

Chapter 3: Federalism Day 2

Instructor: Venkatesh Subramanian

Course: American National Government (GOVT 2305)

Sep 16, 2026



Today's class

- In today's class we will discuss what has happened to Federalism since the Founding

Today's class

- In today's class we will discuss what has happened to Federalism since the Founding
 - History

Today's class

- In today's class we will discuss what has happened to Federalism since the Founding
 - History
 - In the Constitution

Today's class

- In today's class we will discuss what has happened to Federalism since the Founding
 - History
 - In the Constitution
 - In applications

Concepts

- Vertical vs Horizontal Federalism

Concepts

- Vertical vs Horizontal Federalism
- Federalism vs Unitary system

Pattern of the problem: Prisoner's Dilemma

- Prisoner's Dilemma of child labor in the early 20th century

Pattern of the problem: Prisoner's Dilemma

- Prisoner's Dilemma of child labor in the early 20th century



		State B	
		Disallow	Allow
State A	Disallow	(3, 3)	(1, 4)
	Allow	(4, 1)	(2, 2)

Pattern of the problem: Prisoner's Dilemma

- Prisoner's Dilemma of child labor in the early 20th century



		State B	
		Disallow	Allow
State A	Disallow	(3, 3)	(1, 4)
	Allow	(4, 1)	(2, 2)

- Race to the bottom

Attitudes towards centralization in the colonies

- Federalist 46 and state attachment as a barrier to national encroachment

Attitudes towards centralization in the colonies

- Federalist 46 and state attachment as a barrier to national encroachment
 - Madison writes, “Many considerations. . . seem to place it beyond doubt that the first and most natural attachment of the people will be to the governments of their respective States”

Attitudes towards centralization in the colonies

- Federalist 46 and state attachment as a barrier to national encroachment
 - Madison writes, “Many considerations. . . seem to place it beyond doubt that the first and most natural attachment of the people will be to the governments of their respective States”
- Antifederalist 17 and use of national power to remove “cogs in the wheel” such as state power

Attitudes towards centralization in the colonies

- Federalist 46 and state attachment as a barrier to national encroachment
 - Madison writes, “Many considerations. . . seem to place it beyond doubt that the first and most natural attachment of the people will be to the governments of their respective States”
- Antifederalist 17 and use of national power to remove “cogs in the wheel” such as state power
 - Brutus writes, “power retained by individual States . . . will be a cog upon the wheels of the government of the United States”

19th century – 1

- Tariffs and the South Carolina nullification

19th century – 1

- Tariffs and the South Carolina nullification
- Missouri Compromise of 1820 [▶ Compromise Map](#)

19th century – 1

- Tariffs and the South Carolina nullification
- Missouri Compromise of 1820 [▶ Compromise Map](#)
- Dred Scott v. Sandford (1857)

19th century – 1

- Tariffs and the South Carolina nullification
- Missouri Compromise of 1820 [▶ Compromise Map](#)
- Dred Scott v. Sandford (1857)
 - Black people can't be citizens, and can't use the court system

19th century – 2

- Civil War efforts

19th century – 2

- Civil War efforts
 - Gain in federal power

19th century – 2

- Civil War efforts
 - Gain in federal power
 - No. of non-postal federal employees tripled during the war

19th century – 2

- Civil War efforts
 - Gain in federal power
 - No. of non-postal federal employees tripled during the war
 - Nationalized state militias; Supply of arms; Railroad to move supplies

19th century – 2

- Civil War efforts
 - Gain in federal power
 - No. of non-postal federal employees tripled during the war
 - Nationalized state militias; Supply of arms; Railroad to move supplies
- Civil War amendments

19th century – 2

- Civil War efforts
 - Gain in federal power
 - No. of non-postal federal employees tripled during the war
 - Nationalized state militias; Supply of arms; Railroad to move supplies
- Civil War amendments
 - 13, 14, 15 amendments

19th century – 2

- Civil War efforts
 - Gain in federal power
 - No. of non-postal federal employees tripled during the war
 - Nationalized state militias; Supply of arms; Railroad to move supplies
- Civil War amendments
 - 13, 14, 15 amendments
 - 14th amendment

19th century – 2

- Civil War efforts
 - Gain in federal power
 - No. of non-postal federal employees tripled during the war
 - Nationalized state militias; Supply of arms; Railroad to move supplies
- Civil War amendments
 - 13, 14, 15 amendments
 - 14th amendment
 - Use “appropriate” means to ensure the liberty of freed slaves in recalcitrant states

