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The Rise of Political Factions in the United States: 1789–1795

William Wehrs

Summer Fellows
Introduction

Organized factions did not arise with the creation of the United States. Rather, they slowly emerged during George Washington’s presidency. Initially, the Founders strongly opposed political parties partly because they associated them with the dysfunctionality of England and because influential thinkers like John Trenchard and David Hume had strongly criticized them. Soon, however, political and ideological conflicts began to emerge. These stemmed from the differing views the Founders had on human nature. While Alexander Hamilton and John Adams were both highly dubious about the trustworthiness of the common people, James Madison and Thomas Jefferson believed they could prove worthy and should therefore be respected. Conflicts over the economy, how to handle Revolutionary France, and negotiations with England all grew from this fundamental opposition over the nature of humanity. Ultimately, these conflicts led to a fracturing and by the time Washington had left office; political factions were poised to consume the nation.

Before proceeding further, it is critical that I establish how I am taking the topic of the formation of the political “factions” in a direction different from that taken by past scholars. The Founders have been extensively studied. While that is helpful when one is conducting research, it presents the interesting challenge of bringing something new to the discussion. The works I read rarely connected the intellectual writings of the Founders to their views on policy. I have attempted to rectify this problem by making clear how their views on human nature connect to their views on policy, both domestic and foreign. Also, most of the scholarly literature treats the rise of factionalism as part of a much larger discussion. This is especially true of biographies, such as Ronald Chernow’s *Alexander Hamilton* or Ralph Ketcham’s *James Madison*, and books covering a lengthy time period, such as Stanley Elkins and Eric McKitrick’s *The Age of*
Federalism or Gordon S. Wood’s Empire of Liberty. Because such books seek to cover the early history of the nation, they simply cannot provide the intimate study of key figures that I hope to achieve. I am also trying not to take sides. Many of the books I read are quite partial to one side, such as Chernow’s Alexander Hamilton, which is fairly dismissive of Jefferson and Madison. I have endeavored to present the facts as I see them without suggesting one side was irrational. I have not read everything that has been written on the Founders but I have attempted to acquaint myself with many of the major scholars and their works, which I build on rather than simply repeat. I will also be augmenting my use of secondary literature with extensive use of original sources.

Why Political Parties did not Exist in the New Nation Yet

When George Washington was elected the first president of the United States in 1789, the Founders were determined to prevent the rise of political parties in the new nation. First, it is important to recognize that political parties were not understood then as they are understood today. William Nisbet Chambers explains that politics were a matter of “individual endeavor” and “shifting factions.”¹ That the terms parties and factions were often used interchangeably is critical to understanding how the Founders saw them. The word faction carries the connotation of divisiveness, which the Founders feared factions would lead to.

In 1777, Hamilton noted that people were wont to split and fight amongst themselves, which prompted him to recommend that all elections be controlled by select people: “But a representative democracy, where the right of election is well secured and regulated & the exercise of the legislative, executive and judiciary authorities, is vested in select persons. . . .will

in my opinion be most likely to be happy, regular and durable.”² James Madison was inclined to agree, noting in the *Federalist Papers* that humans were naturally disputatious creatures: “human passions, have, in turn, divided mankind into parties, inflamed them with mutual animosity, and rendered them much more disposed to vex and oppress each other than to co-operate for their common good.”³ He goes on to say that he defined “factions” as a people characterized by a lack of interest in actually working towards the common good: “By . . . faction, I understand a number of citizens, whether amounting to a majority or a minority of the whole, who are united and actuated by some common impulse of passion, or of interest, adverse to the rights of other citizens, or to the permanent and aggregate interests of the community.”⁴ Madison believed people were wont to have differing views and thus any functioning government must try to regulate factions to the best of its ability:

“A landed interest, a manufacturing interest, a mercantile interest, a moneyed interest, with many lesser interests, grow up of necessity in civilized nations, and divide them into different classes, actuated by different sentiments and views. The regulation of these various and interfering interests forms the principal task of modern legislation, and involves the spirit of party and faction in the necessary and ordinary operations of the government.”⁵

Thus, Madison concluded: “the CAUSES of faction cannot be removed, and . . . relief is only to be sought in the means of controlling its EFFECTS.”⁶ For Madison (and this is critical to

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⁴ Ibid.
⁵ Ibid.
⁶ Ibid.
understand when we later get to his views on human nature) this is where the common people come in. Madison argued that the common people could help to control these factions: “If a faction consists of less than a majority, relief is supplied by the republican principle, which enables the majority to defeat its sinister views by regular vote.”\(^7\) Therefore, Madison believed that factions were inevitable, but nevertheless they could be controlled.

John Adams greatly feared the possible emergence of a two-party system: “There is nothing I dread So much, as a Division of the Republick into two great Parties, each arranged under its Leader, and concerting Measures in opposition to each other.”\(^8\) Fully understanding how political parties were perceived during the Founding era, requires knowledge of the political context of the period and the intellectual ideas that probably influenced the thinking of the Founders.

