Shaping a Federal Union

- Fear of a central government dominated the period—resulted in fragmentation and stagnation

The Confederation
- The Congress of the Confederation had very little government authority. Authority given to Congress by Articles of Confederation (1781 Articles of Confederation established)
  - Could ask for money but not compel payment
  - Could enter treaties but not enforce its stipulations
  - Could raise armies but not fill ranks
  - **Unanimous vote needed for: create amendments for Articles, levy taxes**

  - **Accomplishments:**
    - Concluded Treaty of Paris
    - It created the first executive departments and formulated principles of land distribution and territorial govt.
    - In 1781, Congress began to set up three departments: Foreign Affairs, Finance, War

Finance
- **Robert Morris** was closest thing to an executive head of the Confederation.
  - **Wanted to make Confederation government more powerful**, envisioned coherent taxation program, and debt management to make government financially stable.
  - Morris issued new government bonds that would help pay off wartime debt.
  - Morris secured a charter for the **Bank of North America**, which would hold government cash, lend money to the government, and issue currency.
    - Morris's program depended on secure income for government
  - Stimulated Newburgh Conspiracy

- Soldiers threatened coup d'etat due to concern with promised land bounties and life pensions—**Newburgh Conspiracy**—but was ended by Washington's speech
  - Hamilton had tried to get endorsement from George Washington

- Congress owed money to soldiers and citizens—**debt grew**

Land Policy
- Congress hoped to draw income from sale of western lands.
- Between 1784 and 1787, policies for the development of the West emerged in three major ordinances of the Confederation Congress
  - Delegates resolved that western lands will be formed into Republican states, equal to other states.
  - **Land Ordinance of 1784**: When the population of the land reached that of the smallest existing state, it would achieve full statehood.
  - **Land Ordinance of 1785**: outlined a plan of land surveys and sales, grid pattern
- Each township was divided into 36 sections, each 640 acres. Each section could be sold for no less than $1 per acre. Some \((\frac{1}{6})\) income was reserved to fund schools.

*The Northwest Ordinance*

- This new ordinance backed off from Jefferson’s plan to allow self-government.
- **The Northwest Ordinance of 1787**: territory fell subject to a governor, secretary, and three judges—all chosen by Congress. When population reached 5,000 free adult males, assembly could be chosen for it by Congress.
  - **Differences from the old royal colonies**: statehood established when population reached 60,000 free inhabitants, and then convention would be called to draft state constitution, new states were equals
  - **Bill or rights guaranteed free religion, proportional legislative representation, trial by jury, common law.**
  - **Slavery excluded from the Northwest**
  - **Uniquely non-imperialistic**: new states were admitted as equals

- **Ohio Company Associates**: a group of speculators from New England who presented plan to Congress. Reverend Manasseh Cutler presented the plan as a lobbyist and in 1787 Congress voted a grant of 1.5 million acres for about $1 million in certificates to Revolutionary War veterans. Debt was reduced and new settlement was encouraged.
- Settlement accelerated. Population centers grew. In the Old Southwest, active movements for statehood emerged. **Indians were in no position to resist encroachments after the war.**
- **Treaty of Fort Stanwix**: Iroquois were forced to cede land in Western New York and Pennsylvania.
- **Treaty of Hopewell**: Cherokees gave up all claims in South Carolina, western North Carolina, and what are now Kentucky and Tennessee.

*Trade and the Economy*

- Congress had little to do with achievements in economy but neither could it bear the blame for an acute economic contraction that occurred between 1770 and 1790, the result primarily of the war and separation from Britain.
- **Farmers suffered.** Commercial agriculture dependent on trade with foreign markets experienced downturn.
- **Merchants suffered.** Cut off from British mercantile system, they had to find new outlets.
- **Those who had financed both sides and privateers were benefited** due to increase in demand and price.
- **Strong sentiment for free trade developed.** 1776 Adam Smith’s *Wealth of Nations* was published.
- Result: quick cycle of postwar boom and bust
- America was excluded from trade with British West Indies; **American shippers sought new outlets and soon became prosperous**
  - Trade treaties opened new markets with Dutch, Swedes, Prussians, and Moroccans. American shippers found new outlets in Europe, Africa, and Asia. **Trade with China opened.**
  - Economy drastically improved via free trade (GRADUAL).
  - Merchants had more ships, farm exports were twice what they had been, small-scale manufacturing emerged in addition to lumber, fish, and wheat trades.

