

Name _____

The Taxing Challenge: How the Articles of Confederation Impacted Revenue

Open-Ended Response Answer Key

1. Answer: The intentional weakness of the central government under the Articles of Confederation was a result of the Founding Fathers' desire to prevent the concentration of power and avoid creating another strong and potentially oppressive government, like the one they had just fought to gain independence from. While this decision had its merits, it had a significant impact on the government's ability to raise revenue and govern effectively.
 - With limited powers and the inability to levy taxes on citizens, the central government struggled to generate income to fund its operations. It relied on voluntary contributions from the states, which often fell short, creating financial instability. This financial instability, in turn, hindered the government's ability to fulfill its responsibilities, such as paying off war debt and maintaining a strong national defense.
 - Additionally, the lack of a stable source of revenue made it challenging to regulate trade between states, maintain economic stability, and foster economic growth. As a result, the intentional weakness of the central government had a profound impact on the nation's governance, financial stability, and economic development.
2. Answer: Relying on voluntary state contributions for government funding during the Articles of Confederation era had significant consequences for both the central government and the nation's economy. For the central government, it meant that it lacked a stable and predictable source of revenue. The government struggled to collect sufficient funds to cover its expenses, leading to financial instability. This instability hindered the government's ability to pay off war debt, maintain a strong national defense, and fulfill its responsibilities effectively.
 - On a broader scale, the consequences extended to the nation's economy. The financial difficulties faced by the central government had a ripple effect, contributing to economic challenges within the states. The lack of a unified currency system and a reliable source of government revenue hindered economic growth and made trade between states cumbersome. This economic instability, coupled with trade barriers, created a challenging environment for businesses and hindered overall economic development.
 - Ultimately, relying on voluntary state contributions for government funding highlighted the limitations of the Articles of Confederation and played a pivotal role in the dissatisfaction that led to the push for a new constitution.
3. Answer: The central government under the Articles of Confederation faced significant economic difficulties and challenges due to its inability to levy taxes