Richard Hofstadter argues that “[t]he idea of a legitimate opposition . . . was not an idea that the Fathers found fully developed . . . when they began their enterprise in republican constitutionalism in 1788.”\(^9\) After all, when it came to political struggles preceding the writing of the Constitution, there had been little organized animosity. For example, as governor of Virginia, Thomas Jefferson had been able to introduce reforms without opposition. There were also economic struggles between debtors and creditor-investor groups, but this was not truly a battle of ideological beliefs.\(^10\) Parties were also just generally disliked, as they were associated with

\(^7\) Ibid.
\(^10\) Chambers, 19.
England and its history of violence whether it be things like “religious bigotry and clerical animus” or leaders of treasonous opposition like Mary Queen of Scots.\textsuperscript{11}

Furthermore, elections rarely saw campaigning since those who were nominated were well regarded figures of the community and in Chambers’s words “simply ‘stood’ for election more often than they ran.”\textsuperscript{12} This stemmed from holding public office being considered something that gentlemen were somewhat obligated to do thanks to their having greater freedom to develop intellectual gifts.\textsuperscript{13} Finally, there were many people who felt quite strongly about their individuality. Chambers argues that this meant many people avoided “being herded,” which led to state leaders coming up with “intricate agreements which would join together broad pluralistic combinations” and thereby gather sufficient support for politicians’ political campaigns.\textsuperscript{14} Therefore, at least one reason why the Founders sought to avoid or at least control the presence of political parties was that they represented something alien and unknown.

Also important were European intellectuals who preceded the Founders and who had expressed their own reservations about parties. During the 1720s, the Englishmen John Trenchard and Thomas Gordon strongly condemned political parties. Trenchard was concerned with how parties seemed to lead even good people to simple-mindedly align with others, so long as they were part of the same party: “I have often seen honest Tories foolishly defending knavish Tories; and untainted Whigs protecting corrupt Whigs.” \textsuperscript{15} Trenchard goes on to argue, “Let neither private acquaintance, personal alliance, or party combination, stand between us and our

\begin{flushleft}
\textsuperscript{11} Hofstadter, 12. \\
\textsuperscript{12} Chambers, 22. \\
\textsuperscript{14} Chambers, 25. \\
\end{flushleft}
duty to our country.”  

Furthermore, both Gordon and Trenchard regarded parties as entities devised by the unscrupulous for their own ends. This view was echoed in the 1730s by Henry St. John, 1st Viscount Bolingbroke, who argued that parties prevented any working toward the common good.

There was also David Hume who argued that men who fell into parties would threaten the well-being of society: “Factions subvert government, render laws impotent, and beget the fiercest animosities among men of the same nation, who ought to give mutual assistance and protection to each other.” He also warned that parties that were seemingly based on principle could actually be created by duplicitous people in power. Furthermore, he warned of factions bringing down governments: “Yet difference begat two most inveterate factions in the GREEK empire, the PRASINI and VENETI, who never suspended their animosities, till they ruined that unhappy government.” This failure of previous governments to prevent the derailing effect of factions was something that haunted Hamilton and Madison when it came time to create the Constitution.

John Locke also helped influence the Founders, as he warned of “human frailty” and that people were “apt to grasp for power.” Consequently, Locke argued for a government that would have people constantly weaving in and out of power:

“Legislative power is put into the hands of divers persons who, duly assembled, have by themselves, or jointly with others, a power to make laws, which when they have done,

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16 Ibid.
17 Hofstadter, 14.
18 Ibid., 21.
20 Ibid.
21 Ibid.
being separated again, they are themselves subject to the laws they have made; which is a new and near tie upon them to take care that they make them for the public good."\(^{23}\)

Thus, the Founders were surrounded on one side by the reality that parties had not yet truly emerged in America, and on the other side by intellectuals continually warning of the dangers of parties. Not surprisingly the Founders sought to avoid or at the very least control any fractures in American politics, which they attempted to do by following Locke’s model on how government should be formed. Despite this noble ideal, however, by 1792, deep fractures had emerged that would irrevocably shape America’s future.

**The Founders’ Views on Human Nature**

To understand these fractures, one must first understand the Founders themselves and specifically how they saw humanity. The contrasting viewpoints of Alexander Hamilton, James Madison, Thomas Jefferson, and John Adams played a pivotal role in the shaping of American domestic and foreign policy. Hamilton had quite a dim view on humanity that can at least be partially attributed to his childhood. He grew up in the West Indies near the highly boisterous city of St. Croix whose brothels and bars entertained people from outlaws to sailors.\(^{24}\) Furthermore, his family life was quite rocky between 1765 and 769 when all of his immediate family had died in one way or another. Another important element of the world around him was slavery. Slaves were treated especially cruelly in St. Croix. A slave suspected of attacking a white person; would be prodded with red-hot pokers, castrated, and then beheaded. Runaway slaves would have one of their feet chopped off.\(^{25}\) Therefore, in his early life Hamilton saw some of the worst humanity had to offer, and it is little wonder that his view of the world was colored

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\(^{23}\) Ibid., 168.


\(^{25}\) Ibid., 33.
by a deep disdain for it. At the same time, as Ron Chernow explains witnessing the distrust planters had in their slaves would have left an impression on him regarding the dangers of a non-ordered society: “Perhaps the true legacy of his boyhood was an equivocal one. . . . The twin specters of despotism and anarchy were to haunt him for the rest of his life.”

