

4-2 – The New Nation Faces Challenges- Pages 120-124

Essential Question: *How did the problems faced by the young nation made it clear that a new constitution was needed?*

Main Idea 1:

The United States had difficulties with other nations.

- Britain **refused** to turn over its **forts** in U.S. **territory** to **American** control.
- **Britain** closed off **trade** with the British **West Indies** and imposed high **tariffs** on American **merchants**.
- **Spain** closed the lower **Mississippi** to **shipping**.



Impact of Closed Markets

- Closing **markets** in the British **West Indies** caused American exports to **drop**.
- Cheap **British** goods flowed into the **United States**.
- The **Confederation Congress** had no authority to pass **tariffs**, or order **states** to pass **tariffs**, to help correct **unequal** trade with Britain.
 - States worked **independently** to increase their own **trade** instead of **improving** the situation for the **whole country**.
- American **merchants** were forced to look for new **markets** in **China**, France, and the **Netherlands**.

Main Idea 2:

Internal economic problems plagued the new nation.

- The Confederation Congress had no **power** to regulate **interstate** commerce, making trade **difficult** across **state** lines.
- **Inflation** was a problem in many **states**, which struggled to pay off **war** debts by printing **money**.
 - **Money** was not backed by **gold** or **silver**, so it was worth less.
- Loss of **trade** with Britain combined with **inflation** caused an economic **depression**.
 - **Depression** is a period of **low** economic activity combined with a **rise** in **unemployment**.



Main Idea 3:

Shays Rebellion pointed out weaknesses in the Articles of Confederation.

- Daniel Shays led **Massachusetts** farmers in a **revolt** over **high taxes** and **heavy debt** in August 1786.
- ★ The main cause of Shay's **Rebellion** was Massachusetts policy that forced **farmers** to pay **taxes** on **land**.
- Shays Rebellion was **put down** by state troops in January 1787.
 - Tried to force the **shutdown** of the **Supreme Court** in Massachusetts
 - No one's property could be taken to pay off **debts** if the **court** was **closed**.
- Many citizens **agreed** with the **rebels** and their **cause**.
 - State **officials** freed most of the **rebels**.



Main Idea 4:

Many Americans called for changes in the national government.

- Shays Rebellion showed the **weaknesses** of the **Confederation** government, which could not **respond** to Massachusetts's call for **help**.
 - People saw that the **ideals** of liberty were not **protected**.
 - People called for a **stronger** central government that could **protect** the nation in times of **crisis**.

★ Following Shay's Rebellion, **most** Americans called for **establishing** a **stronger** central **government**.

- The **Virginia** legislature called for a **national** conference to change the **Articles** of **Confederation**.
- The Articles of Confederation made it hard for **Congress** to protect its **land** or **citizens** against foreign **threats**.

★ There was no **army** and the Articles did not allow **Congress** to force **states** to provide **soldiers** for an **army**.

- The Annapolis Convention held in September 1786 **failed** to **act**.
- The Constitutional Convention was called in May 1787 in **Philadelphia** to **revise** the **Articles**.

