Problem #1 Debt and money

* United States borrowed money during the Revolutionary War
  + Owed other governments $11.7 million
  + Owed US citizens $40.4 million
  + Issued bonds that are promises to pay, plus interest
* Speculators bought bonds at low prices
  + Owners needed money now, no confidence in government ability to pay
* State debt
  + States owed people $25 million from the Revolution
  + Had a difficult time paying their debts
* Possible solutions
* Actual solutions

Problem #2 – Neutrality

* United States wanted to remain neutral (not taking sides) in conflicts between other countries
* During the French Revolution, war broke out between France and Great Britain
  + Americans started to take sides
  + France and Great Britain took actions against Americans
* France hired US ships (private ships) called privateers to attack British shipping
* British still had not settled disputes from the revolution
* British ships seized US ships taking food to French West Indies
* Spain disputed the southern border with Florida (Spanish property)
  + Also closed New Orleans to US trade
* Possible Solutions
* Actual solution

Problem #3 – Conflict in the Northwest Territory

* Americans continued to settle in the Northwest Territory
  + Native Americans protested
  + British traders provided Native Americans with guns
* War broke out in 1790
* Possible Solutions
* Actual solutions

Problem #4 – Whiskey Rebellion

* Federal government placed a tax on whiskey in 1791
  + Needed to raise revenue
  + Test the power of the federal government over state governments
* Added to peoples anger at the federal government
  + Not enough protection against Native American attacks
  + Did not provide enough trade opportunities
* Farmers were ordered to pay the tax in 1792
  + Started to react violently in 1794
* Possible solutions
* Actual Solutions