Hamilton’s deep distrust of humanity is apparent in a letter that he wrote to John Jay in 1775. Commenting on the growing unrest among the populace against King George III, Hamilton bemoaned the “unthinking populace” and complained that it is not safe to trust “any people.” He goes on to claim that unless people are properly controlled, they will give in to their worst impulses: “[When they are] loosened from their attachment to ancient establishments and courses, they seem to grow giddy and are apt more or less to run into anarchy. . . . It requires the greatest skill in the political pilots to keep men stead and within proper bounds.”

His reading of financial treatises during the American Revolution contributed to his dour opinion of humanity, as he noted that many of the financial problems that beset the country were the fault of the common people who “are governed more by passion and prejudice than by an enlightened sense of their interests.”

This cynicism infused Hamilton’s comments at the Constitutional Convention in 1787. In a speech to his fellow delegates he proclaimed, “Take mankind as they are, and what are they governed by? Their passions. There may be in every government a few choice spirits, who may act from more worthy motives. One great error is that we suppose mankind more honest than they are.”

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26 Ibid., 33.
28 Ibid., 250.
29 Ibid., 216–217.
ratification of the Constitution. He pointed out that history has shown people have constantly sacrificed the greater good for their personal gratification: “[Men] assuming the pretext of some public motive, have not scrupled to sacrifice the national tranquility to personal advantage or personal gratification.” Furthermore, he used history to point out the danger the common people posed:

“It is impossible to read the history of the petty Republics of Greece and Italy, without feeling sensations of horror and disgust at the distractions with which they were continually agitated, and at the rapid succession of revolutions, by which they were kept in a state of perpetual vibration, between the extremes of tyranny and anarchy.”

Clearly, Hamilton had a dim view of human beings and thus sought to control them as much as possible.

In contrast to Hamilton, James Madison’s view on humanity was highly complicated in that he seemed to put great faith in people, while at the same time distrusting them. As with Hamilton, we can see the roots of this nuanced approach in Madison’s childhood. On one hand, he grew up near a plantation owned by Thomas Chew, who burned a slave at the stake and displayed another’s severed head on a pole. Unlike Hamilton, Madison’s view of the violence that was intrinsically tied to slavery was tempered by his family who, thinking of the slaves as part of their family, allowed young Madison to play with them. Therefore, unlike Hamilton who saw some of the worst humanity had to offer, Madison saw a more complicated picture of humanity.

31 Ibid.
This complicated picture carried over into his college years. One of Madison’s professors was a Professor Witherspoon, who did not have much faith in the rationality of humanity.\textsuperscript{33} Madison was also drawn to the work of Newton and Locke, who posited a more optimistic outlook that Ralph Ketcham-characterized thusly: “The universe was marvelously harmonious, the discovery of facts about man and society would lead to progress and enlightenment.”\textsuperscript{34} As Ketcham explains, Madison’s college education would have led to his reading Locke’s “\textit{Essay Concerning Human Understanding}, the \textit{Letters on Toleration}, and the \textit{Second Treatise on Civil Government}.”\textsuperscript{35} Ideas found in these works would reverberate in Madison’s later writings. Therefore, it reasonable to assume that his early life and education gave Madison a highly multifaceted view of humanity.

In the \textit{Federalist Papers}, Madison repeatedly expressed his complicated worldview. On one hand, he seemed to have a somewhat dim view of humanity, as he remarked that humans often need protection from themselves: “It is of great importance in a republic not only to guard the society against the oppression of its rulers, but to guard one part of the society against the injustice of the other part.”\textsuperscript{36} Furthermore, government is a necessity because of humanity’s proclivity toward evil: “If men were angels, no government would be necessary.”\textsuperscript{37} Indeed, it is because of this proclivity that representational government is so necessary, and Madison argued it was the best way to attempt to control the inherent evil in people:

“In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and

\begin{itemize}
\item \textsuperscript{33} Ketcham, 42-43.
\item \textsuperscript{34} Ibid., 50.
\item \textsuperscript{35} Ibid., 48-49.
\item \textsuperscript{37} Ibid.
\end{itemize}
in the next place oblige it to control itself. A dependence on the people is, no doubt, the primary control on the government; but experience has taught mankind the necessity of auxiliary precautions. ”38

Also, since Madison obviously was wary of human corruption, he argued for the government to have a division of powers: “In the compound republic of America, the power surrendered by the people is first divided between two distinct governments, and then the portion allotted to each subdivided among distinct and separate departments. Hence a double security arises to the rights of the people.”39 Madison also argued the proposed government would inherently break people up, so no one side can become dominant: “Whilst all authority in it will be derived from and dependent on the society, the society itself will be broken into so many parts, interests, and classes of citizens, that the rights of individuals, or of the minority, will be in little danger from interested combinations of the majority.”40 Therefore, Madison believed that his government would serve as a safeguard against the evils of humanity.

