

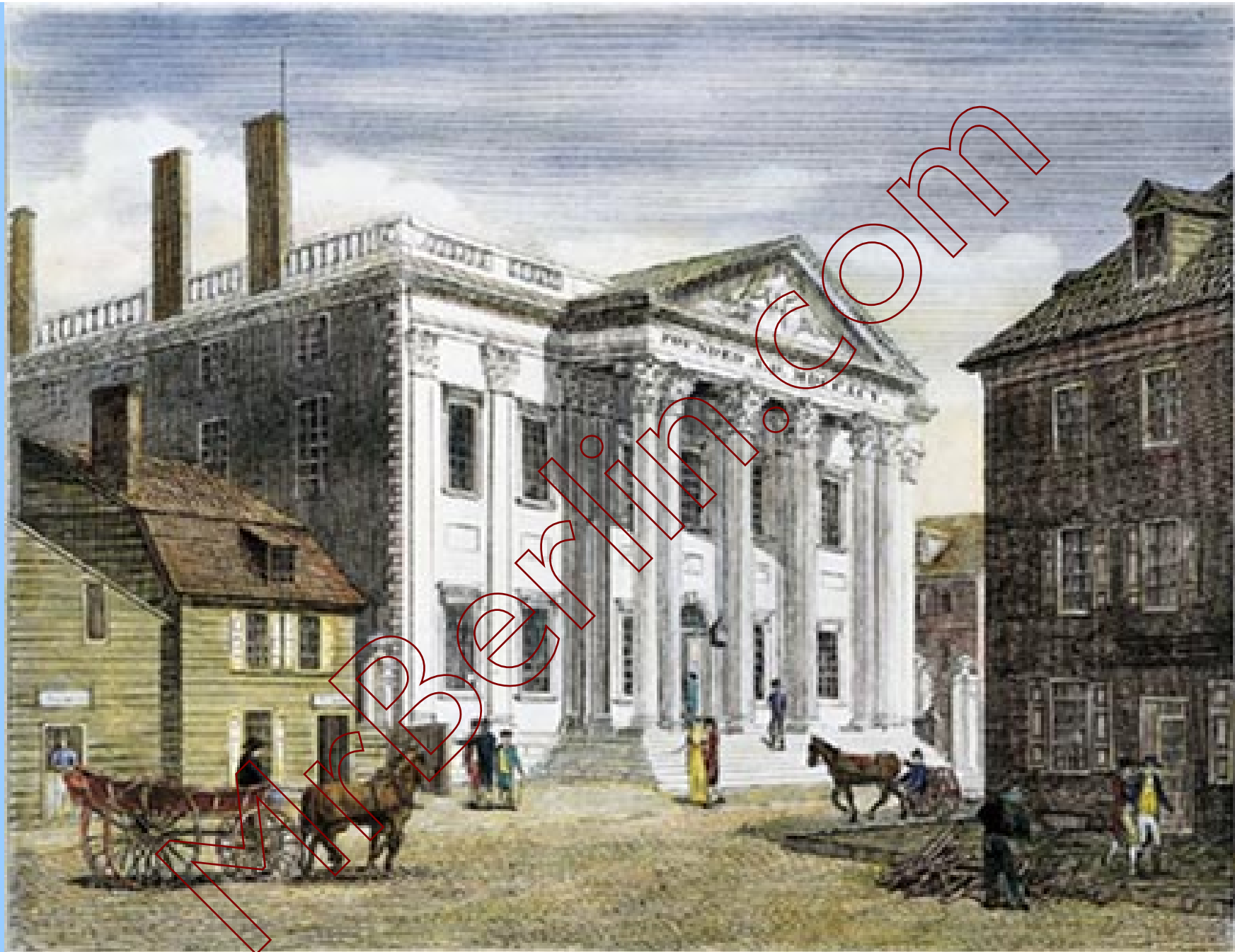
Objective: To examine the formation of the national bank, the tariff proposal, and the Whiskey Rebellion.

Do Now: Why were most Southerners against Alexander Hamilton's economic plan?

