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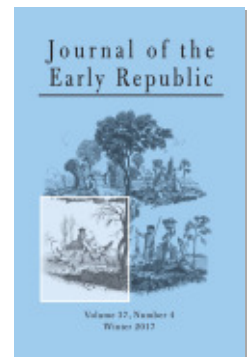
Toward a Social History of Federalism: The State and Capitalism To and From the American Revolution

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Toward a Social History of Federalism

The State and Capitalism To and From the American Revolution

ANDREW SHANKMAN

Coming to terms with the American state requires a better understanding of this power on the periphery.

—William J. Novak

Thus far in the twenty-first century, interest in the history of the state and capitalism is back with a vengeance. Like so many other readers of the *Journal of the Early Republic*, I could not be happier about this development. What many have called the new histories of the state and of capitalism, when combined, argue for a strong and effective nation-state in the early national United States, and a national (really international) capitalist economy with slavery at its center. These literatures are ascendant for a reason; they are very good and challenge traditional claims about a United States barely and weakly governed from the national level, and a political economy of slavery distinct from, even in opposition to, capitalism.¹

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1. William J. Novak, “The Myth of the ‘Weak’ American State,” *American Historical Review* 113 (June 2008), 752–72, the quotation at the start of this essay can be found on 766; Brian Balogh, *A Government Out of Sight: The Mystery of National Authority in Nineteenth-Century America* (New York, 2009); Richard R. John, *Spreading the News: The American Postal System from Franklin to Morse* (Cambridge, MA, 1995); Max M. Edling, *A Hercules in the Cradle: War, Money, and the American State, 1783–1867* (Chicago, 2014); Sven Beckert, *Empire of Cotton: A Global History* (New York, 2014); Walter Johnson, *River of Dark Dreams: Slavery and Empire in the Cotton Kingdom* (Cambridge, MA, 2013);

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This essay suggests that our understanding of the state and capitalism will benefit from taking a long view of state formation and political economy, one that connects the eighteenth-century colonial and imperial experience to the early American republic. I organize my discussion of the nature of state power in English-speaking North America over a 150-year period, and the connections between the nature of the state and capitalism and slavery, around a concept I call a social history of federalism. Between the early eighteenth century and 1861, first the British imperial state and then the republican nation-state sought to govern over a vast space. Both governments found governance to be easier and more straightforward on the oceans and along the coast than in the interior of North America. In the interior governance depended on a perpetually negotiated voluntary cooperation between rulers and ruled.

This negotiated voluntary cooperation lay at the heart of the social history of federalism. Both the British imperial state and the republican nation-state were sharply limited by an organic federal reality, the fact that their coercive authority had real geographic limits. State authority was limited and could even regularly be voided by localities (a term I use loosely that could refer variously to communities, regions within colonies and states, or colonies and states) that actively resisted or simply withheld their voluntary cooperation from measures they did not want to see enforced upon them.

In addition, localities frequently forced action in their vicinities by assaulting Indians or ignoring imperial or national boundaries. In doing so, localities regularly gave their central governments little choice but to intervene on their behalf at times and under circumstances of the localities' choosing. This interplay of authority and power meant that even seemingly high-level imperial or republican-national policy was often being made at, or at least driven and shaped by, the localities. The interplay provided an important "bottom-up" dimension to state formation,

Edward E. Baptist, *The Half Has Never Been Told: Slavery and the Making of American Capitalism* (New York, 2014); Seth Rockman, "What Makes the History of Capitalism Newsworthy?" *Journal of the Early Republic* 34 (Fall 2014), 439–66. For the best presentation of the traditional view, see John M. Murrin, "The Great Inversion, or Court Versus Country: A Comparison of the Revolution Settlements in England (1688–1721) and America 1776–1816," in *Three British Revolutions: 1641, 1688, 1776*, ed. J. G. A. Pocock (Princeton, NJ, 1981), 368–453; Eugene D. Genovese, *The Political Economy of Slavery: Studies in the Economy and Society of the Slave South* (New York, 1965).

the expansion of state power, and the expansion of British colonists and then republican citizens across North America. At its heart, then, this social history of federalism was shaped by the organic federal reality of North America: that once there was a reasonably unified and sizeable locality enjoying hegemony over its vicinity, neither the British imperial state nor the republican nation-state could successfully govern within that locality without its voluntary willingness to be governed.²

The social history of federalism provides a real continuity to and from the revolution concerning the issues of state formation, state authority, and the uses of state power. This was a continuity of patterns of state effectiveness, where and under what circumstances and conditions the central governing authority could be effective, and, just as important, where and when it could not be. Investigating a series of episodes from the early eighteenth century to the Civil War era shows that the white male property holders of British North America, and then the United States, organically participated in constructing this federal system of governance. The system existed before its articulation (indeed its precise features were never fully articulated in any available ideology). Yet this organic federal reality, the result of a bottom-up construction—a social history of federalism—revealed the real capacities, but also the real limits, shaping what was possible for those seeking to govern the thirteen colonies and then the United States.³

The first two sections of the essay examine in each a policy, a war,

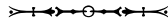
2. Peter Silver, *Our Savage Neighbors: How Indian War Transformed Early America* (New York, 2008); Patrick Griffin, *American Leviathan: Empire, Nation, and Revolutionary Frontier* (New York, 2007); Gregory Evans Dowd, *War Under Heaven: Pontiac, the Indian Nations, and the British Empire* (Baltimore, 2002); Kathleen DuVal, *Independence Lost: Lives on the Edge of the American Revolution* (New York, 2015); DuVal, “Independence for Whom?: Expansion and Conflict in the South and Southwest,” in *The World of the Revolutionary American Republic: Land, Labor, and the Conflict for a Continent*, ed. Andrew Shankman (London, 2014), 97–115; J. C. A. Stagg, *Borderlines in Borderlands: James Madison and the Spanish-American Frontier, 1776–1821* (New Haven, CT, 2009).

3. For discussions that at times overlap with mine, see Jack P. Greene, *Peripheries and Center: Constitutional Development in the Extended Politics of the British Empire and the United States, 1607–1788* (New York, 1986); Mary Sarah Bilder, *The Transatlantic Constitution: Colonial Legal Culture and the Empire* (Cambridge, MA, 2004); Alison L. LaCroix, *The Ideological Origins of American Federalism* (Cambridge, MA, 2010).

and a crisis, first in British North America and then in the early American republic. Section one, by discussing the White Pines Act, the French and Indian War, and the Stamp Act Crisis, illustrates the organic federal reality and sketches the emergence of the social history of federalism. Section two, by examining the Federalist Party excise of 1794, the War of 1812, and the Nullification Crisis, shows how the organic federal reality continued to shape the capacity of the nation-state to govern after the American Revolution. The essay's third section discusses how the social history of federalism played a crucial role in the development of the slave-labor economy, and the capacity of free- and slave-labor regimes to coexist and benefit each other over a significant period of time. This section will then discuss how the various causes and processes that allowed for this mutually beneficial and harmonious coexistence also brought about the violent hegemonic breakdown of 1861.

The older literatures on the early national state and the political economy of slavery sought to understand a central issue of U.S. history: Why did the nation-state disintegrate in the middle of the nineteenth century; why at the heart of U.S. history was there a violent and complete hegemonic breakdown produced by the bloody and destructive conflict between free- and slave-labor regimes? The answer obviously seemed to be a weak nation-state and the incompatibility and hostility of those regimes. In the early twenty-first century we have confidently moved in our scholarship to incorporate those regimes into a continental, even global, system that we are calling capitalism. And we rely more and more on claims for a highly effective and powerful early national American nation-state that drove and oversaw much of this economic development. This essay seeks to bring more precision to our discussion of the nation-state in the early American republic by asking what conditions allowed it to act with real coercive authority, when it could do so, why it could do so, and just as important, when and why it could not. The possibilities and limits for state power had a profound impact on the growth and development of the North American slave political economy, and on its thorough interconnectedness with continental, indeed global, capitalism. It was this very interconnectedness that produced the hegemonic breakdown and the disintegration of the national polity and nation-state in civil war.⁴

4. In a recent synthetic work Gary Gerstle splits the difference on the earliest period he discusses, the period in which he does not specialize, saying that at times the national government was strong and at others weak. This true statement



To understand the social history of federalism in the colonial period, this section briefly analyzes a policy, a war, and a crisis to introduce the organic imperial federal system. It often achieved its goals and mobilized colonial resources and labor to help realize its imperial ambitions. Yet the very ways that the British state succeeded also revealed significant limits to its coercive power. When those limits were not understood and managed, they prevented the imperial state from governing inside the colonies.⁵

These limits were the result of an organic imperial federal reality that shaped Britain's relations with its North American colonies. Understanding the nature of this reality is crucial for moving toward a social history of federalism. The organic imperial federal reality resulted from the physical features of the British Atlantic world and the North American continent. Parliament was three thousand miles and an ocean away from those it sought to govern. The white male heads of household of British North America and their dependents occupied a vast landmass. An unprecedented number of these white men owned their own land and could regularly ignore imperial dictates about what should happen on that land if they wanted to. These physical features, much more than any widespread opposition to British rule, shaped how the empire functioned and under what circumstances and conditions those administering it could govern their North American subjects. This organic federal reality that shaped the British empire continued to order relations between the national government of the United States and its republican citizens long after they left that empire behind.

The somewhat obscure White Pines Act, which Parliament first passed in 1711, reveals a great deal about the organically federal nature

provides description, not explanation. Gerstle, *Liberty and Coercion: The Paradox of American Government from the Founding to the Present* (Princeton, NJ, 2015).

