**NBE #19**

**Prequel to the Whiskey Rebellion (notes)**

**Why tax whiskey?**

* Alexander Hamilton, the Secretary of the Treasury, was in charge of the country’s financial well-being
* Hamilton knew that he needed a *steady and reliable source of income* for the country
* Taxes were the best way for a country to bring in money
* People of America felt, in general, negatively towards taxation (especially on products that they needed)
* An excise tax (tax on a luxury item) was usually less of a threat
* Best choices that Hamilton had for an excise tax = **wine** or **whiskey** (neither was a “necessity” and both were consumed by Americans on a daily basis)
* People east of the mountains mostly drank wine; people in the west mostly drank whiskey
* Hamilton lived in the east, so a tax on whiskey wouldn’t affect him or his friends very much

**Why did western farmers hate this tax?**

* Farmers grow crops and make their money by selling what they grow
* Most of the population of America lived east of the mountains
* In order for farmers in the west to get their crops (mostly grain) to the east, they had to transport them over the mountains – this was very difficult and VERY expensive (much of the profit was lost)
* It was far easier for farmers to use the grain to make whiskey and sell the whiskey for a much larger profit
* Taxing the production or sale of whiskey took most of the profit away from the farmers