- 1) Most Southern states had already paid their debts.
- 2) When bondholders were paid back, it benefited Northern speculators at the expense of Southerners.

Strengthening the Economy

- At the request of Alexander Hamilton, Congress passed a bill in 1791 setting up a national banking system.
- The Bank of the U.S. was able to:
 - print paper money
 - use paper money to pay its bills
 - make loans to farmers and businesses



First Bank of the United States, Philadelphia, PA



First Bank of the United States, Philadelphia, PA

Tariff Proposal

- Hamilton proposed that Congress pass a tariff on all imported goods.



KEEP THIS IN MIND.

According to the artist, reducing tariffs, or import taxes, would reduce people's salaries. How is this possible?

Judge June 29 1912

The benefits of tariffs:

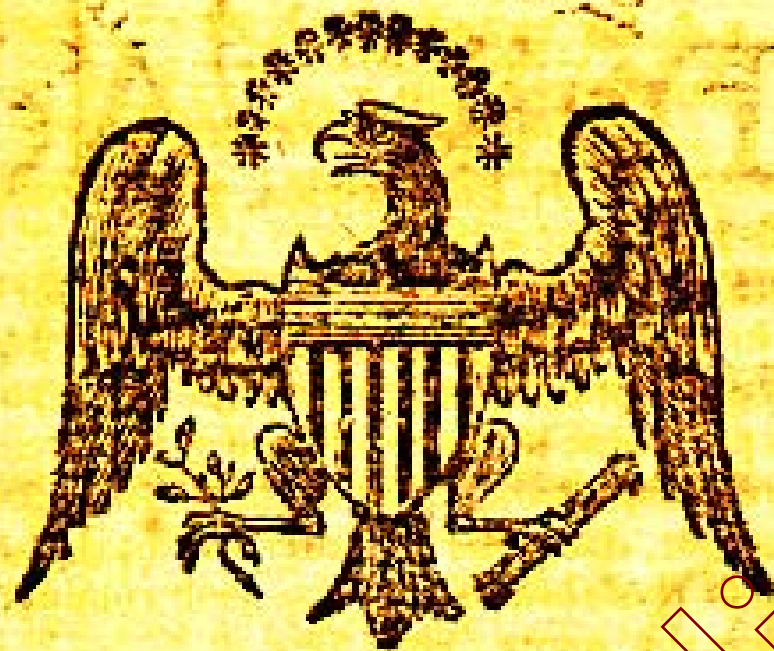
they raise money for the government

foreign goods are made more expensive

they help Americans keep their jobs

people buy more U.S. goods

Mr Berlin.com



BY AUTHORITY.

By the President of the United States of America.

A PROCLAMATION.

WHEREAS combinations to defeat the execution of the laws laying duties upon spirits distilled within the United States and upon stills, have from the time of the commencement of those laws existed in some of the western parts of Pennsylvania: AND WHEREAS the said combinations, proceeding in a manner subversive equally of the just authority of government and of the rights of individuals have hitherto effected their dangerous and criminal purposes by the aid of

Whiskey Rebellion

- In 1791, Congress taxed all liquor made and sold in the U.S.

- Thousands of farmers rebelled against the tax.



"Famous whiskey insurrection in Pennsylvania", an illustration from Our first century: being a popular descriptive portraiture of the one hundred great and memorable events of perpetual interest in the history of our country by R. M. Devens (Springfield, Mass, 1882).

- Pres. Washington sent about 13,000 members of state militias to restore order.



The painting depicts George Washington and his troops near Fort Cumberland, Maryland, before their march to suppress the Whiskey Rebellion in western Pennsylvania.

"...if the laws are to be so trampled upon with impunity, and a minority...is to dictate to the majority, there is an end put at one stroke to republican government...for some other man or society may dislike another law and oppose it with equal propriety until all laws are prostrate, and everyone will carve for himself."

- George Washington's observation about the Whiskey Rebellion

*** The Whiskey Rebellion proved to Americans that the new government would act firmly in times of crisis.**