

Alexander Hamilton's Program for the US Economy



Two B's and two T's

1. **deBts** (of states) assumed by national government and all debts paid at face value
Sharp disagreement arose, because some states had already paid off their debts; and many of the current owners were speculators who purchased the debt at a steep discount.
2. **Bank** of the United States
80% of the stock and board of directors were to be under private control
3. protective **Tariffs**
Congress had already established a 5% tariff on all imports (for raising revenue), and tariffs of up to 15% on other items, such as clothing, glass, and iron (for protective reasons). Hamilton wanted requested that Congress raise this rate moderately, which it did over the next several years. He went so far as to suggest subsidies for industries, but Congress decided not to do that.
4. **Taxes** on luxuries (such as carriages) and distilled beverages (as well as a few imported items—coffee, wine, and tea)
This brought about a harsh reaction called the Whiskey Rebellion, as well as more sophisticated measures (taking it to the Supreme Court, which ruled in *Hylton v. United States* that this carriage tax was not a tax on property so much as an excise tax, and as such, was constitutional).