5. Part of what follows is a distillation of two of my recent essays, Andrew Shankman, "A Synthesis Useful and Compelling: Anglicization and the Achievement of John M. Murrin," in *Anglicizing America: Empire, Revolution, Republic*, ed. Ignacio Gallup-Díaz, Andrew Shankman, and David J. Silverman (Philadelphia, 2015), 20–56; and Shankman, "Conflict for A Continent: Land, Labor, and the State in the First American Republic," in *The World of the Revolutionary American Republic*, ed. Shankman, 1–24. Readers seeking a more complete discussion of some of the topics I touch on here are warmly welcomed to read them.

of the British empire. With the act, Parliament required colonists, mostly of New Hampshire, to supply the navy with white pines before selling to other purchasers. Parliament had to pass the act again twice during the 1720s because it was proving so hard to enforce. Parliament had this difficulty with enforcement even though by the 1720s the fiscal–military state that had been created out of the Glorious Revolution was becoming quite effective at enforcing much more significant imperial policies and at managing the empire.⁶

This effectiveness was clearest with the Navigation Acts. During the seventeenth century colonists had mostly ignored the acts with little fear of any consequences. The embattled English state simply did not have the power to do much to enforce its laws on the oceans. Yet as the post-Glorious Revolution state developed its capacity to tax and borrow and mobilize resources on an unprecedented scale, by the 1720s it could enforce the Navigation Acts. It reveals a great deal about the federal nature of the empire to consider why the Navigation Acts succeeded when initially the White Pines Act failed.⁷

The two policies produced such different outcomes in the 1720s because the Navigation Acts governed activity in the external realm—actions taken by the colonists on the oceans. Parliament’s efforts to control the sale of pine trees required governing what the colonists did inside their colonies, far from any actual power the British state had. By 1730 the British state, especially when compared with what it could do in the past, really was able to enforce its laws on the oceans. The navy had become a powerful instrument of the state’s power. But the British state had no equivalent (or even vaguely similar) instrument inside the colonies. Especially the farther into the interior efforts of enforcement sought to go, Britain’s ability to influence what colonists did all but

6. Pauline Maier, *From Resistance to Revolution: Colonial Radicals and the Development of an American Opposition to Britain, 1765–1776* (New York, 1972), 6, 9.

7. Steve Pincus, *1688: The First Modern Revolution* (New Haven, CT, 2009); John Brewer, *The Sinews of Power: War, Money, and the British State, 1688–1783* (New York, 1989); Patrick O’Brien, “Inseparable Connections: Trade, Economy, Fiscal State, and Expansion of Empire, 1688–1815,” in *The Oxford History of the British Empire: The Eighteenth Century*, ed. P. J. Marshall (New York, 1998), 2: 53–77; Jacob Price, “The Imperial Economy,” in *The Oxford History of the British Empire*, ed. Marshall, 2: 78–104.

disappeared. The colonial coast was a crucial physical obstacle that created a very real separation of powers in the empire. On the oceans, by 1730 Britain could govern its empire more effectively than ever before. Inside the colonies, it was very easy for colonists to avoid governance if they chose to.

Yet the weakness of the British state inside the colonies did not prevent it from governing there effectively. Indeed, after its initial failures, as I have explained more fully in a separate essay, the White Pines Act also began to work as Parliament hoped it would.⁸

In the three decades after 1730 the royal governors of New Hampshire, Benning Wentworth and John Wentworth, took charge of the trade in white pines and made it one of their many lucrative sources of patronage. They developed an informal practice of continually buying the pines and offering highly attractive prices. As a result, they could supply the navy and satisfy New Hampshire property owners. Their practice even transformed attitudes about the hapless officeholders the Surveyors of the King's Woods, who were tasked with trying to enforce the act. The Surveyors became welcome and popular figures; the owners of the pines were eager for the Surveyors to mark their trees as worthy of purchase. Their popularity even allowed Benning Wentworth to offer the office to legislators as part of an inducement to keep their loyalty and command their votes.⁹

An act that had begun as a hated failure now allowed Wentworth to replicate in New Hampshire the strategic disbursement of patronage that permitted Whig leaders such as Robert Walpole to bring political stability to Britain. The eventual success of the White Pines Act shows that Britain could govern effectively inside the colonies because Benning Wentworth figured out how to get the owners of the pines to welcome the regulation it brought. Had the act remained as it was in 1711, it could only have failed. Wentworth's creativity meant that the owners of the pines eagerly cooperated with the regulation of their behavior. Ultimately, the White Pines Act met the needs of Parliament and the navy. But it did so in ways that pleased the people who lived on their own land far away from any genuine coercive authority. The owners of

8. Shankman, "A Synthesis Useful and Compelling," 30–33.

9. Jere Daniell, "Politics in New Hampshire under Governor Benning Wentworth, 1741–1767," *William and Mary Quarterly* 23 (Jan. 1966), 76–105.

New Hampshire's pines absolutely had the power to determine where the trees would be sold and to whom. The methods of enforcement conceived by Benning Wentworth meant British subjects living in New Hampshire wanted to abide by imperial policy.¹⁰

What does the story of the White Pines Act allow us to conclude about the British empire and the British nation-state that governed it? Was it weak or strong? It was certainly a state that could articulate its needs and find ways to meet them. The policy produced the outcome Parliament needed, and it did so over a vast distance in a place where there was virtually no coercive means of enforcement. But the White Pines Act succeeded because veteran imperial administrators had enough autonomy to work within the conditions on the local ground as they found them. Benning Wentworth understood the grave limitations of his power; he knew he could govern in the internal realm only if he could persuade those the act sought to regulate to allow it to be enforced.

The British nation-state had to approach governance in the colonies in profoundly different ways than it did on the oceans. Benning Wentworth could overcome the absence of coercive power internally. But could the colonists be persuaded to work with the empire when far more was asked of them, perhaps even their lives? The French and Indian War also happened inside the colonies, and wartime leaders had no more actual power to force colonists to act than had Wentworth. To win this massive war for control of a continent, the British would have to secure the colonists' cooperation while asking immeasurably more of them than agreeing where to sell pine trees.

During the first years of the war, and especially in Massachusetts in 1757–1758, Britain failed to get this cooperation. Yet after William Pitt became First Minister in 1758, both the empire and the war effort succeeded spectacularly. Pitt mastered the challenges produced by the organic federalism and the separation of powers within the empire created by the colonial coastline.¹¹

10. J. H. Plumb, *The Growth of Political Stability in England, 1675–1725* (London, 1967). For a similar process in eighteenth-century Massachusetts, see John M. Murrin, "Review Essay," *History and Theory* 11 (1972), 226–75.

11. Fred Anderson, *A People's Army: Massachusetts Soldiers and Society in the Seven Years War* (Chapel Hill, NC, 1984); Anderson, *Crucible of War: The Seven Years' War and the Fate of Empire in British North America, 1754–1766* (New York, 2000); John Shy, "The American Colonies in War and Revolution, 1748–1783," in *Oxford History of the British Empire*, ed. Marshall, 2: 300–324.

In 1757 and 1758 Lord Loudon oversaw the war effort in Massachusetts. Loudon used dictates and coercive demands to the colonial legislature to try to force colonists who could not be forced. Loudon had two primary demands: that colonists help to pay for the war and the cost of quartering and provisioning British troops. His methods of commanding royal governors to order compliance from colonial legislatures raised serious concerns for legislative autonomy. By dictating the amount of taxation, Loudon could even be viewed as threatening the protection of property since properly representative legislatures would simply be obeying the orders of an unaccountable and unrepresentative authority. Colonists in Massachusetts reacted as those in New Hampshire initially had responded to the White Pines Act. Indeed, in 1758, at the height of the most gloomy and dangerous period of the war, Massachusetts announced that it would provide none of the funds Loudon demanded.¹²

The debacle was a powerful illustration of the organic federal reality and the absolute dependence of the distant British state on the cooperation of the colonists when it sought to accomplish anything inside the colonies. Historians rightly emphasize the impressive achievements of the British fiscal-military state. Yet in this case its weakness was palpable. But the weakness in this instance must be understood along with the success of the Navigation and White Pines Acts. The Navigation Acts, enforced on the oceans, did not need the colonists' cooperation. The White Pines Act, successful on essentially the same local ground where Loudon failed, showed how much methods, tactics, and treatment mattered if the central state hoped to govern inside its colonies. Wentworth ingratiated; Loudon infuriated.

Once in power, Pitt quickly repaired the breach Loudon had provoked. He did so by understanding the organically federal nature of the empire he led, and the absolute necessity of approaching the colonists differently in the internal realm than he would need to in the external. Pitt's war effort had the same needs as Loudon's. But to solicit money to help pay for the war and to house British soldiers, Pitts set aside a supply of gold and silver and promised to partially reimburse legislatures if they chose to vote taxation and contribute to the war. This method removed any fear about trampling on legislatures' autonomy, and did not agitate concerns about having unaccountable figures dictate amounts of taxation

12. Anderson, *A People's Army*, 14.

to the colonists' elected representatives. It also meant that normally scarce gold and silver would be much more plentiful in the colonies. Quickly legislatures proved eager to levy taxes, hoping to draw from the fund before other colonies secured the specie Pitt had placed in it. Pitt used a similar method to persuade legislatures to erect barracks for British troops.

The result of Pitt's understanding of the real limits to his power inside the colonies—of the organic federal reality—was the British triumph in the French and Indian War. This triumph was a shared victory. From 1759 the colonists enthusiastically, generously, and bravely assisted the British empire and gloried in its unqualified success, which was clear to all by 1761. Just a few years after that, the empire began to descend into what became an insurmountable crisis. Yet at its heart, the conflict that started in 1764–1765 began with the demands that the colonists offset the expense of the empire and pay to house and provision the British troops protecting them in North America. Pitt figured out how to accomplish precisely these things, not in some distant, dimly remembered, and vastly different colonial past, but in the years just before the Stamp Act. Pitt's methods and solutions were informed by the same flexibility and practical understanding that allowed the White Pines Act to work.

Pitt had no choice but to proceed as he did in the internal realm, the place where the colonists really could determine what would happen and what would not. Did the real limits to power inside the colonies mean that Pitt's state was a fatally weak one? As with the White Pines Act, the war effort was a real success; the British state achieved its goals, in this instance in stunning fashion. But great success came only when shrewd policymakers understood the organic imperial federal reality and matched their methods and policies to the realities of the particular imperial space they sought to govern. Loudon's dictates could never secure the colonists' voluntary cooperation. Pitt, knowing he could not demand, instead figured out how to convince loyal and proud British subjects living in colonial America that they wanted to be governed.

