III of the Constitution describe the powers of the federal government and the limits on those powers. Other limits are set forth in the Bill of Rights, which guarantees certain rights to the people.

Federalism

In establishing a strong central government, the Framers did not deprive states of all authority. The states gave up some powers to the national government but retained others. This principle of shared power is called federalism. The federal system allows the people of each state to deal with their needs in their own way, but at the same time, it lets the states act together to deal with matters that affect all Americans.

The Constitution defines three types of government powers. Certain powers belong only to the federal government. These **enumerated powers** include the power to coin money, regulate interstate and foreign trade, maintain the armed forces, and create federal courts (Article I, Section 8).

The second kind of powers are those retained by the states, known as **reserved powers**, including the power to establish schools, set marriage and divorce laws, and regulate trade within the state. Although reserved powers are not specifically listed in the Constitution, the Tenth Amendment says that all powers not granted to the federal government "are reserved to the States."

The third set of powers defined by the Constitution is **concurrent powers**—powers the state and federal governments share. They include the right to raise taxes, borrow money, provide for public welfare, and administer criminal justice. Conflicts between state law and federal law must be settled in a federal court. The Constitution declares that it is "the supreme Law of the Land."

Separation of Powers

To prevent any single group or institution in government from gaining too much authority, the Framers divided the federal government into three branches: legislative, executive, and judicial. Each branch has its own functions and powers. The legislative branch, Congress, makes the laws. The executive branch, headed by the president, carries out the laws. The judicial branch, consisting of the Supreme Court and other federal courts, interprets and applies the laws.

In addition to giving separate responsibility to separate branches, the membership of each branch is chosen in different ways. The president nominates federal judges, and the Senate confirms the appointments. People vote for members of Congress. Voters cast ballots for president, but the method of election is indirect. On Election Day, the votes in each state are counted. The candidate who receives the majority receives that state's electoral votes, which total the number of senators and representatives the state has in Congress. Electors from all states meet to formally elect a president. A candidate must win a majority of votes in the Electoral College to win.

Checks and Balances

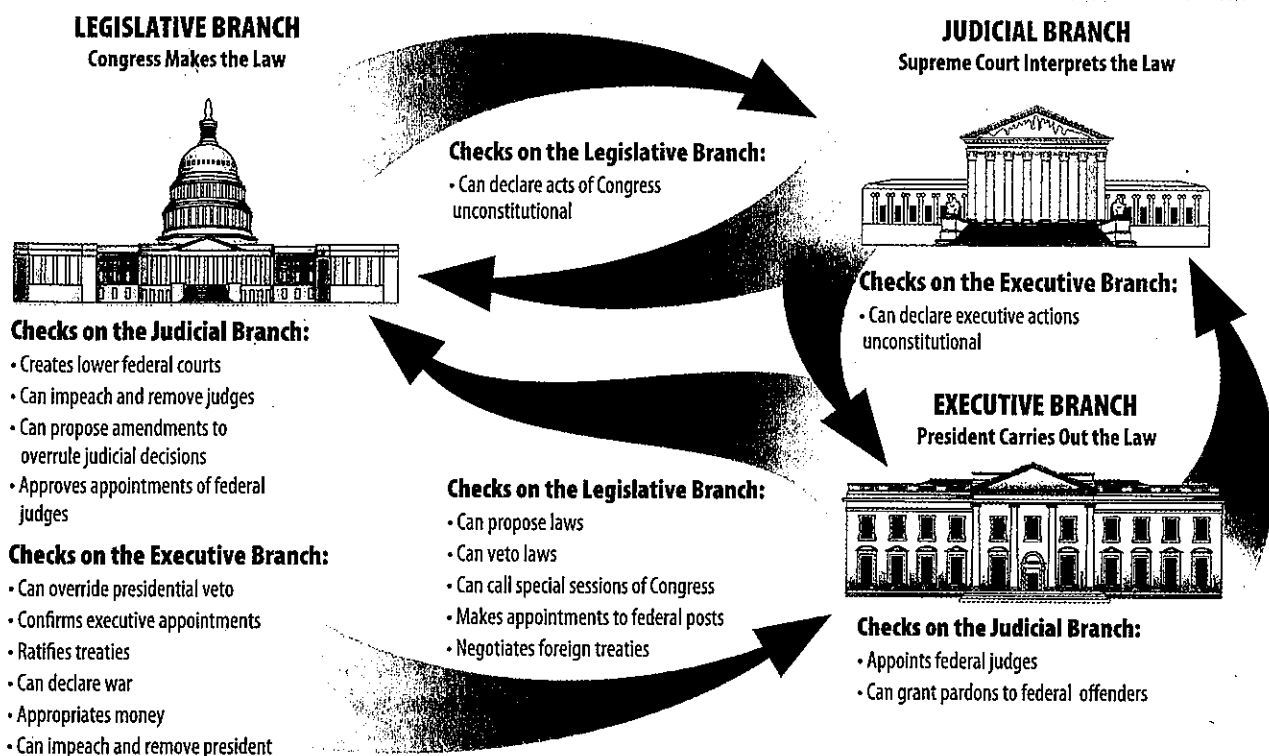
The Framers who wrote the Constitution deliberately created a system of checks and balances in which each branch of government can check, or limit, the power of the other branches. This system helps balance the power of the three branches and prevents any one branch from becoming too powerful. For example, imagine that Congress passes a law. The president can reject the law by vetoing it. Congress, however, can override, or reverse, the president's veto if two-thirds of the members of both the Senate and the House of Representatives vote again to approve the law.