19th century – 2

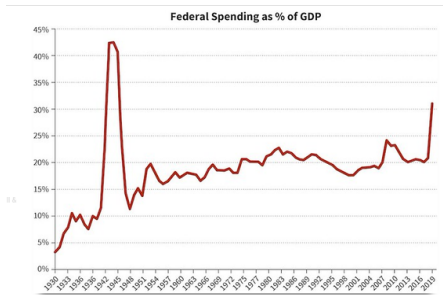
- Civil War efforts
 - Gain in federal power
 - No. of non-postal federal employees tripled during the war
 - Nationalized state militias; Supply of arms; Railroad to move supplies
- Civil War amendments
 - 13, 14, 15 amendments
 - 14th amendment
 - Use “appropriate” means to ensure the liberty of freed slaves in recalcitrant states
 - Delayed effect

19th century – 2

- Civil War efforts
 - Gain in federal power
 - No. of non-postal federal employees tripled during the war
 - Nationalized state militias; Supply of arms; Railroad to move supplies
- Civil War amendments
 - 13, 14, 15 amendments
 - 14th amendment
 - Use “appropriate” means to ensure the liberty of freed slaves in recalcitrant states
 - Delayed effect
- Industrialization and the Commerce clause

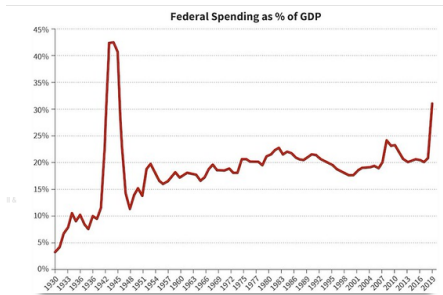
20th century – 1

- Great depression and the New Deal [▶ What is it?](#)



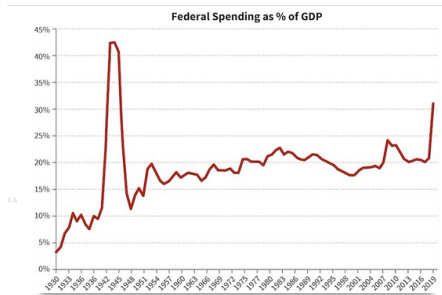
20th century – 1

- Great depression and the New Deal
 - ▶ What is it?
 - Hoover's reluctance and FDR's push



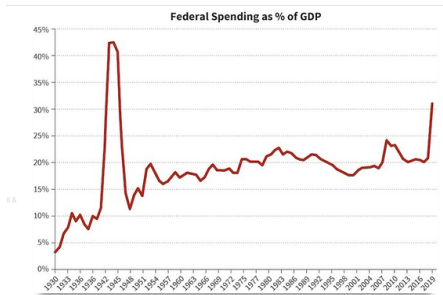
20th century – 1

- Great depression and the New Deal
 - ▶ What is it?
 - Hoover's reluctance and FDR's push
 - Examples



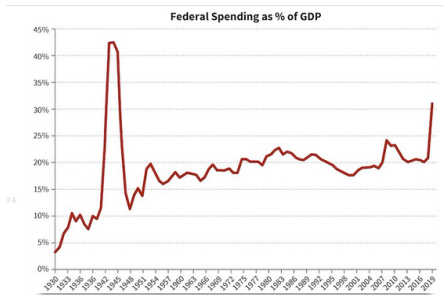
20th century – 1

- Great depression and the New Deal
 - ▶ What is it?
 - Hoover's reluctance and FDR's push
 - Examples
 - Securities and Exchange Commission



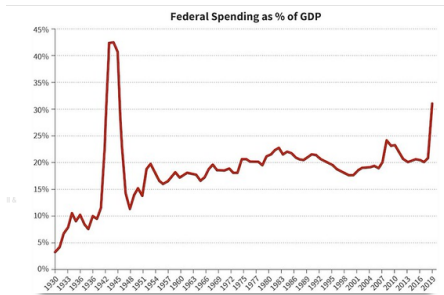
20th century – 1

- Great depression and the New Deal
 - ▶ What is it?
 - Hoover's reluctance and FDR's push
 - Examples
 - Securities and Exchange Commission
 - Social Security



20th century – 1

- Great depression and the New Deal
 - ▶ What is it?
 - Hoover's reluctance and FDR's push
 - Examples
 - Securities and Exchange Commission
 - Social Security
 - National Labor Relations Board



20th century – 2

- Racial relations and federal government

20th century – 2

- Racial relations and federal government
- Neoliberalism

20th century – 2

- Racial relations and federal government
- Neoliberalism
 - Free markets

20th century – 2

- Racial relations and federal government
- Neoliberalism
 - Free markets
 - Reduced interventions