Despite this sobering view, there are other essays in the Federalist Papers that paint a much warmer portrait of humanity. In Federalist Paper 39, Madison noted that the American people have the right to be respected: “The first question that offers itself is, whether the general form and aspect of the government be strictly republican. It is evident that no other form would be reconcilable with the genius of the people of America.”41 Then in Federalist Paper 55, he argued that while humans are not perfect, there is a great deal to them that must be respected: “As there is a degree of depravity in mankind which requires a certain degree of circumspection

38 Ibid.
39 Ibid.
40 Ibid.
and distrust, so there are other qualities in human nature which justify a certain portion of esteem and confidence.”

Madison’s faith in humanity explains his faith in representative government: “Republican government presupposes the existence of these qualities in a higher degree than any other form.” This relative faith in humanity underlies the sharp divide between Hamilton and Madison, and this divide would only widen once policy was actually introduced.

Though Hamilton and Madison differed, their disagreements pale in comparison with those between Jefferson and Hamilton. Jefferson was raised on a lucrative southern plantation. His father, Peter Jefferson, had many influential connections that ensured there was always plenty of money. Therefore, his son’s upbringing was one of great privilege. When compared with Hamilton’s gloomy upbringing, Jefferson’s privileged upbringing suggests part of why he believed humanity was inherently good. The effect of the plight of African Americans on Jefferson is a highly complicated issue. He noted in 1785 that because of their oppressed condition, they were not capable of having the same mind or body as white men or Native Americans: “I believe the Indian then to be in body and mind equal to the whiteman. I have supposed the blackman, in his present state, might not be so.” Indeed, scholar Gordon S. Wood points out that Jefferson neglects to mention slaves in his characterization of the levels of society in Virginia. Furthermore, Jefferson argued that blacks were uglier than whites and incapable of reason or art:

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43 Ibid.


46 Wood, 28.
“The circumstance of superior beauty, is thought worthy attention in the propagation of our horses, dogs, and other domestic animals; why not in that of man? . . . never . . . could I find that a black had uttered a thought above the level of plain narration; never see even an elementary trait of painting or sculpture.”

Despite this dismissal, it would be unfair to simply categorize Jefferson as blind to the problem of slaves. For example, in a letter to Thomas Cooper, he calls slavery a “moral and political depravity.” It is fair to say, however, Jefferson never was as strongly against slavery as were his contemporaries, Hamilton and Adams.

Therefore, it is little wonder that Jefferson held an incredibly optimistic view of humanity compared with the aforementioned men. As he once wrote, “I am among those who think well of the human character generally.” He believed that the universe was inherently rational and thus humanity was inherently rational: “Man was created for social intercourse; but social intercourse cannot be maintained without a sense of justice; then man must have been created with a sense of justice.” For Jefferson, humanity’s proclivity toward good was as natural as human senses: “He was endowed with a sense of right and wrong. . . . This sense is as much a part of his nature as the sense of hearing, seeing, feeling. . . . The moral sense, or conscience, is as much a part of man as his leg or arm.”

This positive outlook on humanity allowed Jefferson to be much more confident in men’s ability to govern themselves when compared with Madison or Hamilton: “Every man, and every body of men on earth, possesses the righ[t] of self-government: they receive it with their being from the hand of nature.” 52 Furthermore, he argued that humans had a right to overthrow despots: “But when a long train of abuses and usurpations, pursuing invariably the same Object evinces a design to reduce them under absolute Despotism, it is their right, it is their duty, to throw off such Government, and to provide new Guards for their future security.” 53 Indeed, for Jefferson, Hamilton’s idea that there were some uniquely privileged to govern as ludicrous, as he made clear in his biting first inauguration speech: “Sometimes it is said that man cannot be trusted with the government of himself. Can he then be trusted with the government of others? Or have we found angels, in the form of kings, to govern him?” 54

Additionally, Jefferson confessed that he was a man of flaws and asked others to be patient with him: “I shall often go wrong through defect of judgment. . . . I ask your indulgence for my own errors, which will never be intentional, and your support against the errors of others, who may condemn what they would not if seen in all its parts.” 55 Furthermore, Trenchard’s idea of putting party allegiance aside when it comes to ruling government appears in Jefferson’s dismissal of the ideas of factions: “We are all Republicans, we are all Federalists.” 56 Since he believed that governments were not infallible, it makes sense that in his view the government should avoid interfering as much as possible: “A wise and frugal government, . . . shall restrain

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55 Ibid.
56 Ibid.
men from injuring one another, shall leave them otherwise free to regulate their own pursuits of
industry and improvement. . . . This is the sum of good government; and this is necessary to
close the circle of our felicities.”

Inevitably, Jefferson’s views would come into conflict with Hamilton’s, but Hamilton did have an ally.

John Adams’s view of humanity was so bleak that Gordon S. Wood cites it as the reason
why Adams is rarely discussed in the same breath as Thomas Jefferson. Adams was raised in a
strict Puritan household, and his diary entries as a young man reflect this upbringing. As Wood
reveals, Adams frequently rebukes himself on how he is too vain, how he has not seen the world
enough, or even how he shrugs his shoulders too much. Also important to Adams’s early life
was the clear divide in Massachusetts between people who were Gentlemen and people who
were not, as is clearly shown in court cases where defendants were routinely asked whether they
were gentlemen. Therefore, Adams did not believe people were naturally going to work
harmoniously with one another. This gloomy outlook clearly sets him apart from Jefferson.

