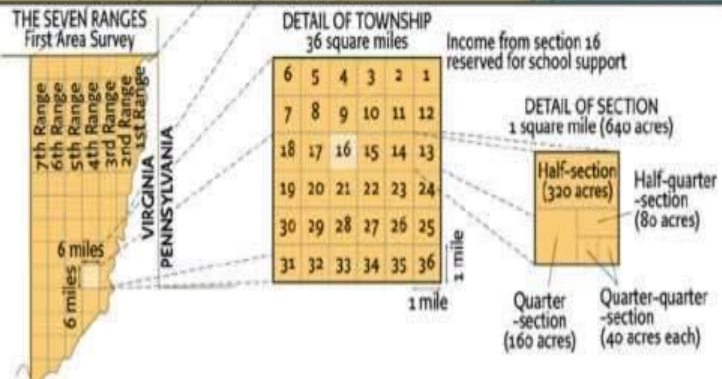


# Northwest Ordinance, 1787



- Congress decided that once states removed their “claims” on the land, they could now start talking about making brand new states.
- To send a representative to Congress as a “voice” for their town, an area had to have 5,000 adult **white male** settlers.
- **However**, there needed to be 60,000 adult white male settlers in the area before they could become a **state**.
- The first five areas to become new states in the Northwest Territory were: Ohio, Indiana, Illinois, Michigan, and Wisconsin.



# Northwest Ordinance, 1787

## To Send a Representative to Congress:

- 5,000 adult white male settlers could have one (1) representative sent to Congress.
- This representative could speak for their town when making laws.

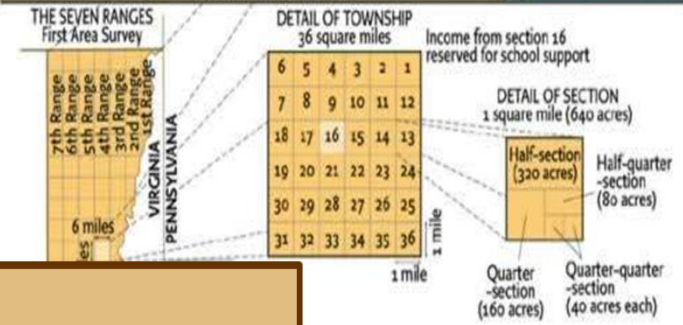
## To Create a New State:

- 60,000 adult white male settlers living in an area could be a state.



# Settling Western

- The Northwest Ordinance provided an orderly settlement process in the West.
- **The new states promised:**
  - no slavery
  - education



The newly admitted state would be . . .

*“On an equal footing with the original states in all respects whatsoever.”*

# WESTERN LAND CLAIMS, 1783



Again, the Indians – who still owned the land – never had a say in any of this!

# Northwest Ordinance, 1787

## **ACTIVITY**

# Where's My Money??????

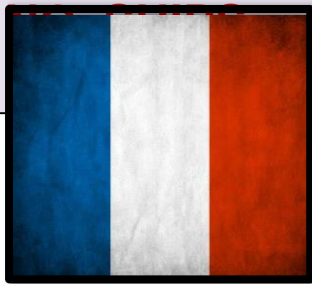
- Each state started taxing their residents, so states could start making money for themselves.
  - **Congress couldn't tax states, but the states could tax themselves**
- Congress had many challenges:
  - Forming new states
  - Finding ways to get money flowing into the country
  - Making sure each state didn't get *too much* power
- And just when things seemed to calm down after the Northwest Ordinance of 1787....
  - Shays' Rebellion was brewing.....



# What caused the economic depression of 17870?



The British navy destroyed most American ships, so the states could not trade across the ocean with other countries.



English made

10 cents



American made

20 cents



Britain sold its goods in America cheaper than the same American-made goods. **NOT BUYING AMERICAN MADE GOODS = NO MONEY**

Britain imposed many restrictions on the states to punish the new country. It would allow the states to sell very few goods in England. **NO TRADE = NO MONEY**

It borrowed A LOT of money  
It now had to pay that money back, but the weak government had no way of raising money! Countries begin to take advantage of the failing United States. **BIG DEBT = NO MONEY**

# How does an economic depression affect local business?



Business slows because customers have less money to shop.



Workers earn less money because they sell less goods.



Businesses close down because they can't afford to pay their workers which leads to unemployment.

- an **economic depression** – a period when business slows, prices and wages fall, and unemployment rises.