

Governing the Northwest Territory The **Northwest Ordinance** of 1787 outlined how the Northwest Territory was to be governed. The bill had many democratic features. As the territory grew in population, it would gain rights to self-government. When there were 5,000 free adult males in an area, men who owned at least 50 acres of land could elect an assembly. When there were 60,000 people, they could apply to become a new state. Slavery was outlawed. Rivers were to be open to navigation for all. Freedom of religion and trial by jury were guaranteed.

The Northwest Ordinance was a big success for the Confederation Congress. The bill created a model for the orderly growth of the United States well into the 19th century. But the Northwest Ordinance was bad for the lands' original inhabitants. The Ordinance promised Native Americans fair treatment, and Native American lands were not to be taken from them. However, the increased contact between settlers and natives led to territorial conflicts that were not easily resolved.

Problems with Britain and Spain To fight the Revolutionary War, Congress had borrowed large sums of money. With the war over, it was now time to pay back the loans. Yet the Confederation Congress did not have the money to do so. Congress also found that it did not have the power to deal on an equal basis with other nations. Some of the challenges Congress faced with other nations were:

- Britain competed against the American fur trade by refusing to evacuate its military forts south of the Great Lakes.
- Britain barred American-owned ships from British waters in the Caribbean.
- Spain also put up barriers to American shipping in the Caribbean.
- Spain refused to allow Americans to use the Mississippi River or to deposit goods in New Orleans.
- Spain and Congress argued over the boundary of Florida.

In the late 1700s, Spain held the crucial port of New Orleans. **Why did this have an impact on American traders?**