An example of Adams’s cynicism on human nature can be found in a letter to his wife,
Abigail, in 1775 in which he notes that while humans are capable of doing great things,
nevertheless two things stand out. First, even great human beings are full of “infirmities and
depravities.” Second, only humans who are educated are capable of being good creatures:
“Education makes a greater difference between man and man.”

This highly reflects Adams’s educational background, for in college he read a great deal of Cicero.

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57 Ibid.
58 Wood, 502.
59 Ibid., 34.
60 Ibid., 40.
61 John Adams to Abigail Adams, October 29, 1775. Massachusetts Historical Society.
62 Ibid.
63 Wood, 33.
only managed to differentiate themselves from unfeeling animal brutes if they were willing to educate themselves. Along with Cicero, another major influence on Adams—would have been the many Calvinists in Massachusetts seeking grace. This Calvinist idea involved encouraging people “to move from their natural state of depravity into a supernatural state of grace, and . . . God would accept those who made the effort.” Adams’s own ideas on how humans need educational improvement to move beyond being mere brutes clearly reflect this Calvinist idea, albeit in a more a humanist direction.

Adams’s gloomy view of humanity left him convinced that any form of government was doomed to fail. In the years leading up the American Revolution, Adams focused principally on how the British empire was meeting the same fate as all other empires. He believed that history was cyclical and thus empires were doomed to rise and then fall to another. Therefore, this must mean America was meant to be the successor. While this might sound like Adams had a great deal of faith in America, he did not.

Unlike Madison, Jefferson, and even Hamilton, all of whom believed a new glorious form of government could be created to replace the British empire, Adams took a darker view that is again partly rooted in his Calvinist Puritan background. He believed it was absolute foolishness to assume a democracy could be any better than an empire: “It is in vain to Say that Democracy is less vain, less proud, less selfish, less ambitious or less avaricious than Aristocracy

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67 Ibid., 40.
or Monarchy.” Adams believed democracies cannot work because humans are fundamentally morally bankrupt:

“Passions are the same in all Men under all forms of Simple Government, and when unchecked, produce the same Effects of Fraud Violence and Cruelty. When clear Prospects are opened before Vanity, Pride, Avarice or Ambition, for their easy gratification, it is hard for the most considerate Philosophers and the most conscientious Moralists to resist the temptation.”

Therefore, Adams took the cynical position, when compared with his contemporaries, that the United States was ultimately doomed for failure: “Remember Democracy never lasts long. It soon wastes exhausts and murders itself. There never was a Democracy Yet, that did not commit suicide.”

The key Founders’ views on human nature help us understand why certain Founders supported or opposed various polices during the Washington administration and why this conflict led to such bitter arguments that the first political parties of the United States were formed.

**The Great Economic Battles**

One of the first elements of division came from Alexander Hamilton’s fiscal policies, which he advanced in his capacity as the nation’s first Secretary of the Treasury. Hamilton believed that the debt the United States faced would have to be one of the first “objects of [his] attention.” He was correct on this front with the national debt totaling over $50 million. This debt came from multiple sources, including whether it be the $11.7 million the United States

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69 Ibid.
70 Ibid.
71 Chernow, 521.
owed France, Spain, and the Netherlands, and the $40 million in securities held by United States citizens. Furthermore, the United States government desperately needed the money in order to fund its diplomatic staff overseas and pay soldiers who had served in the Revolutionary War. Therefore, Hamilton proposed that the Federal government would assume the state debts, which would accomplish two things: bring state creditors under control of the Federal government, and enable the Federal government to tighten its hold over the states by assuming control of their debts. This policy would obviously bring the states under greater federal control. Hamilton’s desire to control the populace thus clearly manifested itself through these policies.

Another key element of the plan lay in how it would be carried out. Creditors would be issued bonds that they would pay back at original or lower interest rates. Hamilton’s simple view of most people as a menace that needed to be controlled meant that he believed speculators and original landholders should be treated the same when being paid. This policy would advance Hamilton’s desire to create a “strong national government” that would be “distinct from, and superior to the sum of individual or class interests[.]” This infuriated both Madison and Secretary of State Jefferson who believed that speculators and original holders of debt must be distinguished from one another. After all, unlike Hamilton, both Madison and Jefferson supported leaving state governments to their own devices. Therefore, Madison argued that speculators who had bought the debt from the original holders should pay the majority of the cost. Additionally, Madison’s nuanced view of human nature convinced him that all the

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73 Miller, 40.
76 Chernow, 320-321.
populations of the states could not simply be treated equally and that each state should be treated on case-by-case base, rather than lumped into one gigantic whole: “The debts of the particular states cannot in any point of view be considered as actual debts of the United States.”

Ultimately, Hamilton’s plan would be passed, but he had made enemies of Jefferson and Madison during this battle. The second battle over the creation of a national bank would only lead to only greater enmity.

