country that it is. The leading feature of its plan was the erection, as rapidly as possible, of States, similar in powers to the original States. The power of Congress over the territories was to be theoretically absolute, but it was to be exerted in encouraging the development of thorough self-government, and in granting it as fast as the settlers should become capable of exercising it. Copied in succeeding Acts for the organization of Territories, and still controlling the spirit of such Acts, the Ordinance of 1787 (July 13, 1787) is the foundation of almost every­thing which makes the modern American system peculiar.

1. The preliminary plan of Congress was reported by a com­mittee (April 23, 1784) of which Jefferson was chairman. It pro­vided for the erection of seventeen States, north and south of the Ohio, with some odd names, such as Sylvania, Assenisipia, Meso­potamia, Polypotamia, and Pelisipia. These States were for ever to be a part of the United States, and to have republican govern­ments, and the Ordinance creating them was to be a compact between the Federal Government and each State, unalterable unless by mutual consent. “After the year 1800 there shall be neither slavery nor involuntary servitude in any of the said States, other than in the punishment of crimes whereof the party shall have been duly convicted. ” This provision, which represented Jefferson’s feeling on the subject, was lost for want of seven States in its favour.
2. The final plan of 1787 was reported by a committee of which Nathan Dane, of Massachusetts, was chairman. The prohibition of slavery was made perpetual, and a fugitive slave clause was added (§ 124). The Ordinance covered only the territory north of the Ohio, and provided for not less than three nor more than five States. Ohio, Indiana, Illinois, Michigan, and Wisconsin have been the resultant States. The inhabitants were to be secured in the equal division of real and personal property of intestates to the next of kin in equal degree. At first Congress was to appoint the governor, secretary, judges, and militia generals, and the governor and judges were to make laws subject to the veto of Con­gress. When the population reached 5000 the inhabitants were to have an assembly of their own, to consist of the governor, a legislative council of five, selected by Congress from ten nomina­tions by the lower house, and a lower house of representatives of one delegate for every 500 inhabitants. This assembly was to choose a delegate to sit, but not to vote, in Congress, and was to make laws not repugnant to “the articles of fundamental com­pact,” which were as follows:—the new States or Territories were to maintain freedom of worship, the benefits of the writ of *habeas corpus,* trial by jury, proportionate representation, bail, moderate fines and punishments, and the preservation of liberty, property, and private contracts; they were to encourage public education and keep faith with the Indians; they were to remain for ever a part of the United States; and they were not to interfere with the disposal of the soil by the United States, or to tax the lands of the United States, or to tax any citizen of the United States for the use of the Mississippi or St Lawrence rivers. These articles were to be unalterable unless by mutual consent of a State and the United States. The transformation of the Territory, with its quite limited government, into a State, with all the powers of an original State, was promised by Congress as soon as the population should reach 60,000.
3. The constitution, which was adopted almost immediately afterwards, provided merely that “Congress shall have power to dispose of, and make all needful rules and regulations respecting, the territory or other property belonging to the United States,” and that “ new States may be admitted by the Congress into the Union.” Opinions have varied as to the force of the Ordinance of 1787. The Southern school of writers have naturally been inclined to consider it *ultra vires* and void ; and they adduce the fact that the new Congress under the constitution thought it necessary to re-enact the Ordinance. The opposite school have inclined to hold the Ordinance as still in force. Even as to the territorial provision of the constitution, opinions have varied. The Died Scott decision held that it applied only to the territory then in possession of the United States, and that territory subsequently acquired, by con­quest or purchase, was not to be governed by Congress with absolute power, but subject to constitutional limitations.
4. In the interval of the settlement of the territorial question, the affairs of the “ league of friendship ” known as the United States had been going from bad to worse, culminating in 1786. The public debt amounted in 1783 to about $42,000,000, of which $8,000,000 was owed abroad—in Holland, France, and Spain. Congress had no power to levy taxes for the payment of interest or principal ; it could only make requisitions on the States. In the four years ending in 1786 requisitions had been made for $10,000,000, and the receipts from them had amounted to but one-fourth of what had been called for. Even the interest on the debt was falling into arrears, and the first instalment of the principal fell due in 1787. To pay this, and subsequent annual instalments of $1,000,000, was quite impossible. Robert Morris, the financier of the revolution, resigned in 1783, “rather than be the minister of injustice,” hoping thus to force upon the States the necessity of granting taxing powers to Congress. Wash­ington, on retiring from the command-in-chief, wrote a circular letter to the governors of all the States, urging the necessity of granting to Congress some power to provide a national revenue. Congress (April 18, 1783) appealed to the States for power to levy specific duties on certain enumerated articles, and 5 per cent. on others. It was believed that with these duties and the requisi­tions, which were now to be met by internal taxation, $2,500,000 per annum could be raised. Some of the States ratified the proposal ; others ratified it with modifications ; others rejected it, or changed their votes ; and it never received the necessary ratification of all the States. The obedience to the requisitions grew more lax. Some of the States paid them ; others pleaded poverty, and allowed more or less of them to run into arrears ; others offered to pay in their own depreciated paper currency ; and others indignantly refused to pay in any currency until the delinquent States should pay all their obligations. In 1786 a committee of Congress reported that any further reliance on requisitions would be “ dishonourable to the understand­ings of those who entertain such confidence.”
5. In the States the case was even worse. Some of them had been seduced into issuing paper currency in such profusion that they were almost bankrupt. Great Britain, in the treaty of peace, had recognized the inde­pendence of the individual States, naming them in order ; and her Government followed the same system in all its intercourse with its late colonies. Its restrictive system was maintained, and the States, vying with each other for commerce, could adopt no system of counteracting measures. Every possible burden was thus shifted to American commerce ; and Congress could do nothing, for, though it asked for the power to regulate commerce for fifteen years, the States refused it. The decisions of the various State courts began to conflict, and there was no power to reconcile them or to prevent the conse­quences of the divergence. Several States, towards the end of this period, began to prepare or adopt systems of protection of domestic productions or manufactures, aimed at preventing competition by neighbouring States. The Tennessee settlers were in insurrection against the authority of North Carolina ; and the Kentucky settlers were appa­rently disposed to cut loose from Virginia, if not from the United States. Poverty, with the rigid execution of pro­cess for debt, drove the farmers of western Massachusetts into an insurrection which the State had much difficulty in suppressing; and Congress was so incompetent to aid Massachusetts that it was driven to the expedient of imagining an Indian war in that direction, in order to transfer troops thither. Congress itself was in danger of disappearance from the scene. The necessity for the votes of nine of the thirteen States for the passage of important measures made the absence of a State’s dele­gation quite as effective as a negative vote. In order to save the expense of a delegation, the States began to neglect the election of them, unless they had some object to obtain by their attendance. It was necessary for Con­gress to make repeated and urgent appeals in order to obtain a quorum for the ratification of the treaty of peace with Great Britain. In 1784 Congress even broke up in