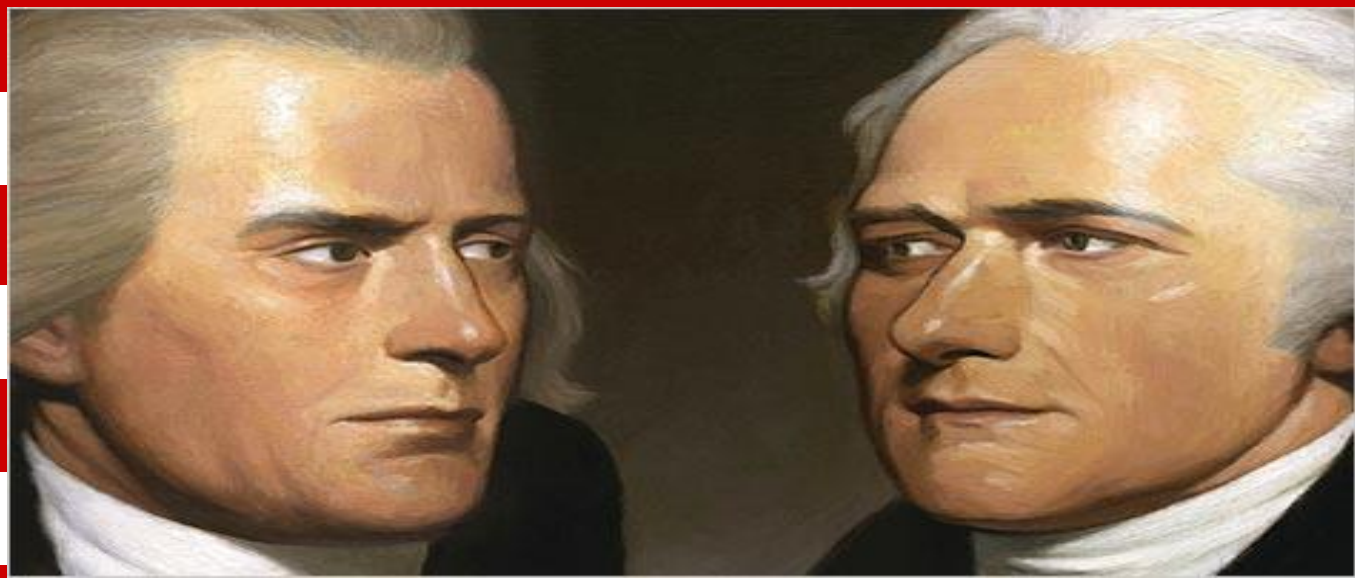


Hamilton

vs.

Jefferson



- Washington's warning about not forming political parties was already being ignored by members of his own cabinet.
- Secretary of Treasury Alexander Hamilton and Secretary of State Thomas Jefferson seemed to disagree on everything from the economy, the national debt, states' rights, trade, how to interpret the Constitution, and whether to support Britain or France.
- These disagreements quickly split American political leaders into two groups. The first American political parties were born.

The Federalist Party

- The Federalist Party was America's first true political party. It was led by Alexander Hamilton.
- Federalists generally supported a strong central government.
- Federalists were also usually loose constructionists meaning that they believe the Constitution gives certain "implied powers" to the Federal Government which are not clearly written out in the actual document.
- The Federalist Party also supported economic policies that avored manufacturing (making goods) and trade which made them very popular with wealthy merchants and businessmen, particularly in the Northern States.