Hamilton sought to create a national bank, believing the United States desperately needed one. For Hamilton, this was “an Institution of primary importance to the prosperous administration of finances, and would be of the greatest utility in the operations connected with the support of Public Credit.” Hamilton argued that the bank would allow for “augmentation of the active or productive capital of a country.” It would also help the national government in obtaining “pecuniary aids, especially in sudden emergencies,” as well as in “the facilitating of the payment of taxes.” Once again, the critical element for Hamilton is that the national bank would allow the national government greater control over the state governments. As he himself admitted, the national bank would confine the authority of state banks: “The capital of every public bank will of course be restricted within a certain defined limit.”

Madison and Jefferson, however, strongly criticized Hamilton’s plan. Madison considered it to be unconstitutional since there was nothing in the Constitution to justify giving the national government so much power: “Reviewing the Constitution. . . it was not possible to

80 Ibid., 579.
81 Ibid., 583.
discover in it the power to incorporate a Bank.” Furthermore, the rights of state banks would be infringed upon: “The proposed Bank would interfere so as indirectly to defeat a State Bank at the same place. . . . It would directly interfere with the rights of the states to prohibit as well as to establish banks and the circulation of bank notes.” Madison argued, “The essential characteristic of the government, as composed of limited and enumerated powers, would be destroyed.”

Madison’s objections stem from his view of human nature. Consider that in Madison’s multifaceted view, while the American people were generally good, people in power were prone to corruption. Thus, Hamilton’s plan would seriously alarm him. After all, recall that Madison believed government and people must control one another. Hence, Madison would obviously find what he saw as Hamilton’s elimination of “a dependence on the people” to be morally reprehensible.

Madison was not alone in objecting to the plan, as he found an ally in Thomas Jefferson. Much like Madison, Jefferson believed that a national bank would be unconstitutional: “The incorporation of a bank, and the powers assumed by this bill, have not, in my opinion, been delegated to the United States, by the Constitution.” Also, like Madison, he believed it would interfere far too much with state rights. This would threaten Jefferson’s ideal of a happy society in which every man had the right of self-government. Crucially, for Jefferson, the formation of

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83 Ibid.
84 Ibid.
a national bank would destroy his belief in the idea of self-determination: “[Federalism] would swallow up all the delegated powers, and reduce the whole to one power, as before observed.”

Thus, Madison and Jefferson’s views on human nature helped lead to their objections to Hamilton’s plan, and a division occurred with Hamilton on one side and Jefferson and Madison on the other that would lead to a major newspaper war, and, critically, the first battle between political factions.

**The Rise of Organized Opposition**

Despite Madison and Jefferson’s objections, President Washington decided to sign the bank bill into law on February 25, 1791. This led to Jefferson and Madison forming a close relationship to combat Hamilton. Madison tended to defer to Jefferson, even though he was the true leader of opposition with Jefferson preferring to work more behind the scenes.

Nevertheless, they both collaborated with journalist Philip Freneau to publish the newspaper *National Gazette*, which would serve as a rival to the established Federalist newspaper, *The Gazette of the United States*. Madison wasted no time in writing a series of essays attacking the Federalists, portraying them as despots, and himself and others who thought like him as preservers of liberty. In the essay “Consolidation,” Madison noted that if “state governments [were] abolished, the same space of country . . . would produce an undue growth of the executive power.” This represents an oblique attack on how Madison and Jefferson perceived the function of the national bank. Madison finished the essay by warning of the danger of too much

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89 Wood, 145.
90 Miller, 103.
91 Wood, 150-151.
centralized authority and imploring the people to resist: “let it be the patriotic study of all, to maintain the various authorities established by our complicated system, each in its respective constitutional sphere; and to erect over the whole, one paramount Empire of reason, benevolence and brotherly affection.”

This animosity eventually spilled over into organized factions that the National Gazette would skillfully defend.

On April 30, 1792, the paper told its readers that the Republican Party was on the side of the common people, whereas its opposition sought to oppress them: “. . . one party have advocated. . . to carry the powers of the government far beyond the obvious intent and meaning thereof, and therefore beyond the grant of the people. The other . . contended for . . regular observance of the Constitution . . and for carrying it into execution in a republican spirit and temper.”

By now, Hamilton, realized that he was facing growing animosity. He wrote regretfully that he had thought he would have had Madison’s support, but now it was clear that “Mr. Madison [is] cooperating with Mr. Jefferson . . at the head of a faction decidedly hostile to me and my administration, and actuated by views in my judgment subversive of the principles of good government and dangerous to the union, peace and happiness of the Country.”

Hamilton thus dismissed Madison as purely “artificial,” essentially insinuating he was highly duplicitous.

The animosity among former friends deeply upset Washington who sadly wrote that he felt terrible “that internal dissensions should be harrowing and tearing our vitals.” He pleaded for the conflict to stop or else “the wheels of Government will clog” and there was the risk of the

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93 Ibid.
96 Ibid.
end “of the goodly fabric we have been erecting.” It was far too late, however, as the conflict had spilled over into the populace and indeed had taken a regional shape as Hamilton astutely noted the North desired more government, while the South desired less. It is important to remember that these parties were not truly the parties we think of today. Gordon S. Wood points out these parties relied largely on things like friendship and personal writings.

