

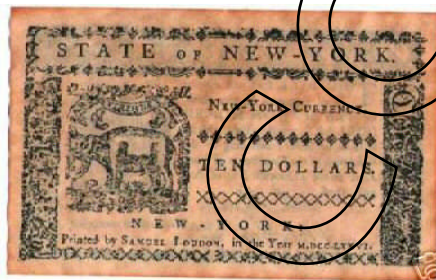
## CREATING A REPUBLIC (1776 - 1790) – LESSON 2

**Objective: To examine the weaknesses of the Articles of Confederation.**

**Why did the Articles of Confederation fail?**

### I. Currency Issues

- The United States **did not have** a **common currency**.
- Americans carried money from the **federal** government, **state** government, and **foreign** nations.
- Merchants **stopped accepting money** from outside of their own state, causing a lot of money to become **worthless**.
- This caused an increase in **inflation**.



### II. Debt

- **Congress** could **not tax** the people and **depended** on money **from the states**.
- Therefore, the U.S. was **unable** to pay its debts!

Examples:

- The U.S. owed **money** to **France, Holland, and Spain** for loans made during the Revolutionary War.
- The U.S. had not **paid** many of their own **soldiers**!

### III. Domestic and International Problems

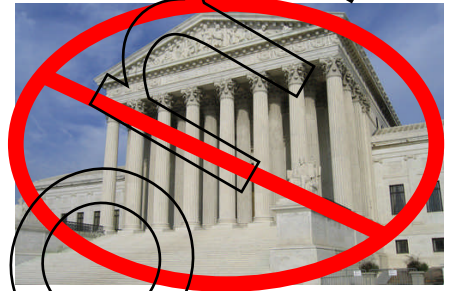
- States acted as **individual** countries and **seldom** agreed.

Example:

- Connecticut and Virginia almost went to **war** over **land** claims!
- The U.S. **lacked** the **military power** to defend itself against **Great Britain and Spain**.

### Courts (Judicial Branch)

- The nation lacked a **national court** system.



### President (Executive Branch)

- The nation did not have a **President**, or **Chief Executive**.



### Congress (Legislative Branch)

- Congress had **one** house. (**unicameral**)
- Laws were difficult to pass, needing the approval of **nine** states.
- Congress was responsible to the states, **not** the people.
- Congress had no power to **collect taxes, regulate trade, coin money, or establish a military.**