The Stamp Act Crisis, in a much more dangerous and destructive way, also revealed how different the internal realm was from the external. But the events of 1764–1765 showed that some Britons on both sides of the ocean perceived the federal nature of their empire and the critical dividing line of the coast. The crisis revealed that there were three ways to understand the empire: Parliament's way, the colonists' way, and reality. When provoked by colonial opposition to the Stamp Act, Parliament

asserted that it had complete authority to tax and legislate everywhere in the empire. The colonists sought to carefully distinguish between the authority to legislate—acts passed to regulate behavior—and to tax—acts passed for the sole and explicit purpose of raising revenue. They insisted on no taxation without representation, and argued that their British liberty to be secure in their property—the heart of the Glorious Revolution settlement—would disappear if they were taxed by a legislative body they did not choose, and that was comprised of legislators who would not have to pay the same taxes they levied on the colonies.

From the colonial position the Sugar Act, an external tax, was just as much a violation of liberty and natural rights as was the Stamp Act. James Otis, among others, had no difficulty providing a fully realized constitutional rejection of the Sugar Act in 1764, before he or other colonists knew an internal tax would follow. Yet though the colonists who understood the Sugar Act for the tax that it was had no trouble registering a powerful constitutional and ideological objection to it, the Sugar Act worked reasonably well and raised revenue in 1764–1765 when it replaced the Molasses Act of 1733. Initially the Sugar Act reduced the duty on foreign molasses from 6 pence to 3 pence per gallon. The reduction turned a punitive fine meant to discourage purchase of foreign molasses into an impost that some merchants could afford to pay. The reduction, then, transformed a regulatory measure—legislation—into an act meant to raise revenue—a tax—and so provoked Otis's constitutional critique. Yet collected on the ocean, or in the ports, where the British state had a real governing presence, the Sugar Act was enforceable. The Sugar Act worked even better after 1766 when Parliament further reduced the impost to one penny per gallon. Foreign molasses was now cheap, cheaper even than much of the pre-1764 smuggling trade. This tax was enforced in the realm where Britain did not need the colonies' voluntary cooperation. Down to 1774 it continued to bring in close to the targeted revenue George Grenville had hoped for.

The Stamp Act was an entirely different matter. To work it depended on colonists becoming stamp distributors, and their fellow colonists leaving them unmolested while agreeing to buy stamps. The Stamp Act, then, needed colonial cooperation and so was highly vulnerable, particularly since this internal measure brought back the fears for liberty and property expressed by Massachusetts when it had refused to cooperate with Lord Loudon. In the summer and fall of 1765, the colonists once again effectively policed the internal realm and nullified the Stamp Act.

The crisis rocked the empire, and Grenville's ministry disintegrated as colonists rioted and denounced the violation of their liberties.

Yet neither Parliament's claim to sovereignty everywhere, nor the colonists' insistence that Parliament could not tax them, explained the situation of 1764–66. Parliament was successfully taxing externally and clearly could not tax internally. It also could not legislate internally unless someone figured out how to secure the colonists' cooperation, while it could legislate with few to no encumbrances externally. The reality of 1764–66 revealed an organic federal system bisected by the coastline, though neither Parliament's nor the colonists' description of the empire could account for it.

Like Benning Wentworth and William Pitt, the new First Minister who replaced Grenville, Charles Watson Wentworth, the Marquis of Rockingham, managed to resolve a conflict. He did so, in part, by listening to thoughtful and loyal imperial subjects such as Benjamin Franklin, who understood the reality the empire had produced. In 1766 Rockingham introduced bills to resolve the crisis that collectively, though never explicitly, acknowledged the organic imperial federal reality. Simultaneously Rockingham repealed the Stamp Act and passed the Declaratory Act. The Declaratory Act seemingly endorsed Parliament's position, that it was sovereign throughout the empire in all matters. Yet the repeal of the Stamp Act invited colonists to conclude that they had been heeded. The Stamp Act was ubiquitous in a way the Sugar Act was not, and for most colonists it constituted the threat to their liberty and property. Rockingham further encouraged this colonial interpretation of his actions with his subtle wording in the Declaratory Act. His advisers wanted an unambiguous declaration and suggested language that would give no room to doubt the totality of Parliament's power. Yet the final wording did not contain the original suggestion, that Parliament was sovereign in all "cases of Taxation, and in all other cases whatsoever."¹³

In the final version, Rockingham left out any mention of taxation and instead claimed the power to enact laws and legislate. The colonists' position was that taxation by an unrepresentative body could never be

13. Edmund S. Morgan and Helen M. Morgan, *The Stamp Act Crisis: Prologue to Revolution* (Chapel Hill, NC, 1995), 288–89; Gordon S. Wood, *The Americanization of Benjamin Franklin* (New York, 2004); John L. Bullion, "British Ministers and American Resistance to the Stamp Act, October–December 1765," *William and Mary Quarterly* 49 (Jan. 1992), 89–107.

lawful. Since the Declaratory Act coincided with the repeal of the tax that virtually everybody in the colonies focused on, it was easy for the colonists to read the Declaratory Act as an acceptance of their position. Most MPs never doubted that the power to enact laws included the power to tax, and so could read the same wording as Rockingham's forceful assertion of their authority. Once things quieted down, Parliament reduced the duty on molasses to one penny.

Rockingham had clearly understood the lesson Franklin had tried to teach the members of the House of Commons when they questioned him about the crisis in January 1766, in a session arranged by Rockingham. Franklin had explained that "the oceans are yours" and with subtlety tried to steer them to focusing on the oceans, the place where Parliament's views of its sovereign authority in fact matched the empire's organic reality.¹⁴

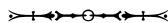
Rockingham had managed to negotiate the challenges and complexities of the imperial federal system. In 1766, the Sons of Liberty disbanded, Parliament had augmented its power and was successful at taxing the colonies for the first time, and only a few seemed to be aware that the coastline had once again proved to be the fundamental divider in a separation of powers of a federal empire. The British empire worked, and could even withstand a terrible crisis, when those who administered it managed to arrange their policies to match the organic federal reality. That reality demanded methods and approaches in the internal realm that were sharply different from those possible in the external.¹⁵

The White Pines Act, the French and Indian War, and the Stamp Act Crisis each showed a clear pattern of governance for a state claiming dominion over the vast territory that would become the United States. The coercive authority that early modern political theorists associated with state sovereignty was present on the oceans and the coast. The farther into the interior a policy traveled, the more the gulf widened between the claim to power and actual power. That gulf could be bridged only by imagining policies the governed would accept. Policies were likely to be thwarted, even nullified, once the governed decided to

14. A lengthy portion of Franklin's examination is reprinted in Jack P. Greene, ed., *Colonies to Nation, 1763–1789: A Documentary History of the American Revolution* (New York, 1975), 72–78.

15. Maier, *Resistance to Revolution*, 112.

withhold their voluntary cooperation. These patterns were the result of distance, the independence that came with widespread property ownership, and the limits of state formation—the lack of institutional development, presence of state personnel, and bureaucratic structure—faced by even highly developed and effective states such as eighteenth-century Britain's. In other words, the patterns and conditions that caused British subjects to create the imperial federal reality did not disappear with independence and the creation of the American republic. Instead, they intensified.



I will now discuss a policy, a war, and a crisis to explore the social history of federalism in the early American republic. Doing so shows the continuity across the American Revolution regarding the capacity of the governed to determine how, when, whether, and under what conditions their now republican nation-state—the new central authority—could use force and coercive authority to conduct its affairs. First the policy, the Federalist excise tax. Always seeking revenue, in 1791 and 1794 Congress and the Washington administration enacted a series of internal taxes, which famously provoked what we call the Whiskey Rebellion.¹⁶

Yet, as Anthony M. Joseph has recently and usefully reminded us, the excise taxes were not resisted everywhere. Especially in New England, citizens complied with the internal taxes, the same taxes that in western Pennsylvania and other far-flung locations were resisted and often nullified. In areas of extensive resistance, the expense of responding to it made the effort to collect the tax absurd.¹⁷

The pattern here is clear. Excises could be collected closer to the location of national power in those areas also predisposed to feel affection for, and so grant voluntary cooperation to, the national government. Farther away, and in areas with an ideology that encouraged opposition and resistance, withholding voluntary cooperation clearly marked

16. Thomas P. Slaughter, *The Whiskey Rebellion: Frontier Epilogue to the Revolution* (New York, 1986); Terry Bouton, "A Road Closed: Rural Insurgency in Post-Independence Pennsylvania," *Journal of American History* 87 (Dec. 2000), 855–87.

17. Anthony M. Joseph, "Anglicization and the American Tax Payer, c. 1763–1815," in *Anglicizing America*, ed. Gallup-Diaz, Shankman, and Silverman, 226–38, 232.

the real limits of the nation-state's ability to enforce its policies. It is also the case that the national government, as the shrewdest parliamentary policymakers had before it, had little choice but to accept its limitations. It is harder to measure what does not get tried, or what is not acted upon. But at the height of the Federalist Party efforts to broaden the tax base, the excise accounted for 6 percent of all government revenue. In contrast, from 1730 to 1790 excises accounted for from between 40 percent to 50 percent of annual public revenue in Britain. Of course the two economies are not directly comparable. But no American policymaker of the early republic ever imagined fundamentally relying on anything other than the impost, the least intrusive, most easily collected form of tax, and one confined to the coasts and the oceans.¹⁸

The American nation-state could collect its version of the Sugar Act, just as the British imperial state had been able to do. For the most part, the American nation-state confined itself well into the nineteenth century to the form of taxation most western European states had taken for granted since the mid-fifteenth century. By doing so it avoided its own version of the Stamp Act crisis. The exceptions were the armed uprisings of 1794 and 1799, when the nation-state did attempt internal taxation. But that the excise of the early 1790s could work in certain places under optimal conditions reinforces that we should not gravitate to a view of this state as either weak or strong. Rather, it is likely more helpful to provide a finely grained social history of federalism. That history would recover the relationship between the nation-state and the various regions and localities it sought to govern. It would uncover and understand the instances when the state functioned in ways that scholars traditionally identified as weak, and more recently have been identifying as strong.¹⁹

