

# Chapter 7 Section 1

## Notes Pages 197-198

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### Trouble on Two Fronts

- The Confederation had such little power that it could not deal with the country's financial problems.
- It also failed to resolve problems with Britain and Spain.

### Financial Problems

- By 1781 the money printed during the Revolutionary War had depreciated, or fallen in value, so it was basically worthless.
- Between 1779 and 1781, the number of Continental dollars required to buy one Spanish silver rose from 40 to 146.
- Fighting left the Continental Congress with a large debt.

### Robert Morris's Import Tax

- In 1781, faced with a total collapse of the country's finances, Congress called a department of finance under Philadelphia merchant Robert Morris.
- The plan was to propose 5 percent tax on imported goods to pay for the national debt.
- But this failed and financial problem only worsened.

### Problems with Britain

- In the Treaty of Paris in 1783, Britain had promised to withdraw from land in east of Mississippi but they didn't.
- In 1785 Congress sent John Adams to London to discuss these difficulties but British wouldn't talk.
- The British wanted the Americans to pay for the loyalist but they wouldn't.

### The Problems with Spain

- Spain closed the lower Mississippi which cut off American shipping in 1784. on back →
- The Mississippi opened back up in 1786.

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# Continue of Chapter 7 Section 1 Notes

## Continue of Problems with Spain

The weakness of the Confederation worried many leaders.

George Washington said "little more than the shadow without the substance."

What the thought  
of our nation