CHARTS/GRAPHS

The Framers deliberately created a system of checks and balances to limit the power of each branch of government.

- 1 **Analyzing Information** How can the president help control the judiciary?
- 2 **Drawing Conclusions** Why is it important that the legislative branch can override a presidential veto?

CHECKS AND BALANCES



Individual Rights

In 1791 the states ratified 10 amendments to the Constitution to protect certain basic rights, including freedom of speech, religion, and the right to a trial by jury. Congress approved these 10 amendments and referred to them as the Bill of Rights. Over the years, 17 more amendments have been added to the Constitution. Some give additional rights to American citizens and some modify how the government works. Included among them are amendments that abolish slavery, guarantee voting rights, authorize an income tax, and set a two-term limit on the presidency.

READING PROGRESS CHECK

Explaining Describe some of the principles outlined in the Constitution that help ensure individual rights and a balanced representative government.

The Legislative Branch

GUIDING QUESTION *How is the legislative branch organized, and what are its functions?*

The legislative branch includes the two houses of Congress: the Senate and the House of Representatives. Congress has two primary roles: to make the nation's laws and to decide how to spend federal funds.

The government cannot spend any money unless Congress appropriates, or sets aside, funds. All tax and spending bills must originate in the House of Representatives and be approved in both the House and the Senate before moving to the president to be signed.

Congress also monitors the executive branch and investigates possible abuses of power. The House of Representatives can **impeach**, or bring formal charges against, any federal official it suspects of wrongdoing or misconduct. If an official is impeached, the Senate acts as a court and tries the accused official. Officials who are found guilty may be removed from office.

The Senate has certain additional powers. Two-thirds of the Senate must ratify treaties made by the president. The Senate must also confirm presidential appointments of federal officials such as department heads, ambassadors, and federal judges.

All members of Congress have the responsibility to represent their constituents, the people of their home states and districts. As a constituent, you can expect your senators and representative to promote national and state interests. Congress members introduce thousands of **bills**—proposed laws—every year. Because individual members of Congress cannot possibly study all these bills carefully, both houses form committees of selected members to evaluate proposed legislation.

Standing committees are permanent committees in both the House and the Senate that specialize in a particular topic, such as agriculture, commerce, or veterans' affairs. These committees are usually divided into subcommittees that focus on a particular aspect of an issue. The House and the Senate also form temporary select committees to deal with issues requiring special attention. These committees meet only until they complete their task.

Occasionally the House and the Senate form joint committees with members from both houses. These committees meet to consider specific issues. One type of joint committee, a conference committee, has a special function. If the House and the Senate pass different versions of the same bill, a conference committee meets to work out a compromise bill acceptable to both houses.

impeach to bring formal charges against a federal official

bill a proposed law

In 2010 John Boehner of Ohio became the 61st Speaker of the House. All members of Congress have the responsibility to represent their constituents.

CRITICAL THINKING

Identifying Central Ideas Why is it important that members of Congress represent their constituents?



HOW A BILL BECOMES LAW



1. A legislator introduces a bill in the House or Senate, where it is referred to a committee for review.



2. After review, the committee decides whether to shelve it or to send it back to the House or Senate with or without revisions.



3. The House or Senate then debates the bill, making revisions if desired. If the bill is passed, it is sent to the other house.



4. If the House and Senate pass different versions of the bill, the houses must meet in a conference committee to decide on a compromise version.