18. Ibid. and Brewer, *The Sinews of Power*, 98.

19. Contrasting the very different experiences of taxation of western European states and the early American Republican state is useful. In addition to Brewer, *Sinews of Power*, see Richard Bonney, ed., *The Rise of the Fiscal State in Europe, c. 1200–1815* (New York, 1999); Richard Bonney, ed., *Economic Systems and State Finance* (New York, 1995); Mark Ormrod, Margaret Bonney, and Richard Bonney, eds., *Crises, Revolutions, and Self-Sustained Growth: Essays in European Fiscal History, 1130–1830* (Lincolnshire UK, 1999); Augustus J. Venendaal, Jr., “Fiscal Crises and Constitutional Freedom in the Netherlands, 1450–1795,” in *Fiscal Crises and Representative Government, 1450–1789*, ed. Philip T. Hoffman and Kathryn Norberg (Stanford, CA, 1994), 96–139; P. G. M. Dickson, *The Financial Revolution in England: A Study in the Development of Public Credit*,

Like the British Empire, the early republic fought many wars. The recent excellent scholarship on the War of 1812, particularly the work of Alan Taylor, has emphasized how central the continental conflict was to the war. Far from being an ineffectual event with an ambiguous outcome, the War of 1812 had a decisive impact and was a major episode in consolidating the republic's continental hegemony.²⁰

The War of 1812 shows how a republic governed by a nation-state, which was itself shaped by an organic federalism created from the bottom up, managed to pursue its interests and conduct warfare. In a remarkable essay distilling two long and important books, Taylor has explained the War of 1812 as an event that occurred between 1810 and 1819–20. The conventional War of 1812 was at the heart of a decade-long process that fundamentally transformed the power relations of North America.²¹

Taylor sees the conflicts along the Gulf coast for East and West Florida in 1810–11 as the start of this process. Like so much of the republic's foreign policy on the North American continent, and the eventual working out of its western land policy, the drivers of policy and events were often on the periphery in the interior. Citizens on the margins regularly forced issues and fomented conflicts. By doing so, they created a narrower range of choices for policymakers at the center, often reducing the policy options to those that fit needs and interests defined on the periphery.²²

1688–1756 (New York, 1967); Patrick O'Brien, "The Political Economy of British Taxation, 1660–1815," *Economic History Review* 41 (Feb. 1988), 1–32; Lawrence Stone, ed., *An Imperial State at War: Britain from 1689 to 1815* (London, 1994); Michael Kwass, *Privilege and the Politics of Taxation in Eighteenth-Century France: Liberté, Égalité, Fiscalité* (New York, 2000).

20. Alan Taylor, *The Divided Ground: Indians, Settles, and the Northern Borderland of the American Revolution* (New York, 2007); Taylor, *The Civil War of 1812: American Citizens, British Subjects, Irish Rebels, and Indian Allies* (New York, 2010). See also Paul A. Gilje, *Free Trade and Sailors' Rights in the War of 1812* (New York, 2013); J. C. A. Stagg, *The War of 1812: Conflict for a Continent* (New York, 2012).

21. Alan Taylor, "The War of 1812 and the Struggle for a Continent," in *The World of the Revolutionary American Republic*, ed. Shankman, 246–67.

22. Reeve Huston, "Land Conflict and Land Policy in the United States, 1785–1841," in *The World of the Revolutionary American Republic*, ed. Shankman, 324–45; Bethel Saler, *The Settlers' Empire: Colonialism and State Formation in America's Old Northwest* (Philadelphia, 2015). For an excellent exploration of

Taylor shows in careful detail a war whose direction, conduct, and outcome was driven much more by actors on the margins than at the center. Often these actors were private citizens. And often they were public officials, territorial governors, and generals—most critically Andrew Jackson—whose loyalties and sources of power depended on popularity in the localities where they acted. That popularity carried more significance than did the imprimatur of the nation-state. Taylor describes the Madison administration's disinclination to attack Spanish Florida in 1812, but that Madison and Secretary of State James Monroe "feared being left behind by aggressive southern filibusterers bent on seizing Florida." These filibusterers had been forcing the issue by this point for two years.²³

By 1814 Jackson, riding his wave of local popularity, could simply ignore the Treaty of Ghent and deploy his troops to seize large amounts of land from the Creeks. The Madison administration concluded that to confront Jackson's blatantly perverse interpretation of the treaty, and his decision to act without orders, would only reveal its own inability to govern the region. The decision to avoid confrontation with Jackson was heavily influenced by the other conditions in the interior that the Madison administration could not control. The administration wanted orderly and controlled westward expansion sanctioned by treaty and international law. It wanted expansion that would reinforce and augment the authority and power of the nation-state. Those goals did not serve local interests, and so men in the localities simply withheld their voluntary cooperation. Jackson could act with impunity to a large extent, as Taylor explains, because the national "government also could not control the white squatters, who poured onto the Creek lands ahead of the official surveys. From just 9,000 in 1810, Alabama's settler population surged to 144,000 by 1820. No American government was about to evict so many citizens from their new farms."²⁴

Again, let us raise the question: Was this episode an example of a weak or a strong nation-state? The War of 1812, as Taylor has taught us to see it, was an unambiguous benefit to the adult white male heads of

these issues, see Jessica Choppin Roney, "1776, Viewed from the West," appearing in this issue.

23. Taylor, "The War of 1812," 255.

24. *Ibid.*, 260.

household producer citizens of the early American republic. The United States was far more powerful in North America in 1820 than it had been in 1810. And the nation was poised to grow even more powerful because of what it had accomplished in this decade of warfare. But this organically federal nation did not, could not, and did not have to conduct war as European nation-states did. The most important source of victory was the sheer numbers of people in far-flung places who often acted ahead of their government, making policy, and even declaring war, from the margins. Taylor explains that “expansion revealed the weakness of national leaders, who had to scramble to claim authority over actions initiated by aggressive actors on the margins of a vast and diffuse country.” Taylor quotes Henry Clay observing events in the west as showing “the spectacle of a people at war and a government at peace.”

The war placed the organic federal reality, the need for voluntary cooperation, and the complex interplay of relations between governors and governed in sharp relief. The decade of war exposed what the nation-state at the center needed to do, how it had to conduct itself in order to oversee the awesome coercive power its citizenry held. In order to manage the coercive authority diffused among the governed, and able to be summoned by localities that could largely do what they wanted in the far-flung interior, the nation-state had to define its objectives, and, and often after the fact, articulate its priorities so that they coincided with what the localities wanted and often had already done anyway. Drawing his thoughts together, Taylor explains that, “trying to dispossess squatters or rebuke rogue generals, the national leaders could only fail, revealing their impotence. Instead, the national administrations sought to exploit the turmoil along the southern frontier to pressure the Spanish into forsaking Florida. In the process, the government won far more popularity than it ever could have by fully adhering to international law.”²⁵

By understanding the War of 1812 as he does, Taylor is providing for that war what I am calling a social history of federalism. The nation-state officially oversaw a decade of warfare that greatly enhanced the stature and wealth of the nation. The achievements of that decade did the same for the national government. But the process was far more complex than an example of a state we now understand to be strong and that we once

25. *Ibid.*, 246.

believed to be weak. In the interior, the nation-state could consolidate with coercive authority those things people living there really wanted to have happen, and had often themselves forced to happen. The nation-state was sponsoring and overseeing the expansion of the United States. But it was doing so in areas where the people living in the localities had much more power to shape and define that expansion than the nation-state did. The decade of war revealed how the nation-state could be vigorous, powerful, and coercive in the interior. It could mobilize its wealth, its war materiel, and its resolve to accomplish much in distant localities, as long as what it sought to accomplish was what those in the localities wanted. Indeed, people in the localities could create the conditions to force what they wanted at a time of their choosing, whether that timing fit the priorities and precise needs of the nation-state. By acting in ways that could elicit voluntary cooperation, and by understanding how little could be accomplished without it, the nation-state of the early American republic faced the same constraints, the same organic federal reality, that had shaped the actions of British imperial policymakers.

Taylor's decade of war was precipitated by the Louisiana Purchase and ended with the bundle of national and international agreements that included the Missouri compromise. John Craig Hammond's work on Louisiana and Missouri helps to further illustrate the organic federal reality that structured the American nation-state, and that shaped the conditions that dictated how, whether, and when it could act forcibly and coercively. By a vast margin, the biggest factor determining the outcome of slavery in the purchase territory was the interests and actions of those living there.²⁶

26. John Craig Hammond, *Slavery, Freedom, and Expansion in the Early American West* (Charlottesville, VA, 2007); Hammond, "Slavery, Sovereignty, and Empires: North American Borderlands and the American Civil War, 1660–1860," *Journal of the Civil War Era* (June 2014), 264–98; Hammond "Slavery, Settlement, and Empire: The Expansion and Growth of Slavery in the Interior of the North American Continent, 1770–1820," *Journal of the Early Republic* 32 (Summer 2012), 175–206; Hammond, "The 'High-Road to a Slave Empire': Conflict and the Growth and Expansion of Slavery on the North American Continent," in *The World of the Revolutionary American Republic*, ed. Shankman, 346–69. See also Peter J. Kastor, *The Nation's Crucible: The Louisiana Purchase and the Creation of America* (New Haven, CT, 2004); Roger G. Kennedy, *Mr. Jefferson's Lost Cause: Land, Farmers, Slavery, and the Louisiana Purchase* (New York, 2003).

In 1804 the Republican-controlled Congress passed laws to limit slavery in and the importation of slaves into the purchase territory. A long-standing slave-owning culture established by French and Spanish settlers, combined with the desires of new American settlers to guarantee that the laws would be ignored, ensured that voluntary cooperation with them would be withheld. Within two years Congress repealed the laws rather than reveal that it simply could not enforce them. Back in 1766 Benjamin Franklin, in response to a question from an MP about whether hypothetical troops sent to enforce the Stamp Act would find a rebellion, had answered “they will not find a rebellion; they may indeed make one.” That insight was just as true in Louisiana. The restrictive laws were no more enforceable than the Stamp Act had been.²⁷

With regard to Missouri, restrictionists and anti-restrictionists in Congress likely thought their debates and compromises determined the fate of slavery in the new state. Hammond shows that what mattered most was the absolute commitment of the majority of Missourians to owning slaves. By 1820 there was likely no government on earth, certainly not the American nation-state, that could make tens of thousands of people, and increasing fast, over 1,000 miles away, act differently than they wanted to act. Once again, the American nation-state was strongest when it used its growing resources and its burgeoning coercive power in the interior to pursue what those it was governing there wanted to have happen, were already doing, and would continue to keep doing whether the nation-state endorsed it or not. By 1820 this pattern of relations between governors and governed was a century old in the expanding territory coming under the dominion of the United States.

