



Revolutionary Times



Containing the Latest News from the Sons of the American Revolution

Paying the Debt

The American Revolution was precipitated, in part, by a series of laws passed between 1763 and 1775 that regulating trade and taxes to pay for the debts resulting from the French and Indian War.

British unwillingness to respond to American demands for change allowed Colonists to argue that they were part of an increasingly corrupt and autocratic empire. This led to the Declaration of Independence and American Revolutionary War.

The Revolution left the new nation deeply in debt. Although America had won an impossible war against one of the world's superpowers, independence was not yet secure. Britain had largely shut down American trade.

During the American Revolution, a cash-strapped Continental Congress accepted loans from France and Dutch bankers in 1782. Paying for the American Revolutionary War (1775 - 1783) was the start of the country's debt.

Paying off these and other debts incurred during the Revolution proved one of the major challenges of the post-independence period. The new United States didn't want to follow what the British effectively did to the Colonists to help pay for the French and Indian War ... impose new tariffs and taxes.

The US Treasury Department was created in 1789 to help the country borrow money and manage the debt.

Alexander Hamilton was the first Secretary of the Treasury. Hamilton was born at Charlestown, on the British Caribbean island of Nevis, he was orphaned in his early teens and spent his adolescence on the Danish possession of St. Croix; Hamilton arrived in mainland America in late 1772.

Responsibility for managing debts fell to Secretary of the Treasury Alexander Hamilton. Hamilton placed US finances on firmer ground, allowing for the US Government to negotiate new loans at lower interest rates.

In addition, to survive, the new nation needed money and a vital surge in trade. In 1787, a group of Boston merchants decided to send two ships on a desperate mission around Cape Horn and into the Pacific Ocean, to establish new trade with China.

The maritime fur trade focused on acquiring furs of sea otters, seals and other animals from the Pacific Northwest Coast and Alaska. The furs were to be sold in China in exchange for tea, silks, porcelain and other Chinese goods to be sold in the US.

The fur traders and merchant ships crossing the Pacific needed to replenish food supplies and water. The traders soon realized they could economically barter for provisions in Hawai'i; a triangular trade network emerged linking the Pacific

Northwest coast, China and the Hawaiian Islands to the United States (especially New England).

In addition, the Tariff Act of 1789 was the first major piece of legislation passed in the United States after the ratification of the United States Constitution.

It had three purposes: to support government, to protect manufacturing industries developing in the nation, and to raise revenue for the federal debt.

Tariffs and duties collected by the US Customs Service enabled America to complete the Louisiana Purchase, Alaska Purchase, and numerous other diplomatic arrangements in the 19th century.

All told, revenue collected by the US Customs Service enabled the United States to purchase almost 1.5 million square miles of territory - defining the national borders we recognize today.

This broadsheet is dedicated to the 250th Anniversary Celebration of the Declaration of Independence for more information visit the National Society Sons of the American Revolution website at: www.sar.org

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