Still, it is fair to say that the battle over the national bank had led to a separation and thus organized opposition. After all, John C. Miller notes that these different factions had clearly formulated ideas and major economic and ideological differences. Republicans, as led by Madison, tended to have a deep distrust of governments and were primarily farmers who had few ties to the coast. Federalists, on the other hand, as led by Hamilton, had a deep distrust of the common people, as they believed they were too easily swayed by demagogues. Thus, in a perverse way, the Federalists truly believed that controlling people was the only way for a republic to truly endure. As such, they put considerable faith in the power of the president, which prompted men like John Adams to insist on being called “his highness.” Federalists tended to be men tied to the coast economically in some way, such as merchants. These highly contrasting viewpoints would come to a head during several international affairs of the early 1790s, with Hamilton and the Federalists being dismissive of revolutionary France, while seeking a close relationship with England. Both of these ideas greatly repelled the Republicans.

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98 Wood, 155.
99 Wood, 159.
100 Miller, 101.
101 Ibid., 103-108.
102 Ibid., 113.
103 Wood, 298.
104 Miller, 108.
Disagreements over how to Handle International Affairs

The French Revolution appalled certain Founders. Adams bitterly wrote that though everything would be torn down, the question remained of what would be put up in its place. Hamilton was also highly skeptical of the French Revolution, writing in 1793 that he abhorred it. In his view, the Revolution had “laid waste property. . . , desolated provinces, unpeopled regions, crimsoned her soil with blood and deluged it in crime poverty and wretchedness. . . . leaving a deluded, an abused, a plundered, a scourged and an oppressed people not even the shadow of liberty. . .” Jefferson, on the other hand, firmly supported the Revolutionaries. He acknowledged the violence, but it did not seem to bother him greatly: “The liberty of the whole earth was depending on the issue of the contest, and was ever such a prize won with so little innocent blood? . . . Were there but an Adam and an Eve left in every country, and left free, it would be better than as it now is.” Madison shared these feelings, believing that anyone who opposed the French Revolutionaries also opposed human nature. Additionally, he excused the execution of Louis XVI, as he was sure that the peasants of France were correct in their actions. He also believed the United States needed to strengthen its ties with France, otherwise

109 Chernow. 433.
110 Ketcham, 341.
England would be able to dominate the seas, which would hurt America economically. Thus, this issue drove an even greater wedge between the Federalists and the Republicans.

Despite the animosity between Jefferson and Hamilton, both agreed that the United States should remain neutral in the conflict between Britain and France. This policy of neutrality did not mean, however, that the United States would treat all countries equally, and this is where the two men differed. Hamilton, with his hatred of Revolutionary France, no longer wanted to recognize treaties that had been signed with pre-Revolutionary France. This did not please Jefferson, who insisted that the United States honor its obligations. Therefore, in 1793 the Republicans launched a campaign attacking Hamilton and his fellow Federalists, labeling them Washington’s “evil counsellors.” Jefferson wrote to Madison that he wanted Hamilton to be metaphorically “cut to pieces.” Jefferson also hoped to get concessions out of England, whereas Hamilton pushed for absolute American neutrality. Finally, Washington made his proclamation of neutrality on April 22, 1793, thereby essentially producing a draw between the two sides. On one hand, Washington declared that the United States would be neutral, which pleased Hamilton; but on the other hand, Washington also noted that United States citizens would be “impartial and friendly” toward England and France, which served as a victory for Jefferson, who had feared absolute rejection of France. The arrival of Citizen Genêt, however, would lead to even more squabbling.

111 Ibid., 342.
113 Miller, 129.
114 Miller, 131
116 Chernow, 435.
117 Chernow, 436.
Ambassador Citizen Genêt of France arrived on April 8, 1793, with many aims but succeeded only in alienating everyone. He hoped to rally the French colonies in the West Indies to support the Revolution, encourage American sailors to embrace privateering against British shipping, and renew commercial ties between France and England.  

Jefferson enthusiastically greeted Genêt, writing to Madison that he was a man who asked for nothing and yet did whatever one wished. Hamilton took a much dimmer view of him, believing that Genêt had come to drag America into war with England despite the official American policy of neutrality.

This proved to be the case as Genêt soon made a nuisance of himself, succeeding at greatly exacerbating tensions between the Federalists and Republicans, with Adams reminiscing years later that he had feared terroristic acts of violence. Genêt’s consistent efforts to arm Americans eventually wore even on Jefferson, who wrote to Genêt advising him to stop, as the United States would no longer tolerate the French commissioning of privateers. As Ron Chernow notes, the disastrous Genêt affair was a major boon for Hamilton, as it helped lead to Jefferson’s leaving the cabinet by the end of 1793. The Federalists had clearly won the battle over how to handle Revolutionary France, and in 1794 they would also win the struggle over relations with England.

