

I. THE ARTICLES OF CONFEDERATION

A. The Second Continental Congress sent the Articles of Confederation to the states for ratification in late 1777.

B. PROVISIONS

1. The Articles established a UNICAMERAL legislature (called the Confederation Congress after 1781) in which each state had ONE vote.
2. Its powers included the 1) conduct of foreign relations, 2) settlement of disputes between states, 3) control of maritime affairs, 4) regulation of the Indian trade, and 5) the valuation of state and national coinage

C. Weaknesses

1. Each state, regardless of size, had *only one* vote in Congress.
2. NINE out of 13 states had to approve a measure for it to be adopted. Amendments to the Articles needed a UNANIMOUS vote. This made legislative action difficult.
3. There was no EXECUTIVE branch to carry out the laws of Congress and no JUDICIAL branch to settle disputes among the states.
4. Congress had no power to TAX; it could only request funds from the states.
5. Congress could not regulate TRADE among the states or with foreign countries.
6. Congress could not support an adequate army or enforce treaties with foreign countries. It could not maintain law and order or protect property. The U.S. lost the respect of other countries.
7. *Each state retained its sovereignty* over everything not delegated to the national government. The Confederation Congress had no authority to compel states to accept its rulings.

D. Western Land Claims: Controversy arose over western lands.

1. States without claims wanted the others to cede their claims to lands west of the APPALACHIANS to the national government
2. States refused ratification until their terms were met.
3. Since the Articles required the unanimous consent of the state legislature for ratification it was three years before all states accepted the Articles in 1781.

II. THE CRITICAL PERIOD (1781-1789)A. FINANCE

1. Before 1781: Congress and the states tried to finance the war by PRINTING money. This worked fairly well in 1775-76.
 - a. In late 1776 there were reverses on the battlefield, prices began to rise and INFLATION set in.
 - b. By 1781 Continental currency was worthless.
 - c. Although many people suffered from a declining income some made money: military contractors, suppliers of meat, milk, and grains, investors in trading voyages, privateers.
2. Reform: Congress enacted reform in 1781.
 - a. A department of finance was est. under Robert Morris.
 - b. The states were asked to amend the Articles of Confederation to allow Congress to levy a duty of 5% on imported goods. This was never accomplished.

B. FOREIGN AFFAIRS1. Repayment of War Debts

- a. The TREATY OF PARIS had provided for repayment of prewar debts to other countries and recommended that states allow Loyalists to recover confiscated property. The states took steps to prevent these actions.
- b. Because the states did not comply GREAT BRITAIN had an excuse to maintain military posts on the Great Lakes. The validity of national government was also brought into question. How could other nations trust a government that did not keep a treaty?

2. Border Problems: SPAIN'S presence on the southern and western borders of the U.S. was a problem. In 1784 Spain closed the MISSISSIPPI River to American navigation. Diplomatic maneuvers foundered.

C. COMMERCE

1. After the Revolution Britain, France, and Spain restricted American trade with their colonies.
2. Since Congress had no power to establish a national commercial policy it could do nothing about the British manufactured goods that flooded the American market while U.S. exports dwindled.

D. INDIAN AFFAIRS

1. **Treaties:** In 1784 at *Fort Stanwix* in New York and in late 1775, early 1776 in *Hopewell*, South Carolina Congress signed treaties with Iroquois, Choctaw, Chickasaw, and Cherokee chiefs
2. **Creeks:** White settlers poured across the southern Appalachians. The Creeks, who had not signed a treaty, declared war. A treaty was finally signed in 1790.

E. SHAY'S REBELLION

1. **January 25, 1787:** Massachusetts farmers under the leadership of Daniel Shays stormed a federal ARMORY at Springfield. Four were killed and twenty wounded.
2. **Causes**
 - a. Depression 1784-1788
 - b. High taxes, Mortgage foreclosures, Threat of imprisonment for debt
 - c. scarcity of paper money
3. **Previous Action:** The insurgents had used committees and crowd actions to halt court proceedings attempting to seize property for nonpayment of taxes. The protesters said the Massachusetts government was tyrannical and needed to be overthrown.
4. **Echo:** This sentiment echoed the reasons given for the American Revolution against Britain. The Massachusetts government asserted that in a republic reform comes through the ballot box rather than by FORCE. The alternative was anarchy. A nation's citizens should submit to legitimate authority.

F. NORTHWEST ORDINANCES

1. **Area:** The Northwest Territory was bounded by the Mississippi, the Great Lakes, and the Ohio River.
2. **Ordinances** passed in 1784, 1785, and 1787 outlined the process through which the land could be sold to settlers and formal governments organized.
3. **Land Ordinance of 1785**
 - a. Congress directed in 1785 that the land be surveyed into townships six miles square, each divided into 36 sections of 640 acres.
 - b. Revenue from the sale of the SIXTEENTH section was reserved for the support of public SCHOOLS - the first example of federal aid to education in American history.

4. Northwest Ordinance of 1787: was the most important.

- a. It contained a BILL OF RIGHTS guaranteeing freedom of religion, the right to trial by jury, freedom from cruel and unusual punishment, and it abolished slavery.
- b. It specified a process by which residents could organize state governments and seek admission to the Union. New states would be on an equal footing with old states.

5. Effect

- a. Although the Confederation government had passed the Northwest Ordinance, it was too weak to implement it. Not until the Constitution was written could that be accomplished.
- b. The Northwest Ordinances had little immediate effect since the Miamis, Shawnees, and Delawares did not acknowledge American sovereignty. They attacked white settlers north of the Ohio River.

G. WAR IN THE NORTHWEST TERRITORY**1. Governing the Northwest Territory**

- a. In 1788 the Ohio Company established MARIETTA but the Indians prevented northward extension of settlements.
- b. The first governor of the Northwest Territory was General ARTHUR ST. CLAIR. He was unable to successfully negotiate a treaty with the Indians in 1789.

2. Miami Confederacy: A western confederacy of 8 tribes was led by the Miamis.

- a. The Miami war chief, LITTLE TURTLE first defeated General Josiah Harmar in 1790 and then St. Clair in 1791. At that battle more than 600 of St. Clair's men were killed - the worst white defeat in the history of the American frontier.
- b. In 1793 the Miamis said that peace would only be achieved if the Ohio River was the boundary between white and Indian lands. The U.S. would not agree.

3. Battle of Fallen Timbers: General Anthony Wayne defeated the Confederacy in August 1794 at this battle near TOLEDO.**4. Treaty of Greenville:** In 1795 this treaty was negotiated with the Miami Confederacy.

- a. The tribes retained the northwest corner of the region; the rest was opened to white settlement.
- b. Whites recognized the concept of Indian sovereignty, by virtue of residence, over all lands not yet ceded.