

# Study Guide



## Chapter 5, Section 1

For use with textbook pages 158–162

### THE CONFEDERATION

#### KEY TERMS AND NAMES

**Articles of Confederation and Perpetual Union** a plan for a loose union of the states under the authority of Congress (page 158)

**Northwest Ordinance** law that provided the basis for governing much of the western territory (page 159)

**duty** a tax on imported goods (page 159)

**recession** an economic slowdown (page 160)

**Shays's Rebellion** a rebellion by farmers in Massachusetts against the state government (page 161)

#### DRAWING FROM EXPERIENCE

What do you think were the most important issues facing the new government of the United States? Why do you think so?

In this section, you will learn about the national government that the Articles of Confederation created. You will also learn why the Articles were not effective.

#### ORGANIZING YOUR THOUGHTS

Use the chart below to help you take notes. The Confederation Congress experienced both successes and problems. Describe them in the chart.

Successes of Confederation Congress	Problems of Confederation Congress
1.	3.
2.	4.
	5.
	6.

# Study Guide



## Chapter 5, Section 1 (continued)

### READ TO LEARN

- **The Achievements of the Confederation Congress** (page 158)

The Continental Congress adopted the **Articles of Confederation and Perpetual Union** in November 1777. This was a plan for a loose union of the states under the authority of Congress. The states did not want to give up their independence to a strong central government. As a result, the Articles set up a very weak central government. The Articles called for each state to send a delegation to the Confederation Congress. This was the entire government. The Congress had the right to declare war, raise armies, and sign treaties. However, it could not set taxes and could not regulate trade.

The Confederation Congress had some successes. Because the Confederation Congress could not set taxes, it raised money by selling the land it controlled west of the Appalachian Mountains. In 1785 Congress set up a system of surveying the lands. The land was arranged into townships six miles square. Each township was divided into 36 one-mile squares.

Congress passed the **Northwest Ordinance** in 1787. It provided the basis for governing much of the western territory. It created a new territory that could later be divided into three to five states. When 5,000 adult male citizens had settled in a territory, they could elect a territorial lawmaking body. When the territory had 60,000 people, it could apply for statehood. The ordinance also guaranteed certain rights, such as freedom of religion and property rights, to people living in the territory.

The Confederation Congress worked to promote trade with foreign nations. It negotiated several trade treaties with other countries. By 1790 the trade of the United States was greater than the trade of the American colonies before the Revolution.

**7.** Why did the Articles of Confederation set up a weak central government?

---

---

---

---

- **The Congress Falters** (page 159)

Although the Confederation Congress had some successes, it also had some problems. After the war ended, British merchants flooded the United States with British goods. This drove many American artisans out of business. Many American states fought back by restricting British imports. However, the states did not charge the same **duties**, or taxes, on imported goods. So the British would land their ships at the states that had the lowest taxes.

---

## Study Guide

---



### Chapter 5, Section 1 (continued)

In addition to the taxes on foreign imports, states began placing taxes on each other's goods to raise money. Each state began acting as an independent country.

Before the war, many American merchants had borrowed money from British lenders. Under the peace treaty, the states were to pay back their debts. However, the Confederation Congress had no power to force the states to pay their debts. Many states made it difficult for Britain to collect its debts. To retaliate, Britain refused to leave some of the forts that they had inside American territory. Congress had no way of solving the problem.

Congress had no power to solve the nation's problems with Spain, either. One problem had to do with the boundary between Spanish territory and Georgia. To pressure the United States on the border issue, the Spanish stopped the Americans from depositing their goods at the mouth of the Mississippi River. By doing so, Spain actually closed the Mississippi to American farmers.

The Confederation Congress did not have the power to solve the nation's economic problems. After the war, the nation fell into a severe **recession**, or economic slowdown. The Revolutionary War left the Congress and many states in debt. Many states had issued bonds as a way to borrow money from the wealthy colonists. When the war was over, these colonists wanted their bonds redeemed. Many people urged the states to issue paper money to pay off their debts. Paper money was worth less than its face value, so debtors would be able to pay off their debts more easily. People who were owed money would not receive the true amount that they were owed, however.

The paper money eventually became so worthless that merchants in some states refused to accept it. Rhode Island passed a law that forced people to accept paper money at its face value. Those who refused to do so could be arrested and fined. Property owners became fearful that if such laws were being passed, then the state governments were under the control of debt-ridden citizens.

The property owners' fears seemed to be justified. A rebellion, known as **Shays's Rebellion**, broke out in Massachusetts. It started when Massachusetts decided to raise taxes to pay off its debts rather than issue paper money. Farmers, especially those in the western part of Massachusetts, paid most of the taxes. The farmers found that they could not afford to pay the taxes and the mortgage on their farms. Those who could not pay the mortgage lost their farms. As a result, farmers in western Massachusetts rebelled. They closed down some courthouses to stop the courts from foreclosing on their farms. Their leader was Daniel Shays, a bankrupt farmer. In January 1787, Shays and other farmers raided a state arsenal to take weapons before marching on the state supreme court in Boston. The governor responded by sending a militia to protect the arsenal. When Shays attacked, the militia opened fire. Four farmers died. The rebellion ended the next day, but it raised many fears.

---

# Study Guide

---



## Chapter 5, Section 1 *(continued)*

People with money and power saw the rebellion and the unstable currency as a sign that the country was in trouble. Many began to argue for a stronger central government.

8. Why did some states begin issuing paper money?

---

---

---

---

---