



Name _____

Date _____

In the chart below, there are several financial problems faced by Washington's Administration.

Review text pages **278-282** and find

Alexander Hamilton's solutions to these problems, and write them in the space provided.



Problem	Solution
The new government was faced with an \$81.5 million debt, most of it in the form of bonds.	Hamilton decided to pay off the old bonds by issuing (selling) new ones. This way, the new bonds could be paid off later when the government truly had its act together.
Southern states complained that it was unfair for the Federal Government to pay off state debts since they had already paid theirs	Hamilton made a compromise: He got the Southerners to agree to pay off the states' debts - in return he convinced Northerners to agree to move the capital to the South. "Washington DC"
The Federal Government had to find a way to issue paper money, deposit tax money, and make loans to citizens.	Hamilton convinced Congress to create "The Bank of the United States" for this purpose. It was a bank owned and operated by the Federal Government.
American industry faced tough competition from European countries like Britain. Hamilton wanted to help American industry.	Hamilton supported a high tariff (tax on imports). This made foreign goods more expensive than American goods, which helped industry here in the U.S.
Hamilton needed to find a way to raise money for the national treasury	Hamilton proposed a tax on liquor (whiskey) to raise money for the treasury. This was met with resistance and the "Whiskey Rebellion"