Problems Competing with British Commerce

How did the nation’s dealings with Great Britain reveal weaknesses in the Articles of Confederation?

With the states focused on their own concerns, several foreign relations problems developed. In the Treaty of Paris, Britain had agreed to vacate its military outposts in the Northwest Territory, but now it refused to do so. The United States was powerless to force them out, so the British continued to occupy its western forts.

As colonists, Americans had been forced to pay taxes to support the British Empire. In partial exchange, they enjoyed the empire’s protection of U.S. business interests around the world. For instance, U.S. merchants were confident that their ships traveling to Europe would be protected by the British navy. After the Revolutionary War, Britain no longer protected U.S. businesses and consumers. It raised tariffs on British goods sold in the United States. The higher tariffs forced business owners to raise prices. The higher prices decreased Americans’ buying power.

After the Revolutionary War, the U.S. economy was wrecked. U.S. exports, or sales of goods to other countries, declined. Britain restricted imports, or goods brought in to the country, from the United States and forbade its Caribbean sugar colonies from trading with the United States. Also, the British flooded the market with manufactured goods that were cheaper and better than U.S. products. These factors combined to create an economic depression, a period of widespread business difficulty, lower sales, and higher unemployment. The depression of the 1780s threatened the future of the United States.

John Adams was appointed to represent the United States in negotiating a trade treaty with Britain. No treaty came about because Adams had nothing to offer. His government had no actual power, and he could not promise that the states would accept any agreement he made.