5. The compromise bill is then sent to both houses.



6. If both houses pass the bill, it is sent to the president to sign.



7. If the president signs the bill, it becomes law.



8. The president may veto the bill, but if two-thirds of the House and Senate vote to approve it, it becomes law without the president's approval.

CHARTS/GRAPHS

The legislative process is complex. It begins when a member of Congress introduces a bill. That bill then works its way to the president who either signs the bill into law or vetoes it.

- 1 **Analyzing Information**
What is the role of a conference committee?

- 2 **Identifying Central Ideas**
How can a bill become law without the approval of the president?

Once a committee in either house of Congress approves a bill, it is sent to the full Senate or House for debate. After debate the bill may be passed, rejected, or returned to the committee for further changes. When both houses pass a bill, it goes to the president. If the president approves the bill and signs it, the bill becomes law. If the president vetoes the bill, it does not become law unless Congress takes it up again and votes to override the veto.

READING PROGRESS CHECK

Describing Describe the organization and functions of the legislative branch.

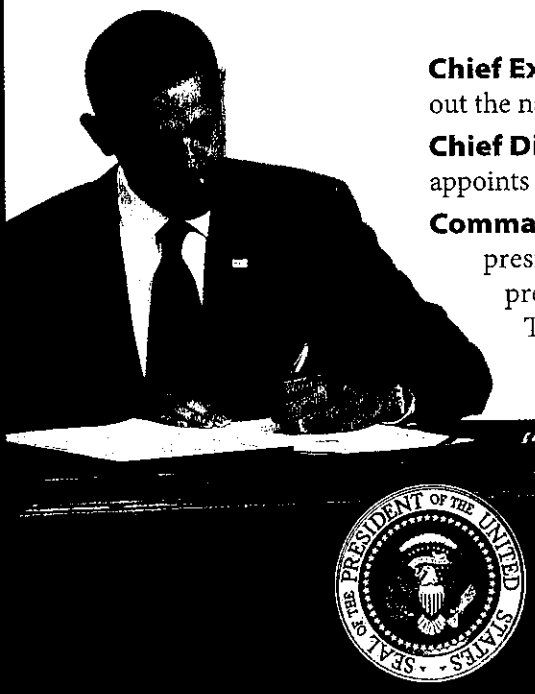
The Executive Branch

GUIDING QUESTION How does the president carry out laws that Congress passes?

The executive branch of government includes the president, the vice president, and various executive offices, departments, and agencies. The executive branch executes, or carries out, the laws that Congress passes.

The President's Roles

The president plays a number of different roles in government. These roles include serving as the nation's chief executive, chief diplomat, commander in chief of the military, chief of state, and legislative leader.



President Barack Obama signs a bill into law. As chief executive, the president is responsible for carrying out the laws of the nation.

► CRITICAL THINKING

Making Generalizations Why is it important that the president carries out the laws of the nation?

cabinet a group of advisers to the president

Connections to TODAY

Sonia Sotomayor

The daughter of parents who moved from Puerto Rico to New York, Sonia Sotomayor became the first Latino justice of the U.S. Supreme Court. Nominated by President Barack Obama to replace departing Justice David Souter, Sotomayor was confirmed by the Senate in August 2009. She became just the third woman to serve on the Supreme Court.

Chief Executive As chief executive, the president is responsible for carrying out the nation's laws.

Chief Diplomat As chief diplomat, the president directs foreign policy, appoints ambassadors, and negotiates treaties with other nations.

Commander in Chief As commander in chief of the armed forces, the president can give orders to the military and direct its operations. The president cannot declare war; only Congress holds this power.

The president can send troops to other parts of the world for up to 60 days but must notify Congress when doing so. The troops may remain longer only if Congress gives its approval or declares war.

Chief of State As chief of state, the president is symbolically the representative of all Americans. The president fulfills this role when receiving foreign ambassadors or heads of state, visiting foreign nations, or honoring Americans.

Legislative Leader The president serves as a legislative leader by proposing laws to Congress and working to see that they are passed. In the annual State of the Union address to the American people, the president presents his goals for legislation in the upcoming year.

The Executive at Work

Many executive offices, departments, and independent agencies help the president carry out and enforce the nation's laws. The Executive Office of the President (EOP) is made up of individuals and agencies that directly assist the president. Presidents rely on the EOP for advice and for gathering information needed for decision making.

The executive branch has 15 executive departments, each responsible for a different area of government. For example, the Department of State carries out foreign policy, and the Department of the Treasury manages the nation's finances. The department heads have the title of secretary, and are members of the president's **cabinet**. The cabinet helps the president set policies and make decisions.

