**Hamilton’s Economic Plan: Pros and Cons**

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| **Component** | **Arguments for it** | **Arguments Against it** |
| **Have the federal government pay off foreign debts, reissue bonds to holders.** | The U.S. will build credit/gain legitimacy with foreign nations. The government would be supported by bondholders who would want the government to succeed so they get paid. | Some wealthy people had bought bonds from poorer people at a greatly reduced price; they would now be the ones to profit from speculation. |
| **Have the federal government assume states’ debts.** | This would protect the states from threats by foreign nations, and would unite the Union. Also, wealthy citizens would want to see the government succeed so they get paid. | The South had already paid their debts, and so they did not feel they should also help the North pay theirs. They felt it was fair for each state to take care of their own debts. |
| **Establish a national bank.** | It would issue money, handle tax receipts and other government funds. Since wealthy people would be partial investors, they would be tied to the success of the government. | Some feared a plutocracy could result – rule by the rich. Also, the constitution does not specifically provide for a national bank. It’s establishment would be unconstitutional. |
| **Raise a tax on imported goods.** | This tax would raise lots of badly-needed money for the new government. Also, U.S. industries will grow, since foreign made goods would be more expensive. | Since the South imports more stuff, because they have fewer ports, they will pay an unfair share of taxes. |
| **Raise an excise tax on whiskey.** | This would raise a lot of money, and besides, whiskey is sinful, and anyone buying or using it should be taxed. | This unfairly hurts the poor farmers in the Appalachians who grow corn, buy make it more transportable and profitable by making it into whiskey. It’s a regressive tax. |
| **Put down tax rebellions with a strong federal force.** | People need to know that the federal government can and will enforce federal law. Tax rebellions will not be tolerated. A large military force should be sent to put down the rebellious farmers. | Given the fact that the tax was unfair, the tax rebellion is somewhat justified. To solve the crisis, the tax should simply be lifted. |