*Diplomacy*
• Nagging problems with few remaining British and Spanish military posts on American soil.
• Another British-American problem was **confiscation of Loyalist land**
• Chief issues with Spain were the **southern boundary** of the US and right to **navigate the Mississippi river**.

**The Confederation’s Problems**

• What touched most Americans were economic troubles and **the acute currency shortage after the war**.
  - State governments, in response, laid **special tonnage duties on British vessels and special tariffs** on the goods they brought to the United States. State action along, however, failed to work because of a lack of uniformity.
  - There became a clear **need for central power in trade regulation**.
  - Mechanics and artisans were developing industry. They wanted taxes on their foreign competitors.
• Farmers struggled with depressed crop prices, creditors demanded hard money, merchants sought outlets
  - **Around 1785 the demand for paper money became the most divisive issue in state politics.** Debtors demanded the addition of paper money as a means of easing repayment and **farmers** saw paper money as an inflationary way to raise commodity prices.
  - Seven states began issuing paper money as a means of extending credit to hard pressed farmers through state loans on farm mortgages and to pay off claims of veterans.
  - Over printing in Rhode Island caused creditors to flee.

**Shays’s Rebellion**

• Shay’s Rebellion in Massachusetts provided proof that the new country was on the brink of anarchy. There was **too little paper money and too much taxation**.
• Poll and land taxes were levied in Massachusetts to pay off war debt. Taxes felt most heavily upon farmers and poor. When legislature met in 1786 without addressing paper money or tax relief, revolt erupted.
  - Led by **Daniel Shays**, a destitute war veteran. He and his followers **sought a more flexible monetary policy, and the right to postpone paying taxes until the depression lifted**.
  - The state responded by sending armed militiamen to scatter the revolt.
  - The revolt was successful, however, because legislature **omitted direct taxes the following year, lowered court fees, and exempted clothing, household goods, and tools from the debt process**.

**Calls for a Stronger Government**

• **Bankers, merchants, and mechanics wanted stronger central government.** Fear of strong central government had lessened.
• Commissioners from Virginia and Maryland had met at Mount Vernon at George Washington’s request to promote commerce and economic development and to settle questions about the navigation of the Potomac River and Chesapeake Bay.
  - Delegates agreed on interstate cooperation
  - **Annapolis Convention** was suggested by Madison as a discussion on commercial problems with representatives from all 13 states. Only five appeared.
  - **Alexander Hamilton**, representing New York, presented a resolution for another convention in Philadelphia to consider measures necessary to render a constitution.
Adopting the Constitution

The Constitutional Convention

- Twenty-nine delegates from nine states began work on revising the Articles of Confederation on May 25, 1787. Patrick Henry from Virginia didn’t come because he opposed centralized government. Rhode Island also remained aloof.
    - Madison emerged as the central figure of the convention.
  - They agreed on fundamentals of government. Government could not be founded all together on trust in goodwill and virtue; checks and balances were needed.

The Virginia and New Jersey Plans

- George Washington was unanimously elected president of the convention.
- First decision was to preserve secrecy.
- **Virginia Plan:** proposals that embodied the revolutionary idea that the delegates scrap their instructions to revise the Articles of Confederation and submit an entirely new document.
  - The plan also proposed: separate legislative, executive, and judicial branches, Congress divided into two houses (lower power chosen by vote, higher house chosen by state legislature)
- **New Jersey Plan:** proposed to keep the existing structure of equal representation of the states in a unicameral Congress but to give Congress power to levy taxes and regulate commerce and the authority to name a plural executive (with no veto) and a supreme court.
- **Two major issues arose:** whether or not to amend the Articles of Confederation or to draft a new document AND whether to determine congressional representation by state of by population.
  - Some things known for sure, agreed upon by all: central govt. was necessary and needed power to levy taxes, regulate commerce, raise military, and make laws. Also that the states needed to be denied certain powers such as power to issue money, abrogate contracts, make treaties, wage war, levy tariffs.
- **Issue of congressional representation**
  - Resolved by Great (Connecticut) Compromise which gave both groups their way. The more populous states won apportionment by population in the House of Representatives; the states that sought to protect state power won equality in the Senate, with vote by individuals, not states.
- **Issue of slavery and trade regulation between north and south states**
  - South Carolina and Georgia representatives refused to support a constitution that didn’t defend slavery.
  - Avoided using the term slavery in the constitution.
  - Should slaves be considered population for taxation purposes but not representation? Three-fifths ratio was agreed upon for both taxation and representation.
  - Southern delegates, opposing Virginia’s George Mason, argued that slave importation was vital to southern states’ economy.
  - To solve the problem, the delegates established a time limit: Congress could not forbid the foreign slave trade before 1808, but it could levy a tax of $10 a head on all imported slaves.
- There was never any formal discussion on women’s rights. The Constitution also said little about the process of immigration and naturalization. Immigrant could not become president, those who haven’t been a citizen for 7 years.