Constitutional arrangements – 1

- Supremacy Clause

Constitutional arrangements – 1

- Supremacy Clause
- Commerce Clause

Constitutional arrangements – 1

- Supremacy Clause
- Commerce Clause
- Necessary and Proper Clause

Constitutional arrangements – 1

- Supremacy Clause
- Commerce Clause
- Necessary and Proper Clause
 - McCulloch v. Maryland

Constitutional arrangements – 2

- Amendments

Constitutional arrangements – 2

- Amendments
 - Tenth Amendment

Constitutional arrangements – 2

- Amendments
 - Tenth Amendment
 - Dual vs shared federalism

Constitutional arrangements – 2

- Amendments
 - Tenth Amendment
 - Dual vs shared federalism
 - Seventeenth Amendment (1913)

Constitutional arrangements – 2

- Amendments
 - Tenth Amendment
 - Dual vs shared federalism
 - Seventeenth Amendment (1913)
 - Selection of senators via state legislatures vs popular election

Public Finance & Economics + Federalism = Fiscal Federalism

■ Devolution

Public Finance & Economics + Federalism = Fiscal Federalism

- Devolution
 - States should get to have more say on how money is spent

Public Finance & Economics + Federalism = Fiscal Federalism

- Devolution
 - States should get to have more say on how money is spent
- Grant mechanisms

Public Finance & Economics + Federalism = Fiscal Federalism

- Devolution
 - States should get to have more say on how money is spent
- Grant mechanisms
 - Block Grants

Public Finance & Economics + Federalism = Fiscal Federalism

- Devolution
 - States should get to have more say on how money is spent
- Grant mechanisms
 - Block Grants
 - Allocates a set amount of money to a program

Public Finance & Economics + Federalism = Fiscal Federalism

- Devolution
 - States should get to have more say on how money is spent
- Grant mechanisms
 - Block Grants
 - Allocates a set amount of money to a program
 - Mental Health Block grant

Public Finance & Economics + Federalism = Fiscal Federalism

- Devolution
 - States should get to have more say on how money is spent
- Grant mechanisms
 - Block Grants
 - Allocates a set amount of money to a program
 - Mental Health Block grant
 - Matching Grants

Public Finance & Economics + Federalism = Fiscal Federalism

- Devolution
 - States should get to have more say on how money is spent
- Grant mechanisms
 - Block Grants
 - Allocates a set amount of money to a program
 - Mental Health Block grant
 - Matching Grants
 - Match the amount spent by a state

Public Finance & Economics + Federalism = Fiscal Federalism

- Devolution
 - States should get to have more say on how money is spent
- Grant mechanisms
 - Block Grants
 - Allocates a set amount of money to a program
 - Mental Health Block grant
 - Matching Grants
 - Match the amount spent by a state
 - Medicaid and 2:1 matching ratio

Public Finance & Economics + Federalism = Fiscal Federalism

- Devolution
 - States should get to have more say on how money is spent
- Grant mechanisms
 - Block Grants
 - Allocates a set amount of money to a program
 - Mental Health Block grant
 - Matching Grants
 - Match the amount spent by a state
 - Medicaid and 2:1 matching ratio
- A note on size of federal workforce: State & local workforce grows instead

Immigration

- Uneven spread of immigration across states

Immigration

- Uneven spread of immigration across states
 - What are some states with more immigrants?

Immigration

- Uneven spread of immigration across states
 - What are some states with more immigrants?
 - Costs: \$3000

Immigration

- Uneven spread of immigration across states
 - What are some states with more immigrants?
 - Costs: \$3000
 - Revenue: More taxes $>$ Benefits received

Immigration

- Uneven spread of immigration across states
 - What are some states with more immigrants?
 - Costs: \$3000
 - Revenue: More taxes > Benefits received
- Arizona vs US

Immigration

- Uneven spread of immigration across states
 - What are some states with more immigrants?
 - Costs: \$3000
 - Revenue: More taxes > Benefits received
- Arizona vs US
 - Arizona wanted to:

Immigration

- Uneven spread of immigration across states
 - What are some states with more immigrants?
 - Costs: \$3000
 - Revenue: More taxes > Benefits received
- Arizona vs US
 - Arizona wanted to:
 - State crime to not carry documents

Immigration

- Uneven spread of immigration across states
 - What are some states with more immigrants?
 - Costs: \$3000
 - Revenue: More taxes > Benefits received
- Arizona vs US
 - Arizona wanted to:
 - State crime to not carry documents
 - Crime to apply for work if undocumented

Immigration

- Uneven spread of immigration across states
 - What are some states with more immigrants?
 - Costs: \$3000
 - Revenue: More taxes > Benefits received
- Arizona vs US
 - Arizona wanted to:
 - State crime to not carry documents
 - Crime to apply for work if undocumented
 - Law enforcement checks immigration status when stopped for some violation