✓ READING PROGRESS CHECK

Explaining What functions does the president fulfill as Legislative Leader?

The Judicial Branch

GUIDING QUESTION How does the judicial branch function to review and evaluate laws and interpret the Constitution?

Article III of the Constitution calls for the creation of a Supreme Court and "such inferior [lower] courts as Congress may from time to time ordain and establish." The federal courts of the judicial branch review and evaluate laws and interpret the Constitution in making their decisions.

District and Appellate Courts

United States district courts are the lowest level of the federal court system. These courts consider criminal and civil cases that come under federal authority, such as kidnapping, federal tax evasion, claims against the federal government, and cases involving constitutional rights, such as free speech. There are 94 district courts, with at least one in every state.

The appellate courts, or courts of appeal, consider district court decisions in which the losing side has asked for a review of the verdict. If an appeals court disagrees with the lower court's decision, it can overturn the verdict or order a retrial. There are 14 appeals courts: one for each of 12 federal districts, one military appeals court, and an appellate court for the federal circuit.

The Supreme Court

The Supreme Court is the final authority in the federal court system. It consists of a chief justice and eight associate justices. Most of the Court's cases come from appeals of lower court decisions. Only cases involving foreign diplomats or disputes between states can begin in the Supreme Court.

Supreme Court Independence The president appoints the Court's justices for life, and the Senate confirms the appointments. The public has no input. The Framers hoped that by appointing judges, they would be free to evaluate the law with no concern for pleasing voters.

Judicial Review The role of the judicial branch is not described in detail in the Constitution, but the role of the courts has grown as powers implied in the Constitution have been put into practice. In 1803 Chief Justice John Marshall expanded the power of the Supreme Court by striking down an act of Congress in the case of *Marbury v. Madison*. Although not mentioned in the Constitution, judicial review has become a major power of the judicial branch. **Judicial review** gives the Supreme Court the ultimate authority to interpret the meaning of the Constitution.

READING PROGRESS CHECK

Analyzing How does the judicial branch evaluate laws and interpret the Constitution?

judicial review the process by which the Supreme Court has the final authority to interpret the Constitution

CHARTS/GRAPHS

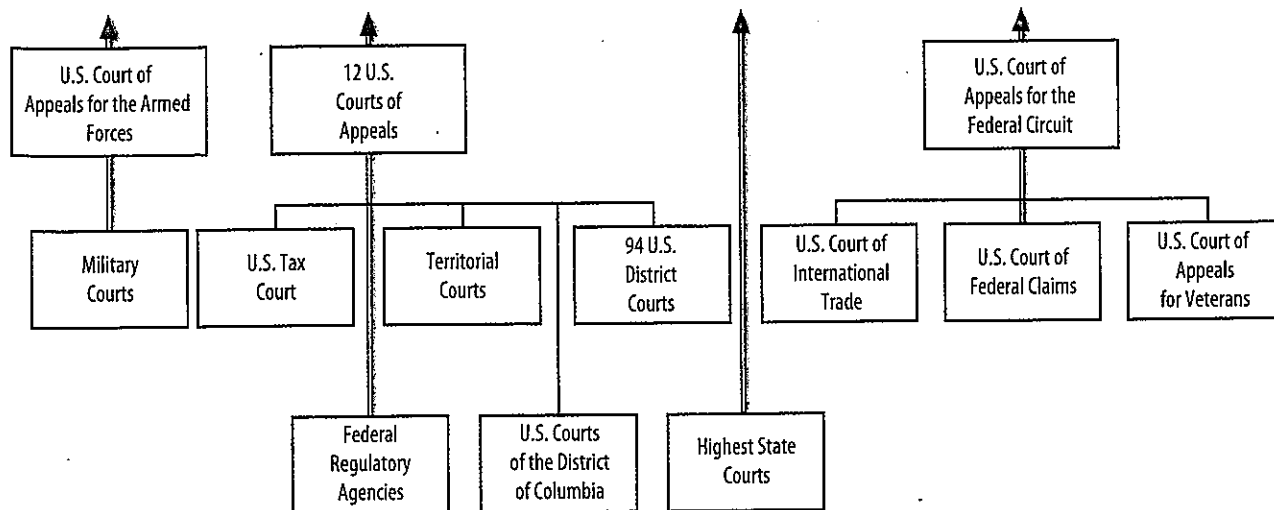
The judicial branch consists of a system of federal courts that reviews and evaluates laws and interprets the Constitution.