Thinking in terms of a social history of federalism, an organic federal reality, helps us to see that the American nation-state of the early republic had no choice but to seek voluntary cooperation when it sought to act in the regions it governed. To achieve that voluntary cooperation, the nation-state had to carve and prune its own priorities and goals to fit within agendas defined in the localities. This understanding of the state in the early republic more precisely accounts for the historical record than does proclaiming a strong state, or a powerful and effective “government out of sight.” The nation-state was very much in sight, and often acted highly visibly and forcibly, and with immense coercive power, in

27. Franklin in Greene, *Colonies to Nation*, 75.

the interior. But again and again the pattern of the organic federal reality held: The nation-state could be immensely coercive when localities granted it voluntary cooperation, and so allowed it to do things largely conceived and defined, and often begun, by the localities. It could do very little at all when that voluntary cooperation was withheld.²⁸

Cherokee removal and the Nullification Crisis help to illustrate the necessity of voluntary cooperation from the locality. In the Cherokee tragedy the Marshall Court's stern repudiation of Georgia, and President Jackson's violent intervention within Georgia's borders to forcibly remove the Cherokee, both at first glance appear to be evidence of a strong, even masterful, nation-state (though hardly one out of sight).²⁹

Yet by far, the biggest determinant of the outcome in Georgia was the actions and interests of Georgia's white citizens. They initiated the action, forced the conflict, and could present both the Marshall Court and the Jackson administration with a fait accompli: Cherokee oppression and dispossession. In the end the branch of the national government that triumphed over the other could fit its own priorities within those of the locality. Jackson could elicit Georgia's voluntary cooperation, and Marshall could not. Land seizure was initiated locally, largely achieved locally, and immensely popular locally. The outcome illustrates the organic federal reality of when, whether, and under what conditions the nation-state could act coercively. Georgia provoked the event, achieved precisely what it wanted, and was even able to share the cost of what it caused with the rest of the nation.³⁰

The Nullification Crisis also fits well within the framework of the social history of federalism. Some historians, and indeed Henry Clay and Daniel Webster for a brief time too, focused on President Jackson's seemingly militant defense of national power when he asserted the national government's right to tax. Jackson bolstered his assertion with the Force Bill, which threatened South Carolina with military force if it did not yield.³¹

28. Balogh, *A Government Out of Sight*.

29. *Ibid.*, 206–11.

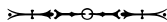
30. For a very good discussion, see Richard E. Ellis, *The Union at Risk: Jacksonian Democracy, States' Rights, and the Nullification Crisis* (New York, 1987). See also William G. McLoughlin, *Cherokee Renascence in the New Republic* (Princeton, NJ, 1986), 302–451; Anthony F. C. Wallace, *The Long, Bitter Trail: Andrew Jackson and the Indians* (New York, 1993).

31. Balogh, *A Government Out of Sight*, 215–16.

Yet in this complex series of events, South Carolina nullified the tariff bill, Jackson threatened force, and Virginia sent clear messages that it would likely use force of its own to prevent federal troops from marching through the state on their way to enforce the law in South Carolina. While the national government enacted the Force Bill, national leaders also agreed to a series of compromises that lowered the tariff over the course of a decade to a point where South Carolina no longer objected to it.³²

Having provoked a confrontation that ended with a tariff much more to its liking, South Carolina's legislature's last act was to vote to nullify the Force Bill. Indeed, over the course of the crisis Nullifiers were able to consolidate and centralize their authority over South Carolina's political and legal institutions. Their confrontation with the nation-state put them in a stronger position within their locality than they had been when they first provoked the crisis. At the end of the Nullification Crisis South Carolina had not altered its claims in any way, and Jackson had acquiesced to a process that allowed him to avoid testing Virginia's resolve.³³

Despite passage of the Force Bill, the Nullification Crisis does not provide an unambiguous example of the power of the nation-state. In fact, this complex scenario recalls the complicated thinking and negotiating that led to Rockingham's resolution of the Stamp Act Crisis. That crisis had the Declaratory Act, while this one had the Force Bill. The repeal of the Stamp Act was strikingly similar to the reduction of the 1828 tariff. And the de facto nullifying of a hated measure over the course of 1765 bore close resemblance to the de facto and de jure nullifying that took place in South Carolina sixty-seven years later. The Nullification Crisis ended with the nation-state having no choice but to confine itself within boundaries the locality would accept. Yet again, the nation-state could act only if it could secure the localities' voluntary cooperation.



32. Ellis, *The Union at Risk*, 138, 162.

33. Laura F. Edwards, *The People and Their Peace: Legal Culture and the Transformation of Inequality in the Post-Revolutionary South* (Chapel Hill, NC, 2009), 262–63.

In the early American republic the social history of federalism—the organic federal reality—was inextricably meshed with the political economy of slavery. The organically federal nation–state governed a republic of immense size and rapidly growing population. Those conditions were ideal for encouraging diverse regional economic growth and development defined by the needs and interests of the property-owning citizens living in those regions. When those citizens wanted slaves, nothing could prevent them from acquiring them or from protecting their acquisition with state law. In localities where slavery made less sense, again it was the interests of local majorities as defined by those majorities that determined a free-soil outcome. What the wonderful work of the new historians of capitalism has done is to show us how enmeshed and interdependent free- and slave-labor regimes were.³⁴

In doing so, the new history of capitalism had shown slave owners to be highly acquisitive, innovative in mechanizing and maximizing production, creative in conceiving cutting-edge financial instruments, and bold in taking full advantage of national and global markets. Slave owners acted in ways indistinguishable from the processes and forms we have long agreed to identify as constitutive of capitalism. Referring to the historiographical debate that graduate students like me in the early 1990s labeled *Oakes v. Genovese*, a friend exclaimed at a recent SHEAR conference, “Oakes has won.” And so he has, though at the height of the debate, that James Oakes would triumph was, for many of us, hard to imagine.³⁵

Yet I hope that as we go forward, graduate students do not simply

34. In addition to the works cited in Note 1 by Beckert, Johnson, Baptist, and Rockman, see the essays in Sven Beckert and Seth Rockman, eds., *Slavery's Capitalism: A New History of American Economic Development* (Philadelphia, 2016).

35. For a good introduction to the debate, see Steven Hahn, “Capitalists All!,” *Reviews in American History* 11 (June 1983), 219–25. It should be clear that I am not finally in agreement with Mark Egnal, “Counterpoint: What If Genovese is Right?: The Premodern Outlook of Southern Planters,” in *The Old South's Modern Worlds: Slavery, Region, and Nation in the Age of Progress*, ed. L. Diane Barnes, Brian Schoen, and Frank Towers (New York, 2011), 269–87. But I absolutely share Egnal's concern about forgetting to learn from highly valuable older work, an error that James Oakes has always been careful and scrupulous never to make.

ignore Eugene Genovese's *The Political Economy of Slavery* (or at least Chapter 1, which I still assign to my graduate students). For as we usefully and properly place slave regimes and slaveholders fully and necessarily at the center of American and global nineteenth-century capitalism, it is vital that we do not forget how to discuss certain crucial differences between free- and slave-labor regimes. These differences were intertwined with the nature of the American nation-state. Because of the organic federal reality, for a very long time these differences could be finessed and made not to matter, until suddenly that was no longer possible and they became all that mattered.

After the momentous victories of the War of 1812, the United States made great strides in developing its domestic market. Whether we call it a transportation revolution, a market revolution, a communications revolution, or a vast quantitative increase over what had long been done, after 1815 the state and federal governments spent far more on internal improvements, the tariff became protective for the first time, a great deal of legal reasoning changed to encourage entrepreneurial property use, and there were far more banks and a great deal more credit, production, commerce, and consumption than ever before. As the new historians of capitalism have shown, there was little about any of these developments that planters and other slaveholders found unwelcome. In addition, those most responsible for theorizing the American System, the political economy of the National Republican and Whig Parties, began with the assumption that their policies would promote national harmony and regional cooperation by offering so much that was attractive to both free- and slave-labor regions. Theorists of internal economic development, such as Henry Clay and Mathew Carey, had little choice but to conceive a system of political economy that drew on the benefits of both labor regimes. The organic federal reality that shaped the nation-state and the nation was the ideal system of relations for allowing regions to define themselves as they wished, for insulating the most dominant practices and uses of property within regions, and for allowing those practices to flourish.³⁶

36. George Rogers Taylor, *The Transportation Revolution: 1815–1860* (New York, 1951); Charles Sellers, *The Market Revolution: Jacksonian America, 1815–1846* (New York, 1991); Daniel Walker Howe, *What Hath God Wrought: The Transformation of America, 1815–1848* (New York, 2007); Winifred Barr Rothenberg, *From Market-Places to a Market Economy: The Transformation of*

Virtually no mainstream political economist between 1815 and 1830 thought about how to develop the domestic economy without placing slave production and captured and forced slave consumption at the center of the discussion. Yet over the two decades after the War of 1812, increasingly slave owners found that they could like the economic vision of the American System but not the nation-state required to build it. From the beginning, there was no way to avoid that the development of the domestic economy required vigorous state involvement, even direction. Promoters of the domestic economy, Clay, Carey, Hezekiah Niles, initially John C. Calhoun, and so many others all agreed that internal development would happen quickest and smoothest if the nation-state took a leading role, certainly with a national bank, but also by building internal improvements and levying a protective tariff.³⁷

It was impossible to imagine how the nation-state could do things like charter corporations, and even possibly enact a protective tariff, without laying claim to constitutional implied powers. Clay articulated well the concerns that doctrine provoked: “that the chain of cause and effect is without end, that if we argue from a power expressly granted to all others, which might be convenient or necessary to its execution, that there are no bounds to the power of this government.” That insight caused Clay to oppose re-charter of the Bank of the United States in 1811. In

Rural Massachusetts, 1750–1850 (Chicago, 1992); John Lauritz Larson, *Internal Improvement: National Public Works and the Promise of Popular Government in the Early United States* (Chapel Hill, NC, 2001); Brian Phillips Murphy, *Building the Empire State: Political Economy in the Early Republic* (Philadelphia, 2015), 159–206; Morton J. Horwitz, *The Transformation of American Law, 1780–1860* (Cambridge, MA, 1977); R. Kent Newmyer, *Supreme Court Justice Joseph Story: Statesman of the Old Republic* (Chapel Hill, NC, 1985); Newmyer, *John Marshall and the Heroic Age of the Supreme Court* (Baton Rouge, LA, 2001); Newmyer, “Harvard Law School, New England Legal Culture, and the Antebellum Origins of American Jurisprudence,” *Journal of American History* 74 (Dec. 1987), 814–35.

