

Chapter 7.

The Whiskey Rebellion

A tax on whiskey? To Alexander Hamilton and the Federalists in the east, it seemed to be a good idea. Hamilton believed that industries that could afford to should pay taxes. To the average American family that drank six gallons of whiskey a year, such a tax would cost about \$1.50 annually. But to farmers in western Pennsylvania, Virginia, and the Carolinas, this was considered a tax on one of life's necessities. In the west, whiskey was used freely at weddings to toast the bride and at funerals to mourn the dead. Whiskey was believed to warm the body in winter and refresh the spirit in summer.

Whiskey had an even more important use in the western counties of Pennsylvania where it was used in the place of money. Whether in the form of notes issued by the Bank of the United States, currency printed by state banks, or coins minted by the U.S. Treasury, money was seldom seen by farmers living in these far-away places. Whiskey was their main source of cash. Twelve hundred pounds of wheat, oats, or rye could easily be distilled into 20 gallons of spirits weighing 160 pounds. The liquor could then be poured into jugs, thrown across the backs of mules, and taken some 300 miles from Pittsburgh to Philadelphia. There it would be sold at the price of \$1 per gallon. Whisky became the one cash-producing product for these western farmers, and since it could so readily be exchanged for money, it was often used in the place of cash. Farmers paid for their dry goods with whiskey, and merchants exchanged it for their next year's supplies. Even ministers' small salaries were often paid in part with whiskey.

Alexander Hamilton knew the independent ways of these western farmers, but he also knew that a tax on whiskey would raise about \$800,000 a year. The money was needed to help pay the national and state debts. While the tax of some 25 cents per gallon would cost most families no more than \$1.50 a year, it would take about \$6 of the \$20 the average farm family in western Pennsylvania saw in 12 months. To the farmers in this part of the state who did not benefit from the payment of the debt at face value, \$6 seemed to be a very high tax.*

The tax on whiskey led to a rebellion. In response to the rebellion, Hamilton called for a show of strength and convinced President Washington to raise an army of 13,500 soldiers to put it down. This chapter raises the question of whether the rebellion was

*whiskey was not the only industry singled out for an excise tax. Snuff and lump sugar manufacturers were charged with a similar internal duty. These businesses survived by passing the cost of the tax on to the consumer by raising prices.

Quoted in Richard Hofstadter, *Great Issues in American History: From the Revolution to the Civil War 176- 1865* (New York: Vintage Books, 1965) pp. 33-34