- Analyzing Information** How many routes to the U.S. Supreme Court are shown in the chart?
- Drawing Conclusions** Why might the Supreme Court review only decisions made by a small number of lower courts?

THE FEDERAL COURT SYSTEM

U.S. Supreme Court

Front row, left to right, Justices Clarence Thomas, Antonin Scalia, Chief Justice John Roberts, Anthony Kennedy, and Ruth Bader Ginsburg; back row, left to right, Justices Sonia Sotomayor, Stephen Breyer, Samuel Alito, Elena Kagan



Rights and Responsibilities

GUIDING QUESTION *What are the protections and freedoms the Constitution and the Bill of Rights provide Americans?*

All citizens of the United States have certain basic rights, but they also have specific responsibilities. Living in a system of self-government means ultimately that every citizen is partly responsible for how society is governed and for the actions the government takes on his or her behalf.

The Rights of Americans

The rights of Americans fall into three broad categories: to be protected from unfair actions of the government, to receive equal treatment under the law, and to retain certain basic freedoms.

Protection From Unfair Actions Parts of the Constitution and the Bill of Rights protect all Americans from unfair treatment by the government or the law. Among these rights are the right to a lawyer when accused of a crime and the right to a trial by jury when charged with a crime. In addition, the Fourth Amendment protects us from unreasonable searches and seizures. This provision requires police to have a court order before searching a person's home for criminal evidence. To obtain this, the police must have a very strong reason to suspect someone of a crime.

Equal Treatment All Americans, regardless of race, religion, or political beliefs, have the right to be treated the same under the law. The Fifth Amendment states that no person shall "be deprived of life, liberty, or property, without due process of law." **Due process** means that the government must follow procedures established by law and guaranteed by the Constitution, treating all people equally. The Fourteenth Amendment requires every state to grant its citizens "equal protection of the laws."

Basic Freedoms The First Amendment describes our basic freedoms—freedom of speech, freedom of religion, freedom of the press, freedom of assembly, and the right to petition. In a democracy, power rests in the hands of the people. Therefore, citizens in a democratic society must be able to exchange ideas freely. The First Amendment allows citizens to criticize the government, in speech or in the press, without fear of punishment.

In addition, the Ninth Amendment states that the rights of Americans are not limited to those in the Constitution. Over the years, this has allowed Americans to assert other basic rights that have been upheld in court or assured by amending the Constitution.

Limits on Rights The rights of Americans are not absolute. They are limited based on the principle of respecting everyone's rights equally. For example, many cities and towns require groups to obtain a permit to march on city streets. Such laws do limit free speech, but they also protect the community by ensuring that the march will not endanger other people.

In this and other cases, the government balances an individual's rights, the rights of others, and the

due process the following of procedures established by law

The First Amendment of the Constitution guarantees basic freedoms, such as the freedom of assembly.

► CRITICAL THINKING

Making Inferences Why do you think basic freedoms are just as important today as they were when the Framers wrote the Constitution?



AMENDING THE CONSTITUTION

PROPOSAL

Amendment proposed
by a vote of two-thirds of
both houses of Congress

or

Amendment proposed
by a national convention
requested by two-thirds
of states

RATIFICATION

After approval by
three-fourths of
state legislatures

or

After approval by
three-fourths of
state ratifying
conventions



CHARTS/GRAPHS

Article V of the Constitution enables Congress and the states to amend, or change, the Constitution.

① **Analyzing Information** What role do the states play in the amendment process?

② **Analyzing Information** How many approvals by state legislatures are required for an amendment to the Constitution?

community's health and safety. Most Americans are willing to accept some limitations on their rights to gain these protections as long as the restrictions are reasonable and apply equally to all. A law banning all marches would violate the First Amendment rights of free speech and assembly and be unacceptable. Similarly, a law preventing only certain groups from marching would be unfair because it would not apply equally to everyone.

Citizens' Responsibilities

Citizens in a democratic society have both duties and responsibilities. Duties are actions required by law. Responsibilities are voluntary actions. Fulfilling duties and responsibilities ensures good government and protects rights.

Duties One basic duty of all Americans is to obey the law. Laws serve three important functions. They help maintain order; they protect the health, safety, and property of all citizens; and they make it possible for people to live together peacefully. If you believe a law is wrong, you can work through your representatives to change it.

Americans also have a duty to pay taxes. The government uses tax money to defend the nation, to build roads and bridges, and to assist people in need. Americans often benefit from services provided by the government. Another duty of citizens is to defend the nation. All males aged 18 and older must register with the government in case the nation needs to call on them for military service. Military service is not automatic, but a war could make it necessary.