The Democratic-Republican Party

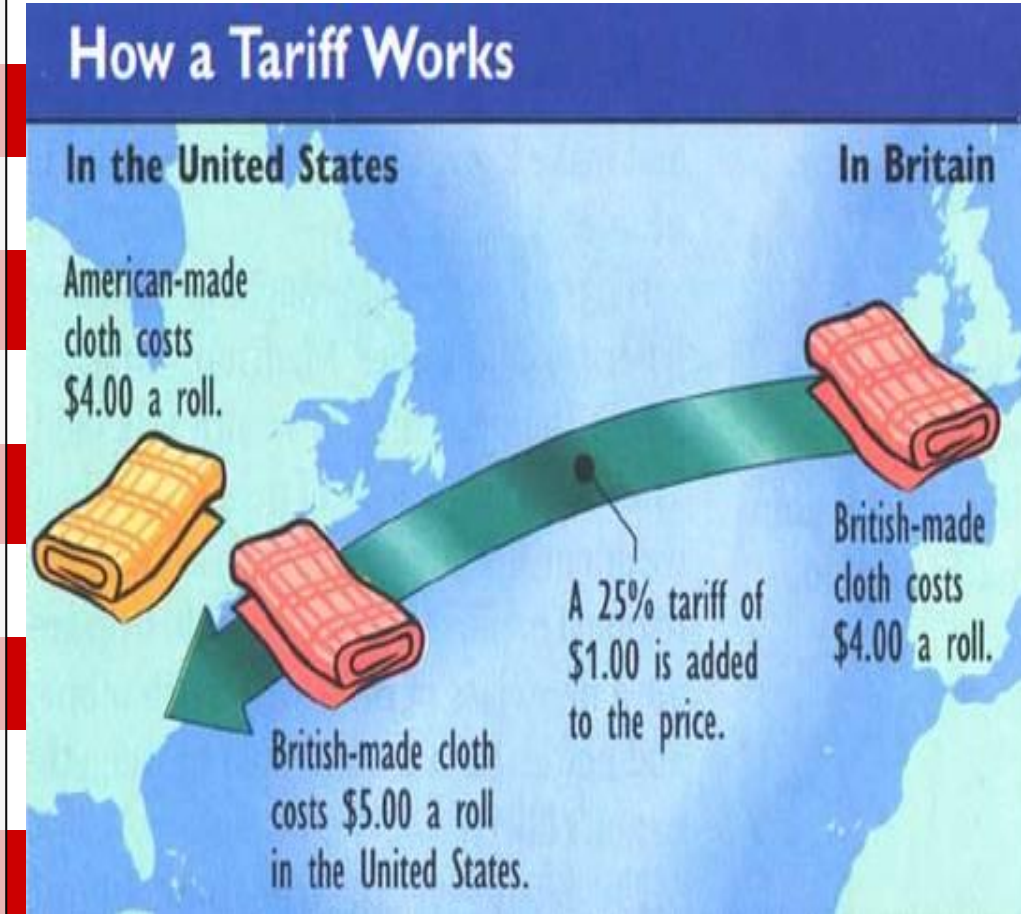
- The Democratic-Republican Party was made up of former Anti-Federalists and even some former Federalists who did not support Hamilton's policies. Thomas Jefferson and James Madison (former Federalist) led this party.
- Democratic-Republicans favored a limited national government and stronger state governments. They also supported states' rights.
- Democratic-Republicans were also usually strict constructionists meaning that they believe the Constitution said exactly what it meant.
- The Democratic-Republican Party also supported economic policies that favored agriculture (farming) which made them very popular with both wealthy plantation owners and poorer farmers, particularly in the Southern States (*You might be able to see where this is going*).

Hamilton's Economic Policies

- While Washington was President, Alexander Hamilton essentially laid the foundations of the American economic and financial systems.
- Hamilton had all the money that the different states owed combined into a single national debt. To help the Federal Government pay interest on the debt, Hamilton pushed for the creation of the Bank of the United States which could issue loans. Jefferson and the Democratic-Republicans were strongly against the idea of a National Bank, arguing that the Constitution did not say anything about making a National Bank.
- Hamilton also supported a series of taxes and tariffs to help the Federal government support itself financially.