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years cannot be in House of Reps., 9 years citizenship for Senate membership, Indians and Africans were denied citizenship.

**The Separation of Powers**

**LEGISLATURE**
- State constitutions set example for separation of powers.
- Lower house of legislature was designed to be closer to voters, delegates elected every 2 years.
- Upper house of legislature was designed to be more detached, delegates elected every 6 years.

**EXECUTIVE**
- The decision that a single person be made chief executive caused “considerable pause.”
  - George Mason thought a single chief executive would grow into a monarch.
  - President’s powers
    - Veto power but could be overridden by 2/3 vote in each house.
    - Commander of armed forces.
    - Make treaties with 2/3 Senate consent.
    - Appoint judges, diplomats with majority Senate consent.
    - Responsible for reporting annually on the state of the nation and recommend legislation.
    - Limited in certain areas
      - Could not declare war or make peace (Congress’ powers).
      - Could be removed from office (could be impeached by House and removed by Senate).
- Nationalists like James Madison, James Wilson and Alexander Hamilton wanted to strengthen the independence of the executive by entrusting the choice to popular election but elected executive was not plausible (organization and qualification issues.)
  - Wilson proposed that electors be elected (*electoral vote system*). Others proposed that legislators make the choice. Elector method was chosen.

**JUDICIARY**
- Little debate regarding judiciary. Virginia and New Jersey plans called for Supreme Court with one chief justice.
- Power of judicial review (of laws in tandem with Constitution) was implied.
- Congress was specifically forbidden to pass *bills of attainder* (laws adopted after an event to criminalize deeds that have been already committed).
- Sovereignty was divided between people and *within* government.
- New regulations on making amendments:
  - Amendments can be proposed by a 2/3 vote of each house or upon special convention.
  - Amendments can be ratified by approval of ¾ states acting through their legislatures or special convention.

**The Fight for Ratification**
- Constitution would become effective upon ratification by nine states.
- **Nationalists/Federalists** were advocates of the Constitution because they supported strong central govt.
- **Anti-Federalists** were those who opposed centralization.
  - More organized, more leaders, inside edge.
• Most notable aspect of the American Republic was not selfishness but cooperation.

The Federalist

• The Federalist was a collection of essays originally published in the New York Press. Instigated by Alexander Hamilton, the 85 articles published under the name Publius include 50 by Hamilton, 30 by James Madison, and 5 by John Jay. Written in support of ratification.
  o In Essay 10, Madison argued that the size and diversity of the nation would make it impossible for any single faction to form a majority that could dominate the govt. He insisted that large republics, as opposed to small, could thrive as well.
• Anti-Federalists talked about dangers of power in strong government. They noted the absence of a bill of rights to protect the rights of individuals and states. The found the process of ratification irregular (illegal under Arts. Of Confed.). Anti Federalist leaders: Patrick Henry, George Mason, Sam Adams, etc. were men who had their reputations established before the Revolution. Federalist leaders were more likely to be young.
• Both agreed that stronger national govt. was needed and that it required independent income to function properly. Both were convinced that the people must erect safeguards against tyranny.

The Decision of the States

• Delaware, New Jersey, Georgia—unanimous in favor
• Massachusetts—divided, but approved after strings were pulled (Hamilton was seduced by possibility of becoming VPOTUS and Sam Adams was guaranteed a bill of rights)
• New Hampshire—in favor
• Virginia—in favor
• New York—in favor
• Etc.