The Constitution guarantees all Americans the right to a trial by a jury of their equals. For this reason, you may be called to jury duty when you reach the age of 18. Having a large group of jurors on hand is necessary to guarantee the right to a fair and speedy trial. You also have a duty to serve as a trial witness if called to do so.

ROCK THE VOTE



Registration drives encourage others to exercise their responsibility to vote.

Making Inferences How might an increase in young voters make an impact on an election?

responsive open and quick to take action

CONSTITUTION

Reviewing Vocabulary

1. **Analyzing** Explain the significance of popular sovereignty to the Constitution.

Using Your Notes

2. **Identifying** Use the notes you completed during the lesson to identify the major principles of the Constitution. **Standard 4**

Answering the Guiding Questions

3. **Summarizing** How does the Constitution lay the framework for individual rights and a balanced representative government? **Standard 4**
4. **Explaining** How is the legislative branch organized, and what are its functions? **Standard 4**

Most states require you to attend school until a certain age. School is where you gain the knowledge and skills needed to be a good citizen. In school you learn to think more clearly, to express your opinions more accurately, and to analyze the ideas of others. These skills will help you make informed choices when you vote.

Responsibilities The responsibilities of citizens are not as clear-cut as their duties, but they are as important because they help maintain the quality of government and society. One important responsibility is to be well informed. Knowing what your government is doing and expressing your thoughts about its actions helps to keep it **responsive** to the wishes of the people. You also need to be informed about your rights and to assert them when necessary. Knowing your rights helps preserve them. Other responsibilities include accepting responsibility for your actions and supporting your family.

To enjoy your rights to the fullest, you must be prepared to respect the rights of others. Respecting the rights of others also means respecting the rights of people with whom you disagree. Respecting and accepting others regardless of race, religion, beliefs, or other differences is essential in a democracy.

Vote, Vote, Vote! Perhaps the most important responsibility of American citizens is to vote when they reach the age of 18. Voting allows you to participate in government and to guide its direction. When you vote for people to represent you in government, you will be exercising your right of self-government. If you disapprove of the job your representatives are doing, it will be your responsibility to help elect other people in the next election. You can also let your representatives know what you think about issues through letters, telephone calls, and petitions and by taking part in public meetings or political rallies.



Describing What are the rights and responsibilities of an American citizen?



5. **Listing** How does the president carry out laws that Congress passes?
6. **Defining** How does the judicial branch function to review and evaluate laws and interpret the Constitution? **Standard 4**
7. **Describing** What are the protections and freedoms the Constitution and the Bill of Rights provide Americans? **Standard 4**

Writing Activity

8. **ARGUMENT** Write a short paragraph taking a pro or con position on the following question: Should communities permit rallies by unpopular groups, such as the Ku Klux Klan, even though such rallies may upset some members of the community or could possibly incite violence?

- ✓ BIOGRAPHY Thomas Jefferson
- ✓ VIDEO Washington and Congress
- ✓ INTERACTIVE SELF-CHECK QUIZ



LESSON 1

Washington and Congress

Reading HELPDESK



Academic Vocabulary

- revenue
- creditor

Content Vocabulary

- cabinet
- agrarianism
- bond
- speculator
- enumerated powers
- implied powers

TAKING NOTES:

Key Ideas and Details

Organizing As you read, complete a graphic organizer similar to the one below to record details about Hamilton's and Madison's ideas for financing the government.

Hamilton's Plan	Madison's Response	Result

80 to
183

Alabama Course of Study
10th Grade U.S. History to 1877

Standard 4 Describe the political system of the United States based on the Constitution of the United States.

ESSENTIAL QUESTION • Why do people form political parties?

IT MATTERS BECAUSE

President Washington and the First Congress had to decide how to make the new government function effectively. The conflicting philosophies of Thomas Jefferson and Alexander Hamilton became the basis for two new political parties.

Creating a New Government

GUIDING QUESTION What challenges did the United States face in organizing its new financial system?

The Philadelphia Convention had given the nation a new Constitution. George Washington's task, and the task facing the newly elected Congress, was to take the words of the Constitution and turn them into an effective government for the United States. To get the government up and running, the president needed a bureaucracy to handle different responsibilities. In 1789 Congress created the Department of State, the Department of the Treasury, the Department of War, and the Office of the Attorney General.