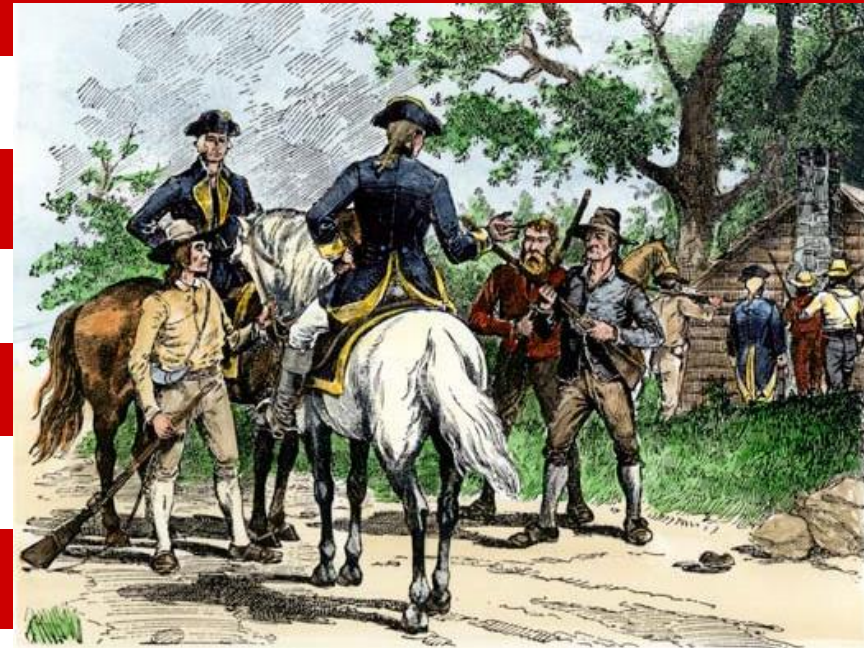
Tariffs

- The Federalists supported tariffs on foreign made goods. This would increase the price of foreign made goods and make Americans more likely to buy American manufactured goods.
- Although these protective (high) tariffs were popular in the north because they protected American businesses from foreign competition, however they were very unpopular in the agricultural south which traded with Europe.



The Whiskey Rebellion

- Hamilton's taxes were also unpopular, especially with farmers. Things came to a head in 1794 when hundreds of armed farmers attacked tax collectors in western Pennsylvania in protest over a tax on whiskey (which is made from grain).
- The Federal Government held its breath, hoping this would not be a repeat of Shay's Rebellion. President Washington personally led a militia force to Pennsylvania and this convinced the rebels to give up without a fight.



RISE OF POLITICAL PARTIES

	<u>Federalist Beliefs</u>	<u>(former Anti-Federalists)</u> <u>Democratic-Republicans</u>
Leader	Alexander Hamilton John Adams	Thomas Jefferson, James Madison, Patrick Henry
Appealed to	Manufacturers, merchants, wealthy and educated.... Favored seaboard cities	Farmers and Planters common man Favored the South and West
Ideas of Government	Strong government over states <u>Loose Construction</u> of Constitution • <u>Implied powers</u> Wealthy and educated involved Limit freedoms of speech & press Preferred govt. similar to a king	State's rights over National Govt. <u>Strict construction</u> of Constitution • <u>Expressed/Enumerated powers</u> Common man but educated Bill of Rights is sacred Lesser government the better
Domestic Policy	Supported National Bank—BUS Supported excise tax National debt good for country National govt. assume state debts Tariffs should be high	Against National Bank—BUS Against excise tax Against National debt States pay their own debts Tariffs should be low
Foreign Policy	Opposed French Revolution Wanted war with French Favored the British	Supported French Revolution Opposed war with French Favored the French



First Political Parties

Federalists

Democratic Republicans

- led by Alexander Hamilton

- led by Thomas Jefferson

- strong central government led by industry and the wealthy

- strong state governments led by the “common man”

- emphasis on manufacturing, shipping, and trade

- emphasis on agriculture
“Cultivators of the earth are the most valuable citizens.” — Thomas Jefferson

- loose interpretation of the Constitution

- strict interpretation of the Constitution

- favored the national bank

- opposed the national bank

- favored protective tariffs

- opposed protective tariffs

- pro-British

- pro-French

Assignment: Which Party Would You Support?

Respond to the following prompt in your journal using complete sentences:

- *If you lived during the Early Republic Era, do you think you would support the Federalist Party or the Democratic-Republican Party?*
- *Explain the reasons for your choice, in other words say what you like about your chosen party and what you dislike about the other party.*