37. For the reliance of National Republican political economy on a robust American slavery, see Andrew Shankman, “Neither Infinite Wretchedness Nor Positive Good: Mathew Carey and Henry Clay on Political Economy and Slavery during the Long 1820s,” in *Contesting Slavery: The Politics of Bondage and Freedom in the New American Nation*, ed. John Craig Hammond and Matthew Mason (Charlottesville, VA, 2011), 247–66; Shankman, “Capitalism, Slavery, and the New Epoch: Mathew Carey’s 1819,” in *Slavery’s Capitalism*, ed. Beckert and Rockman, 243–61.

opposing re-charter, he revealed a series of connected anxieties that were always likely to be felt most deeply by slaveholders. In 1811 Clay maintained that the power to grant the privilege of a corporate charter could not be found in the Constitution, and so could not be claimed by the nation-state. If the national government laid claim to that power, it could create a “splendid association of favored individuals taken from the mass of society, and invested with exemptions and surrounded by immunities and privileges.”³⁸

Clay could imagine the nation-state, acting from a great distance, placing this splendid association armed with its corporate power, “one of the most exalted attributes of sovereignty,” within localities, including localities that were slave states. Those privileged corporate entities would be free to exercise their rights to bargain and contract subject to the obligations of the terms of their charters, which had not been determined by local authorities. The charter potentially insulated and protected the corporation from the local powers of regulation, enforcement, and police. Therefore, it was vital, Clay insisted, that the state governments alone have the power “to regulate contracts, to declare the capacities and incapacities to contract, and to provide as to the extent of responsibility of debtors and creditors.” If the nation-state could intrude into local jurisdictions by placing corporations within them that were subject to the authority of their creator and not to the localities in which they acted, the inescapable conclusion for Clay was that the national government had “the power to erect an artificial body and say it shall be endowed with the attributes of an individual.” If the national government could do that, why could it not “in contravention of states’ rights confer upon slaves, infants, and femes covert the ability to contract?”

Could state laws restrict and regulate the rights of corporations within their own borders when those corporations had not been created by the state government but by the national government? *McCulloch v. Maryland*, decided just eight years later, suggested the states were limited in their authority to regulate branches of the Bank of the United States. And if the nation-state could create such an immense and powerful presence without any textual evidence that it had the power to do so, what other powers could it imagine and claim to have? It was thinking

38. Clay quoted in Shankman, “Capitalism, Slavery, and the New Epoch,” 250–52.

like that that could lead Nathaniel Macon to conclude just seven years after Clay “examine the Constitution of the U.S . . . and then tell me if Congress can establish banks, make roads and canals, whether they can not free all the slaves in the U.S.” For Macon it was pointless to deny that “If Congress can make canals, they can with more propriety emancipate.”³⁹

Clay overcame those fears, but the vast majority of slaveholders did not. Those fears underscored a concern particular to slave-labor regimes. For unlike slave labor, what made a free wage laborer a free wage laborer was a complex historical process, begun centuries before in Europe, that produced a concentration of productive property. That concentration was protected by early modern European political-legal regimes that increasingly defined agreements about terms of labor to be a private matter. Political-legal regimes legitimated and protected the concentration of productive property, and declared that the resulting social relations—the need to bargain and contract for necessary access to productive property—took place in a realm largely beyond public authority. As a result, wage laborers could be constructed, and could even view themselves, as free private agents freely choosing to seek the best terms they could find to gain the access on which their lives depended.⁴⁰

39. Richard E. Ellis, *Aggressive Nationalism: McCulloch v. Maryland and the Foundation of Federal Authority in the Young Republic* (New York, 2007). Macon quoted in Matthew Mason, *Slavery and Politics in the Early American Republic* (Chapel Hill, NC, 2008), 162–63.

40. Some of the many works in theory and history that inform this and the next several paragraphs include Ellen Meiskins Wood, *Democracy against Capitalism: Renewing Historical Materialism* (New York, 1995); Meiskins Wood, *The Pristine Culture of Capitalism: A Historical Essay on Old Regimes and Modern States* (London, 1991); Robert L. Heilbroner, *The Nature and Logic of Capitalism* (New York, 1985); Robert J. Steinfeld, *The Invention of Free Labor: The Employment Relationship in English and American Law and Culture, 1350–1870* (Chapel Hill, NC, 1991); Steinfeld, *Coercion, Contract, and Free Labor in the Nineteenth Century* (New York, 2001); Rodney Hilton, *Class Conflict and the Crisis of Feudalism: Essays in Medieval Social History* (London, 1990); Rodney Hilton, ed., *The Transition from Feudalism to Capitalism* (London, 1976); T. H. Aston and C. H. E. Philpin, eds., *The Brenner Debate: Agrarian Class Structure and Economic Development in Pre-Industrial Europe* (Cambridge, UK, 1987); E. P. Thompson, *Whigs and Hunters: The Origins of the Black Act* (New York, 1975); Thompson, “Eighteenth-century English Society: Class Struggle without Class?” *Social History* 3 (May 1978), 133–65; Rowland Berthoff and John M. Murrin, “Feudalism,

In free-labor regimes, the process of creating an inequitable concentration of property was in its origins driven by the highly political use of power. That process was brutal, and initially highly visibly exploitative, something the Levellers clearly understood and articulated in their debates with Oliver Cromwell before Putney church in the midst of the English Civil War. And governments continued to act politically when they chose to legally protect increasingly unequal distribution, and to define the social outcomes as natural and so outside the realm of their authority, rather than the result of their decision. Then as now, a government's choice not to act meant doing a great deal to produce certain social outcomes instead of others. The choice not to act is a profoundly political intervention. Yet this profoundly political intervention was the action of seeming to doing nothing other than let nature take its course. What had initially been a highly visible use of exploitative political power, over time became an exploitative political act that was largely hidden, obfuscated. By presenting as natural, and so necessarily legal,

Communalism, and the Yeoman Freeholder: The American Revolution Considered as a Social Accident," in *Essays on the American Revolution*, ed. Stephen G. Kurtz and James H. Huston (New York, 1973), 256–88; Gary J. Kornblith and John M. Murrin, "The Making and Unmaking of an American Ruling Class," in *Beyond the American Revolution: Explorations in the History of American Radicalism*, ed. Alfred F. Young (De Kalb, IL, 1993), 27–79; Allan Kulikoff, *The Agrarian Origins of American Capitalism* (Charlottesville, VA, 1992); Kulikoff, "The American Revolution, Capitalism, and the Formation of the Yeoman Classes," in *Beyond the American Revolution*, ed. Young, 80–119; Jonathan Glickstein, *Concepts of Free Labor in Antebellum America* (New Haven, CT, 1991); Glickstein, *American Exceptionalism, American Anxiety: Wages, Competition, and Degraded Labor in the Antebellum United States* (Charlottesville, VA, 2002); Tony Freyer, *Producers Versus Capitalists: Constitutional Conflict in Antebellum America* (Charlottesville, VA, 1994); Allan Kaufman, *Capitalism, Slavery, and Republican Values: American Political Economists, 1819–1848* (Austin, TX, 2012); W. J. Rorabaugh, *The Craft Apprentice: From Franklin to the Machine Age in America* (New York, 1986); Rorabaugh, "'I Thought I Should Liberate Myself from the Thralldom of Others': Apprentices, Masters, and the Revolution," in *Beyond the American Revolution*, ed. Young, 185–217; Marcus Rediker, "'Good Hands, Stout Heart, and Fast Feet': The History and Culture of Working People in Early America," *Labor/Le Travail* 10 (Autumn 1982), 123–44; John Ashworth, "Agrarians" and "Aristocrats": Party Political Ideology in the United States, 1837–1846 (Cambridge, UK, 1987); Ashworth, *Slavery, Capitalism, and Politics in the Antebellum Republic: Commerce and Compromise, 1820–1850* (Cambridge, UK, 1995).

social and economic conditions that resulted from a brutal use of political power long since concluded, people living within those conditions could view them as the result of private choices and arrangements—a naturally arising labor market fundamentally unpolitical and free.⁴¹

On the other hand, what made a slave a slave was a contemporary positive law enacted by a slave-state legislature. Slave polities continually reemphasized that this law existed at the center of their regimes each session that their legislatures sat and did not repeal it. Though it was unlikely, it was the case that slave labor would disappear immediately should that law ever be repealed. It was also the case that respect for the local law that made a slave a slave was understood by most slave owners to be vulnerable to powerful entities and outside forces. A prime example could easily be wealthy corporations created by the national government, that were potentially not subject to state laws, or that could in certain circumstances conduct their affairs without regard to them. There was no equivalent law to the one that made a slave a slave that made a free wage laborer a free wage laborer. To somehow end wage labor, a society would have to unravel centuries of seemingly natural and private actions, actions by the early nineteenth century whose relationship to political power was highly obfuscated, was buried.

This difference meant that, unlike the employers of free labor, the owners of slaves always had as a foremost concern the need to control the political institutions that made people slaves, and the need to hold at bay those political institutions acting at a great distance that they could never trust to be as committed to the local laws that kept slaves in slavery. In free-labor regimes, the initially highly political and transparent process of expropriation and exploitation had become obfuscated and seemingly unpolitical. In the U.S. context that meant that employers could afford to be far less concerned about expansive and creative imaginings of the power of the nation-state than slaveholders were ever likely to be.⁴²

For the first few decades of the nineteenth century, the particular concerns of slaveholders regarding the uses of political power, and their

41. David Wootton, ed., *Divine Right and Democracy: An Anthology of Political Writing in Stuart England* (Indianapolis, IN, 2003), 285–317, see 294–313 for the Levellers' effort to articulate how human choices and actions wrapped up with power constructed the law of private property.