To manage these departments, Washington wanted individuals who were "disposed to measure matters by a Continental scale," instead of thinking only of their own states. He chose Thomas Jefferson as secretary of state, Alexander Hamilton as secretary of the treasury, General Henry Knox as secretary of war, and Edmund Randolph as attorney general. Washington regularly met with these men to ask for their advice. The department heads came to be known as the **cabinet**, a group of advisers to the president.

Congress also established the federal judiciary. The Judiciary Act of 1789 created 13 district courts and three courts of appeal, in addition to the Supreme Court established by the Constitution. With the Senate's consent, Washington appointed the federal judges and selected John Jay to become the first chief justice.

Financing the Government

The most pressing need for the new government was a source of **revenue**, or income to pay for the nation's expenses and massive war debts. Without funds, the government could not operate. James

Madison, one of the leaders in Congress, and Hamilton responded to this need with different plans for financing the government.

The Tariff of 1789 Madison's plan was to tax imports. After much discussion, Congress passed the Tariff Act of 1789, which set tax rates on certain imported items. Congress also passed the Tonnage Act, levying a tax per ton of cargo on ships entering the United States, with foreign ships taxed at a higher rate.

Hamilton's Financial Program Hamilton supported these measures, but he believed the government also needed the ability to borrow money. To fund the Revolutionary War, the Congress under the Articles of Confederation had issued **bonds**—paper notes promising to repay money with interest after a certain length of time. By 1789, the United States owed roughly \$40 million to American citizens and another \$11.7 million to foreign lenders. Few believed the bonds would be repaid in full, and many had been sold at a fraction of their face value. Hamilton asked Congress to redeem the bonds at full value.

Hamilton believed that if the United States accepted these debts at full value, then wealthy **creditors**, bankers, and merchants who owned the bonds would have enough confidence in the federal government's financial stability to lend it money in the future. Hamilton had described the importance of debt several years earlier: "A national debt if it is not excessive will be to us a national blessing; it will be a powerful cement of our union. It will also create a necessity for keeping up taxation . . . which without being oppressive, will be a spur to industry. . . ."

Opposition to Hamilton's Plan Led by Madison, critics argued that Hamilton's plan was unfair to the original purchasers who, fearing they would never be repaid, had sold their bonds at a low price. They were outraged that **speculators**, most from the North, who had bought the bonds at those low prices would now benefit. Hamilton's plan to assume the states' debts also worried Madison and other Southerners in Congress. The Southern states, with the exception of South Carolina, had nearly paid off their war debts.

The debate raged for months. In July 1790, Hamilton, Madison, and Jefferson reached a compromise. Southerners voted for Hamilton's plan, and in return, the nation's capital would, in ten years time, relocate to an area on the Potomac River that would be called the District of Columbia. Southerners believed that having the capital in the South would keep the federal government responsive to their region's interests.

The Bank of the United States

With his system of public credit finally in place, Hamilton asked Congress to create a national bank to manage the nation's debts and issue bank notes—paper money. The notes would serve as a national currency and promote trade, encourage investment, and promote economic growth.

Southerners opposed the plan. Madison argued that Congress could not establish a bank because it was not among the federal government's **enumerated powers**, or powers specifically listed in the Constitution.

Hamilton disagreed, noting that Article I, Section 8, of the Constitution gave the federal government the power "to make all laws which shall be necessary and proper" to execute its responsibilities. The "necessary and proper" clause created **implied powers**—powers not listed in the Constitution but necessary for the government to do its job. In 1791 Congress created the Bank of the United States with a 20-year charter.

cabinet a group of advisers to the president

revenue the income of a government from all sources, used to pay for a nation's expenses

bond a note issued by the government that promises to pay off a loan with interest

creditor one to whom a debt is owed

speculator a person who risks money in hopes of a financial profit

enumerated powers powers listed in the Constitution as belonging to the federal government

implied powers powers not specifically listed in the Constitution but claimed by the federal government

The government's use of federal troops against civilians during the Whiskey Rebellion worried many people.

► CRITICAL THINKING

Making Generalizations Why do you think the tax imposed on the manufacture of whiskey led to a rebellion?



TENSION BETWEEN THE PARTIES

This 1798 cartoon shows the fight in Congress between Federalist Roger Griswold (holding the cane) and Democratic-Republican Matthew Lyon (holding fireplace tongs).



This cartoon is critical of Thomas Jefferson, showing him as willing to sacrifice U.S. neutrality on the French "Altar to Gallic Despotism."



POLITICAL CARTOONS

These political cartoons demonstrate the friction that existed between the political parties during the late 1700s.

