Early Problems with the U.S. after the American Revolution

Problems with Britain

* Could not enforce treaties with Britain (no army)
* Congress had no power
* Britain won’t leave forts
* Hostilities with Britain

Trade problems with Britain

* Many ports close to U.S. ships
* U.S. paid high tariffs (taxes on imports/exports)
* Economy grew weaker

Trade Problems with Spain

* Spain closed off part of Mississippi River
* U.S. Congress could not agree on a solution with Spain

Impact of Closed Trading Markets

* Congress with no power to regulate interstate commerce
  + Interstate Commerce = doing business across state lines
* Each state followed own trade laws

Inflation Run Crazy

* Paper money is losing value
* Too much paper money being printed
* No gold/silver to back of value of worthless paper
* Congress couldn’t stop states from printing money

Economic Depression

* Unemployment skyrocketed while all printed money became worthless, business went bankrupt, people lost everything

Summary

The U.S. had a lot of issues to deal with after their independence from Great Britain. Not only did they build up a massive debt of their own from the war, they had no way of importing and exporting without having to pay major tariffs just to make money. Britain and Spain looked like they began taking advantage of the United State’s problems and making them worse. The U.S. really got into trouble in a bad way when states started to print money that had nothing of value like gold or silver to back it up and the U.S. economy sank into depression.