42. Steven Hahn, *The Political Worlds of Slavery and Freedom* (Cambridge, MA, 2009).

need to maintain control over any institutions that they could imagine overlapping with slavery, were salved by the organic federal reality. During those years few people in any region wanted the nation-state to act vigorously upon them in ways that could not secure their voluntary cooperation. The most powerful interests within all regions could develop and flourish largely unhindered. The Jeffersonian-Jacksonian political strain proved so successful because local authority and states' rights appealed to so many white male property-owning citizen voters across class and region. During the first four decades of the nineteenth century, Jeffersonians and Jacksonians won much more than they lost. They did so by successfully associating inequality, the dangers of concentrated power, and threats to the material independence that was the essential basis for citizenship with an over-mighty national government. Jeffersonians and Jacksonians argued that threats to the necessary conditions for citizenship came virtually exclusively from artificial and privileged access to a powerful national government. They concluded that denying any group access to concentrated power, indeed dismantling the sort of national government that allowed power's concentration in the first place, would allow for the natural condition of rough and widespread equality, and material independence among citizens.⁴³

Thus a broad interregional coalition could elect Democratic Party presidents who undid the policies of Henry Clay's American System, largely leaving the regions to themselves. Internal development continued at a feverish pace, but it was driven and controlled by the localities, not the center. And varieties of elites within their localities increasingly had the power and authority to shape economy and society to meet their interests. These were precisely the decades the new historians of

43. Richard B. Latner, "Preserving 'The Natural Equality of Rank and Influence': Liberalism, Republicanism, and Equality of Condition in Jacksonian Politics," in *The Culture of the Market: Historical Essays*, ed. Thomas L. Haskell and Richard F. Teichgraber III (New York, 1993), 189-230; James L. Huston, "The American Revolutionaries, the Political Economy of Aristocracy, and the American Concept of the Distribution of Wealth, 1765-1900," *AHR* 98 (Oct. 1993), 1079-1105; Harry L. Watson, *Liberty and Power: The Politics of Jacksonian America* (New York, 1990); Andrew Shankman, *Crucible of American Democracy: The Struggle to Fuse Egalitarianism and Capitalism in Jeffersonian Pennsylvania* (Lawrence, KS, 2004).

capitalism have rightly emphasized as they show us in ever more revealing detail the central place slavery had in the development of American capitalism.⁴⁴

Yet by the late 1830s, and especially after the economic and social upheaval of the 1837 to 1844 years, the anxieties panic provoked began to overwhelm the organic federal reality. Those years exposed what Eric Foner long ago explained as the contradiction of free-labor ideology—that alleged (and, for a while, somewhat genuine) equality of opportunity over time obliterated equality of condition. Equality of opportunity ended up creating such an inequality of condition that the resulting social relations eroded equality of opportunity as well. The Jeffersonian and Jacksonian political strain had depended on the idea of a natural economy that would produce and maintain the material conditions of equality necessary for citizenship. The natural economy would thrive as long as an over-mighty nation-state did not artificially disrupt it by allowing privileged access to power and wealth. The events of the late 1830s and 1840s savagely exposed how deeply flawed that assumption was, even if it had been possible to truly create the natural economy idealized by the mainstream of Jeffersonian and Jacksonian political thought. In its most pristine form—and by ending so much federally sponsored internal improvements, killing the second Bank of the United States, and eradicating the national debt, the Jacksonians approached that most pristine form as never before—their natural economy merely unleashed private citizens to pursue resources and produce growing social and economic differentiation and inequality among themselves.⁴⁵

The pursuit of the natural economy and the free-labor contradiction exposed the Jeffersonian and Jacksonian fallacy: that the primary source

44. Larson, *Internal Improvement*; John Joseph Wallace, “The Other Foundations: Federalism and the Constitutional Structure of American Government,” in *Founding Choices: American Economic Policy in the 1790s*, ed. Douglas A. Irwin and Richard Sylla (Chicago, 2011), 177–213. For this process in North and South Carolina, see Laura Edwards, *The People and Their Peace*.

45. Eric Foner, *Free Soil, Free Labor, Free Men: The Ideology of the Republican Party before the Civil War* (New York, 1971); Foner, “Free Labor and Nineteenth-Century Political Ideology,” in *The Market Revolution in America: Social, Political, and Religious Expressions, 1800–1880*, ed. Melvyn Stokes and Stephen Conway (Charlottesville, VA, 1996), 99–127.

of economic inequality was direct and privileged access to state power. Instead, the contradiction of free-labor ideology, and the erroneous notion that there was such a thing as a natural economy, was the direct result of the obfuscated (and so hidden and highly indirect) nature of what had always been an exploitative system of political and legal relations. It was precisely this system of relations that had long made protecting ever larger concentrations of productive property a public obligation, but coping with the social outcomes a private responsibility. That distribution of public obligations and private responsibilities was in fact exacerbated by the Jeffersonian and Jacksonian devotion to the idea of a natural economy. Their pursuit of the natural economy greatly assisted in whittling the nation-state down to fit almost precisely and solely within the public obligation of protecting the ever larger concentrations of productive property.⁴⁶

The first four decades of the nineteenth century witnessed feverish accumulation with little national constraint or guidance, increasing concentrations of productive property, and rising social and economic uncertainty and vulnerability. By the end of the 1830s it had produced a savage capitalist crisis. Precisely because the slave South was what the new historians of capitalism have shown us it was, a region fully of the global marketplace, a region that embraced credit, that leveraged to the hilt, that was governed by slaveholding legislators who borrowed feverishly and spent public money and their private fortunes as if the boom times had no end, the slave South experienced capitalist crisis just as intensely as the free-labor North did.⁴⁷

46. J. M. Opal, "Natural Rights and National Greatness: Economic Ideology and Social Policy in the American States, 1780s–1820s," in *The World of the Revolutionary American Republic*, ed. Shankman, 295–323.

47. Jessica M. Lepler, *The Many Panics of 1837: People, Politics, and the Creation of a Transatlantic Financial Crisis* (New York, 2013). Lepler's excellent book has unfortunately overshadowed another recent and very important work on the Panic of 1837 that should also be read: Alasdair Roberts, *America's First Great Depression: Economic Crisis and Political Disorder after the Panic of 1837* (Ithaca, NY, 2012). Also essential, Edward E. Baptist, "Toxic Debt, Liar Loans, Collateralized and Securitized Human Beings, and the Panic of 1837," in *Capitalism Takes Command: The Social Transformation of Nineteenth-Century America*, ed. Michael Zakim and Gary J. Kornblith (Chicago, 2012), 69–92; Brian Schoen, "The Burdens and Opportunities of Interdependence: The Political Economies of the Planter Class," in *The Old South's Modern Worlds*, ed. Barnes, Schoen, and

What brought the nation out of capitalist crisis was the economic stimulus of war with Mexico, the seizure of vast new productive resources, and the fortunate benefit of terrified capital fleeing revolutionary upheaval in Europe. The War with Mexico helps to further illustrate the circumscribed conditions that determined how, when, and why, the national government could make vigorous use of power. In addition, that vigorous use of power would have been far less effectual if not for the prior highly effective use of power by the Comanche, and the burden they were able to impose on the people of Mexico. The Comanche role in the process of U.S. westward expansion is a profoundly ironic example of the power existing on what citizens of the republic viewed as the periphery.⁴⁸

The U.S. westward expansion that was the object of the war with Mexico simultaneously satisfied a variety of different groups in different places for very different reasons. In the free-labor North, working-class citizens desperately wanted access to western resources to improve the conditions many of them blamed on the northern middle class (only in the 1850s would most northerners unify across class lines in condemning the slave power). At the same time, many who had managed to enter the ranks of the northern middle class viewed westward expansion as the chance to spread a culture of opportunity and uplift. They hoped to do so in part to prevent the expansion of immoral slavery, and in part to prove that their formula of more rapid economic development combined with moral behavior was the solution to social and economic degradation, not its cause. The free-labor region increasingly saw a west made safe for slavery as creating greater social and economic inequality and competition for scarce resources among angry and vulnerable free-wage laborers. Slavery in the west, then, would exacerbate already acute social tensions and conflicts in the free-labor North.

In the South, slaveholders wanted to expand slavery into western lands to escape the post-panic conditions that seemed to be threatening the viability of slavery. White southern non-slaveholders wanted western lands too. Some hoped expansion would allow them to join the ranks of

Towers, 66–84. Also valuable is James Roger Sharp, *The Jacksonians versus the Banks: Politics in the States after the Panic of 1837* (New York, 1970).

48. Pekka Hämäläinen, *The Comanche Empire* (New Haven, CT, 2009); Brian DeLay, *War of a Thousand Deserts: Indian Raids and the U.S.–Mexican War* (New Haven, CT, 2008).

the slaveholders. Others hoped that the return of a thriving slavery would allow their upcountry communities to remain in splendid isolation, not interfered with, disrupted, developed, or changed—that they would continue to avoid the conditions they had learned to call wage slavery. Westward expansion of slavery would also preserve these masters of small worlds.⁴⁹

Slaveholding and non-slaveholding white southerners, then, wanted westward expansion with slavery, though not always for the same reasons. The war with Mexico, fought to achieve westward expansion, involved a massive use of national power. But the mobilization of that power was possible only because of precise and optimal conditions that the nation-state did not have the power to summon by itself. Instead, different localities throughout the free- and slave-labor regions, and the social classes within them, made their own decisions to temporarily unify around the idea of westward expansion—of manifest destiny—though for very different (indeed incompatible) reasons.⁵⁰

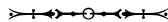
Seeking access to the vast resources of the west allowed the free-labor North to continue to ignore that the primary source of its crisis was the contradiction within its own practices and system of beliefs. Northern demands to respond to the Panic years by excluding slavery from the West relied on using the power of the nation-state to intrude into localities and dictate behavior there, even if there was not local voluntary cooperation. At the same time, in places such as Kansas and Nebraska, when it turned out that local majority opinion was antislavery, slaveholders were also no longer willing to abide by the conditions that had always shaped the organic federal reality. Their anxiety was brought on by capitalist crisis and a free-labor northern response that raised the possibility that political institutions they did not control would make subversive decisions about slave property. Those fears became too intense for slaveholders to live with.⁵¹

49. Stephanie McCurry, *Masters of Small Worlds: Yeoman Households, Gender Relations, and the Political Culture of the Antebellum South Carolina Low Country* (New York, 1995); Steven Hahn, *The Roots of Southern Populism: Yeoman Farmers and the Transformation of the Georgia Upcountry, 1850–1890* (New York, 1983).