1 Identifying Central Ideas How does the cartoon on the left represent the artist's opinion of Congress?

2 Making Inferences In the cartoon on the right, why do you think the artist shows Jefferson kneeling at the altar?

The Whiskey Rebellion

Hamilton also believed the government had the right to impose taxes. In 1791 Congress imposed an excise tax on the manufacture of whiskey. The new tax enraged western farmers who distilled their grain into whiskey before sending it to market. The Whiskey Rebellion erupted in 1794 in western Pennsylvania. Farmers terrorized tax collectors, stopped court proceedings, and robbed the mail. Later that year, Washington led about 13,000 troops to crush the rebellion. The rebels dispersed without a fight.

READING PROGRESS CHECK

Summarizing What challenges were involved in organizing the federal financial system?

The Rise of Political Parties

GUIDING QUESTION *What defined the two emerging political parties during this time?*

During Washington's first term in office, the debate over Hamilton's financial program divided Congress into factions based on their views of the federal government's role. These factions became the nation's first political parties. Hamilton's supporters called themselves Federalists. His opponents, led by Madison and Jefferson, took the name Democratic-Republicans, although most people at the time referred to them as Republicans.

The Democratic-Republicans later became known as the Democrats. The party known today as the Republican Party is a different party that was founded in 1854. The Federalist Party does not exist today.

Hamilton and the Federalists

Hamilton favored a strong national government. He believed that democracy was dangerous to liberty. "The people are turbulent and changing; they seldom judge or determine right," he had written in 1787. This distrust led him to favor putting government into the hands of the "rich, well-born, and

able." Hamilton favored policies that supported manufacturing and trade since he believed they were the basis of national wealth and power.

Jefferson and the Republicans

Although James Madison led the opposition to Hamilton's programs in Congress, Thomas Jefferson emerged as the leader of the Democratic-Republicans. Jefferson believed that the strength of the United States was its independent farmers. His ideas are sometimes referred to as **agrarianism**. Jefferson argued that owning land enabled people to be independent. As long as most people owned land, they would fight to preserve the Republic.

Jefferson feared that too much emphasis on commerce would lead to a society sharply divided between the rich, who owned everything, and the poor, who worked for wages. Jefferson also believed that the wealthy would corrupt the government and threaten the rights and liberties of ordinary people.

agrarianism the philosophy that agriculture and land ownership are the backbone of the economy

Jefferson believed that an economy based on agriculture and widespread land ownership would cultivate an independent and virtuous citizenry.

► CRITICAL THINKING

Identifying Central Ideas How did the Federalists and the Republicans differ in their views of the strength of the United States?

PRIMARY SOURCE

“Dependence begets subservience and venality [openness to bribery], suffocates the germ of virtue. . . . While we have land to labour . . . let us never wish to see our citizens occupied at a work-bench, or twirling a distaff. . . . [L]et our work-shops remain in Europe. It is better to carry provisions and materials to workmen there than bring them to the provisions and materials, and with them their manners and principles.”

—Thomas Jefferson, from *Notes on the State of Virginia*

In general, Democratic-Republicans supported agriculture over commerce and trade. Over time, they became the party that stood for the rights of states against the power of the federal government.

The development of America's first two political parties divided the country regionally. The rural South and West tended to support the Republicans, while the more urban Northeast tended to support the Federalists. Although these parties emerged during the dispute over Hamilton's programs, events in Europe would deepen the divisions between them and create new crises for the young nation.

READING PROGRESS CHECK

Drawing Conclusions How was the rise of political parties in the United States related to the financial challenges facing the nation?



LESSON 1 REVIEW



Reviewing Vocabulary

1. **Explaining** Explain the difference between enumerated powers and implied powers. **Standard 4**

Using Your Notes

2. **Comparing and Contrasting** Review the notes you took throughout the lesson. Then write a paragraph that analyzes the ways Madison and Hamilton differed in their approaches to building national revenue and how this contributed to the rise of political parties. **Standard 4**

Answering the Guiding Questions

3. **Evaluating** What challenges did the United States face in organizing its new financial system? **Standard 4**
4. **Drawing Conclusions** What defined the two emerging political parties during this time? **Standard 4**

Writing Activity

5. **NARRATIVE** Thomas Jefferson wrote, “While we have land to labour . . . let us never wish to see our citizens occupied at a work-bench, or twirling a distaff.” Write a one-page response in which you share your position on whether or not agrarianism is truly the best basis for a strong economy and democracy.