By the election year of 1792, Hamilton and Jefferson headed rival political parties to enact their views. Both parties had the same goal, a free republic, but differed in means to attain it.

The political party system (continuing since 1792 to the present), at first feared divisive, has proved vital for democracy.

**Why?**
Parties provide for dissent and choice, the lifeblood of freedom.

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**FEDERALIST PARTY**

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<td>ALEXANDER HAMILTON’S VIEWS</td>
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**REPUBLICAN PARTY***
(not the same as today’s Republican party)

*also called Democratic-Republican

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**PESSIMISTIC VIEW OF HUMAN NATURE**

Hamilton believed people are basically selfish—thus need the restraint of strong government.

**OPTIMISTIC VIEW OF HUMAN NATURE**

Jefferson believed people are basically good—thus capable of self-government.

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**POLITICAL: Who Should Govern?**

Both Hamilton and Jefferson believed that an aristocracy should rule—but differed as to what kind:

**Hamilton favored:**
- a rich and well-born aristocracy, based on birth, wealth, and status.
  - He agreed with John Jay that, “Those who own the country ought to govern it.”
  - They had more at stake, so they would be more responsible.

**Jefferson favored:**
- a natural aristocracy, based on talent and virtue.
  - He advocated rule by educated men of property, but he promoted widespread access to both education and property.

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**THE FIVE PILLARS**
(as described by John Adams)

- BEAUTY
- WEALTH
- BIRTH
- TALENT
- VIRTUE

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Based on HAMILTON’S VIEWS

1. Nationalist: strong central government
2. Loose interpretation of the Constitution

GOVERNMENT POWER
1. Localist, states’ rights: limited central government
2. Strict interpretation of the Constitution

Based on JEFFERSON’S VIEWS

1. Industrial economy; manufacturing
2. Urban centered

ECONOMY
1. Agrarian economy; farming
2. Rural centered

1. Modified capitalism: government aid to business—but not regulation of business
2. Responsive to creditors

CAPITALIST SYSTEM
1. Laissez-faire (hands-off) capitalism: government neither aiding nor regulating business
2. Responsive to debtors

Americans cheered when the French Revolution of 1789 overthrew the French monarchy, and replaced it in 1792 with the French Republic—based on liberty, equality, and fraternity. But the cheering stopped in 1793 when the French republicans beheaded King Louis XVI and Queen Marie Antoinette, started a reign of terror against the nobles, and declared war on Britain.

Warring France and Britain violated America’s neutrality by interfering with her shipping. Federalists, fearing French “mobocracy,” favored Britain.

Republicans, fearing monarchists, favored France.

LEADERS

President George Washington
(tried to remain neutral but leaned toward the Federalists)

Vice President John Adams
(committee Federalist leader; Federalist president, 1797-1801.)

Congressman James Madison
(co-leader of Republicans; Republican president, 1809-17)

Senator James Monroe
(friend to Madison, Jefferson; Republican president, 1817-25)

VOTERS

1. Southern agrarians, northeastern workers, western pioneers
2. Debtors