50. Edling, *A Hercules in the Cradle*, 145–77; Amy S. Greenberg, *A Wicked War: Polk, Clay, Lincoln, and the 1846 U.S. Invasion of Mexico* (New York, 2012). Shankman, “Conflict for a Continent,” 16–19.

51. Matthew Karp, “The World the Slaveholders Craved: Proslavery Internationalism in the 1850s,” and Michael A. Morrison, “The Republic in Peril:

This situation meant that by the mid to late 1850s both the free-and slave-labor regimes struggled to possess the nation-state. Both regions planned to use it as their particular instrument to impose conditions on the western locality, regardless of local will or voluntary cooperation. *Dredd Scott v. Sanford* was the ultimate example of this determination—the Supreme Court declared unconstitutional the *raison d'être* of one of the nation's two, by this time regionally based, political parties. In the early republic the organic federal reality had created a nation-state that could act with great coercive power when it did things that were broadly nationally consensual, and that enjoyed the voluntary cooperation of the citizens living in the localities where the nation-state sought to act. By and large, the nation-state could mobilize considerable resources and force to seize land from Indians and European empires, and give it away at ever cheaper prices to American citizens. By the mid-1850s the aftermath of capitalist crisis, a crisis that helps to show how central slavery was to the history of capitalism, meant that the republican nation-state could no longer even peacefully accomplish that. And so the conditions that had created the organic federal reality, which had shaped how Anglophone peoples of North America had allowed themselves to be governed for 150 years, came to a sudden and violent end.⁵²



Or did they? Certainly Reconstruction provided unprecedented and unambiguous use of sustained national power. Yet as a fascinating recent volume of essays suggests, specialists in a period far beyond the edges of my competency do not necessarily see a coherent event called Reconstruction. And of course the revolution that was Reconstruction went “unfinished.” Beginning in the 1870s southern white supremacists reconquered power in their localities, and we can still get far analytically by arguing that the Union won the war while the Confederacy won the peace.⁵³

Expansion, the Politics of Slavery, and the Crisis of the 1850s,” in *The World of the Revolutionary American Republic*, ed. Shankman, 414–32 and 433–56.

52. For views of the national government as a powerful instrument to achieve purely regional objectives, see Michael Les Benedict, “States’ Rights, State Sovereignty, and Nullification,” in *Congress and the Emergence of Sectionalism: From the Missouri Compromise to the Age of Jackson*, ed. Paul Finkelman and Donald R. Kennon (Athens, OH, 2008), 152–87.

53. Eric Foner, *Reconstruction: America’s Unfinished Revolution, 1863–1877* (New York, 1988); Gregory P. Downs and Kate Masur, “Echoes of War: Rethink-

Yet the Civil War greatly encouraged the mobilization and profitable expansion of private economic resources, and deeper and lasting connections between nation-state power and private capital. In addition, the last quarter of the nineteenth century experienced rapid industrialization and a deep intensifying of the capacity of the owners of capital to concentrate wealth and economic power. These developments produced conditions within capitalism that did not exist before the Civil War era. These new conditions also merged with the nation-state that had arisen to meet the needs of unprecedented total war and the long occupation of a vast, hostile, conquered territory. This nation-state was able to determine its priorities, conduct its affairs, and wield power much more autonomously than ever before. The post-Civil War nation-state enjoyed this new strength and autonomy in large part because of the conquest and devastation of one significant locality, and due to the new developments in capitalist social relations.⁵⁴

By the 1880s and 1890s the contradictions of free-labor ideology had produced a concentration of private wealth and power that was unimaginable in 1861. Shrewd policymakers of the period understood this development and provided a profound and thoughtful analysis of it that is still of great value today. Led by economists and advisers to presidents such as Charles Conant, Gilded Age analysts perceived that their epoch was generating surplus capital. Surplus capital is capital for which no reliable investment outlets can be found. Reliable investment outlets are those where the risk is minimal enough to be acceptable, and the rate of return extensive enough to make the risk worth taking. In other words, the capitalist economy that had long made protection of private property a public obligation, and coping with the social outcomes a private responsibility, had become so potent that it generated profit in private hands for which no uses could be found.⁵⁵

ing Post-Civil War Governance and Politics,” in *The World the Civil War Made*, ed. Gregory P. Downs and Kate Masur (Chapel Hill, NC, 2015), 1–21. David Blight, *Race and Reunion: The Civil War in American Memory* (Cambridge, MA, 2001).

54. Walter Licht, *Industrializing America: The Nineteenth Century* (Baltimore, 1995); David Montgomery, *The Fall of the House of Labor: The Workplace, the State, and American Labor Activism, 1865–1925* (New York, 1987).

55. Carl P. Parrini, “Charles A. Conant, Economic Crises, and Foreign Policy, 1896–1903,” in *Behind the Throne: Servants of Power to Imperial Presidents, 1898–1968*, ed. Thomas J. McCormick and Walter LaFeber (Madison, WI,

Analysts like Conant saw surplus capital as systemic, and the source of future inevitable and frequent capitalist crisis. They reasoned that private investors of such concentrated capital would seek outlets for their surplus capital. That would lead to a number of equally undesirable outcomes. Investment in redundant plant would produce overproduction that would lead to falling prices, profits, and wages, business failures, and depression. It was Gilded Age economists who began to conceive of the business cycle. A second response to surplus capital would be investing in new and marginal, and highly risky, investments. That strategy was as likely to lead to bad outcomes, loss, and uncertainty, as was redundant investment. A third option was war. But men such as Conant reasoned that war on such a scale to be able to absorb a meaningful portion of surplus capital was immoral and unthinkable. A fourth option was socialism, which these bourgeois economists dismissed out of hand. Interestingly, young John Maynard Keynes, then a civil servant specializing in India, was reading Conant and the other analysts of surplus capital. But the sort of state that could translate the general theory into policy was the result not the cause of these developments. Both the general theory and the nation-state it needed were not yet imaginable.

The solution Conant and the others came up with was imperialism American style, an open door, not simply to sell products, but to invest surplus capital globally and freely in all places they viewed as backward and underdeveloped. China was the lodestar for this vision. It was this thinking that between the 1890s and 1920s provided the foundation for what the late Martin J. Sklar called the corporate reconstruction of American capitalism. The features and conditions that led to this corporate

1993), 35–66; Parrini, “Theories of Imperialism,” in *Redefining the Past: Essays in Diplomatic History in Honor of William Appleman Williams*, ed. Lloyd C. Gardner (Corvallis, OR, 1986), 65–84; Parrini, “The Age of Ultraimperialism,” *Radical History Review* 57 (Fall 1993), 7–20; Parrini and Martin J. Sklar, “New Thinking about the Market, 1896–1904: Some American Economists on Investment and the Theory of Surplus Capital,” *Journal of Economic History* 43 (Sept. 1983), 559–78; Sklar, *The Corporate Reconstruction of American Capitalism, 1890–1916: The Market, The Law, and Politics* (New York, 1988). I was hesitant to publish these thoughts drawn so extensively from the work of two historians as I knew since I was an infant, and who are not as well-known to many historians as they should be. But then I read Steven Hahn, “What Sort of World Did the Civil War Make?,” in *The World the Civil War Made*, ed. Downs and Masur, 337–51, and realized I was not alone in relying on their important work.

reconstruction all connected back to the economic and social conditions that produced surplus capital—and those conditions were not part of the world that had produced the organic federal reality and the social history of federalism.

Prior to 1861, within North America and then the United States robust national power could usually be mobilized only under precise and optimal conditions. The national government had to want to do something that the locality in which it planned to act also wanted. In addition, the action had to be broadly nationally consensual, and not seen as threatening the needs and interests of other influential localities as defined by those localities. Yet in the era of surplus capital, economic power and the capacity to take actions affecting the entire economy and all citizens had become highly concentrated in the hands of a tight-knit capitalist class possessing unprecedented wealth.⁵⁶

These new conditions meant that advisers to national policymakers were convincing when they argued that those policymakers had to use national power to address the needs of capital. The continued generation of surplus capital without an effective policy response would only lead to endemic and increasingly savage social crisis. Policymakers concluded it was better to provide solutions to crisis from above rather than risk eventual revolutionary solutions from below. The post-Civil War world produced wealth and power in such a concentrated form that a far smaller group of private and public actors could make decisions that shaped the lives of all Americans. The decision making, and the power it involved, that led to U.S. intervention in the Philippines and China, or to the private/public partnership that transformed and developed the American west in the same period, was vastly different from the bottom-up process of the organic federal reality—the social history of federalism.⁵⁷

We should be careful when arguing for an unbroken, “European-style” imperialism acting as a connecting force throughout North American and U.S. history. As we continue to show the violent ways that prior

56. Sven Beckert, *The Monied Metropolis: New York City and the Consolidation of the American Bourgeoisie, 1850–1896* (New York, 1993); David Nasaw, “Gilded Age Gospels,” and Alan Dawley, “The Abortive Rule of Big Money,” in *Ruling America: A History of Wealth and Power in a Democracy*, ed. Steve Fraser and Gary Gerstle (Cambridge, MA, 2005), 123–48 and 149–80.

57. Richard White, *Railroaded: The Transcontinentals and the Making of Modern America* (New York, 2011).

to the 1890s the United States warred to control a greater portion of the North American continent, we should make sure that our concepts and terminology demand complexity regarding conditions and causes for actions taken, conditions and causes that changed dramatically over time. The era of the social history of federalism—of the organic federal reality—and the era that produced surplus capital, an era that obliterated the organic federal reality, produced vastly different political economies and were shaped by vastly different social relations. The flourishing field of scholars that makes the *Journal of the Early Republic* possible is ideally suited to delineate concepts such as capitalism, colonialism, imperialism, and empire as we study this change over time, as we explore the past and seek a better future.⁵⁸

58. I am immensely gratified by Daniel Walker Howe's recent review essay, "The Significance of the Frontier in American History," *Journal of the Early Republic* 36 (Summer 2016), 389–97. I do not agree with his final conclusion regarding what the book I edited shows.