Immigration

- Uneven spread of immigration across states
 - What are some states with more immigrants?
 - Costs: \$3000
 - Revenue: More taxes > Benefits received
- Arizona vs US
 - Arizona wanted to:
 - State crime to not carry documents
 - Crime to apply for work if undocumented
 - Law enforcement checks immigration status when stopped for some violation
 - Court struck 1 and 2

Immigration

- Uneven spread of immigration across states
 - What are some states with more immigrants?
 - Costs: \$3000
 - Revenue: More taxes > Benefits received
- Arizona vs US
 - Arizona wanted to:
 - State crime to not carry documents
 - Crime to apply for work if undocumented
 - Law enforcement checks immigration status when stopped for some violation
 - Court struck 1 and 2
- Sanctuary cities

Public Health

- COVID 19 pandemic

Summary

In today's class we discussed what has happened to Federalism since the Founding

- History

Summary

In today's class we discussed what has happened to Federalism since the Founding

- History
- In the Constitution

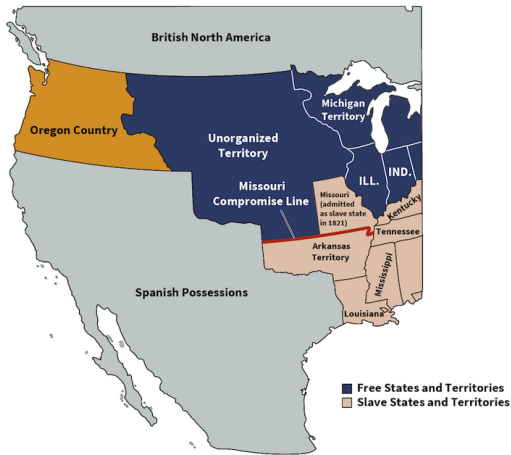
Summary

In today's class we discussed what has happened to Federalism since the Founding

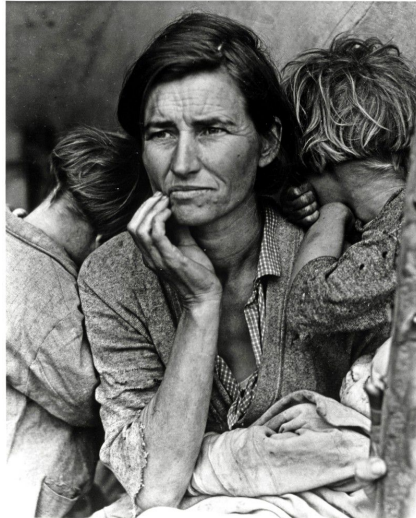
- History
- In the Constitution
- In applications

Appendix slides

The Missouri Compromise map



Some facts about the Great Depression – 1



Some facts about the Great Depression – 2

- October 29, 1929: Black Tuesday

Some facts about the Great Depression – 2

- October 29, 1929: Black Tuesday
 - Billions of dollars in the stock market lost

Some facts about the Great Depression – 2

- October 29, 1929: Black Tuesday
 - Billions of dollars in the stock market lost
 - My cursory understanding: Rampant speculation of the 20s followed by a loss of confidence led to a sell-off panic

Some facts about the Great Depression – 2

- October 29, 1929: Black Tuesday
 - Billions of dollars in the stock market lost
 - My cursory understanding: Rampant speculation of the 20s followed by a loss of confidence led to a sell-off panic
- General loss of confidence

Some facts about the Great Depression – 2

- October 29, 1929: Black Tuesday
 - Billions of dollars in the stock market lost
 - My cursory understanding: Rampant speculation of the 20s followed by a loss of confidence led to a sell-off panic
- General loss of confidence
 - These days we measure this.

Some facts about the Great Depression – 2

- October 29, 1929: Black Tuesday
 - Billions of dollars in the stock market lost
 - My cursory understanding: Rampant speculation of the 20s followed by a loss of confidence led to a sell-off panic
- General loss of confidence
 - These days we measure this.
- By 1933

Some facts about the Great Depression – 2

- October 29, 1929: Black Tuesday
 - Billions of dollars in the stock market lost
 - My cursory understanding: Rampant speculation of the 20s followed by a loss of confidence led to a sell-off panic
- General loss of confidence
 - These days we measure this.
- By 1933
 - Unemployment rate reached 25%

Some facts about the Great Depression – 2

- October 29, 1929: Black Tuesday
 - Billions of dollars in the stock market lost
 - My cursory understanding: Rampant speculation of the 20s followed by a loss of confidence led to a sell-off panic
- General loss of confidence
 - These days we measure this.
- By 1933
 - Unemployment rate reached 25%
 - Stock market lost 90% of value compared to 1929

References I