Jefferson departed the Washington administration in 1794, leaving Madison the sole responsibility of leading the opposition to Hamilton, though arguably he had been the leader since the beginning. 1794 saw major tension on how to handle England, for in 1793 various

120 Chernow, 438.
121 Chernow, 439.
123 Chernow, 447.
American vessels carrying supplies to France and its colonies in the West Indies had been captured by the English Royal navy. These tensions were ultimately resolved in the Jay Treaty, which according to Stanley Elkins and Eric McKitrick was the factor most responsible for the emergence of political parties. This claim is debatable but what certainly isn’t debatable is that the Jay Treaty led to a permanent fracture among the Founders. The Jay Treaty requited the United States to give England favored-nation treatment, as well as promise that its ports would not be used as a base of operations for England’s enemies. These requirements obviously served as a symbolic smack in the face of those Americans who had sought a closer relationship with France. The treaty, however, ensured that the British would have to give up their Northwest posts and pay reparations for damages done to American shipping. For Hamilton, Adams, and their fellow Federalists, the Jay Treaty was obviously a major victory. Hamilton and Adams had long admired England. They had averted the end of trade with the British, which meant that their economic strategies could go forward, as America now enjoyed favored-nation treatment with England. Adams wrote enthusiastically about the “wisdom” of the Jay treaty.

Not everyone shared in this joy, however, for Madison and his fellow Republicans strongly objected. Madison, who did not share the Federalists’ love of England, had previously pushed for an embargo of England, but the Jay Treaty outraged him still more. He believed that the United States had to give up far too much, while England gained far too much from the deal: “Yet, whilst the U. S. are to comply in the most ample manner. . . . G. B. is released

124 Ketcham, 351.
125 Elkins and McKitrick, 415.
126 Miller, 166.
127 Wood, 342-343.
128 Ketcham, 352.
altogether.” He also argued that United States sailors were not protected enough by the treaty: “By omitting to provide against the arbitrary seizure & impressment of American seamen, that valuable class of citizens remains exposed to all the outrages, and our commerce to all the interruptions hitherto suffered.” He concluded by noting that the “Treaty [is] unequal in its conditions, thus derogatory to our national rights, thus insidious in some of its objects, and thus alarming in its operation to the dearest interests of the U. S. in their commerce and navigation, is in its present form unworthy the voluntary acceptance of an Independent people.” Thus, once again, we get to the crux of the issue. Madison believed that the general populace is an independent body in and of itself and deserves respect and consultation. Federalists, on the other hand, believed that they knew what was best for the populace, and the populace should put their faith in them.

Hamilton made this Federalist stance clear when he attacked those who were wary of the Jay treaty. He claimed that those who opposed it were filled with “[the] vanity and vindictiveness of human nature.” Therefore, Hamilton argued, they are incapable of judging England objectively due to the recent violence between the two nations: “It was a natural consequence. . . that many should be disinclined to any amicable arrangement with Great Britain. . . .” Hamilton then cleverly framed his arguments for the treaty as arguments that rational people will understand. Those who disagreed were simply irrational: “To every man who is not an enemy to the national government, who s not a prejudiced partisan, who is cable of comprehending the arguments and dispassionate enough to attend to it with impartiality, . . . I shall be able to

130 Ibid.
131 Ibid.
133 Ibid.
demonstrate [the value of the treaty] satisfactorily. . .” 134 Through this defense, Hamilton has cleverly reasserted not only that the Federalists are the party of rationally but also that they are the ones standing against the rabble that is most people.

Madison and his fellow Republicans did not give up their efforts to stop the Jay Treaty from being ratified. Such was the anger toward the treaty that John Jay was burned in effigy in many cities. 135 Opponents also attacked Hamilton’s economic programs that would benefit England by passing restrictive measures against them; but though they got the measures through the House, the Senate was tied until Adams came down on the Federalists’ side. 136 Despite the initial outrage towards the Jay Treaty, many Americans ultimately accepted it. There was a so-called “golden shower” as America grew much wealthier from the deal, with shippers experiencing a “three-fold” rise in profits and domestic exports increasing in value. 137

In a clear sign, however, that there were now factions, the controversy left a tangle of friendships. Washington refused ever to meet with Jefferson again, and Madison noted that Republicanism no longer mattered to Washington. 138 In the early years of Washington’s presidency, Madison had arguably been his most trusted advisor, but now that mutual trust was gone. 139 Any chance of harmony had evaporated, as two clear factions emerged: those aligned with Hamilton, Washington, and Adams, and those aligned with Jefferson and Madison. Partisanship had to come to the United States.

134 Ibid.
135 Wood, 343.
136 Wood, 342.
137 Elkins and McKitrick, 441.
138 Miller, 178-179.
139 Chernow, 498.
Conclusion

The conflicts during the presidency of George Washington stemmed from the leading Founders’ differing views of human nature, which then manifested themselves in arguments over policy. Hamilton sought to control the populace, as his economic policies reveal. He and Adams also had a deep distrust of human nature that made them much more supportive of the more authoritarian England than of the more revolutionary France. Jefferson and Madison did not share these views of human nature, and thus they partnered in an attempt to oppose Hamilton and Adams. These conflicts tore an irreparable hole in the American political fabric. Adams’s presidency would exacerbate political tension, as his attempts to further control the populace through measures like the Alien and Sedition Acts led only to increased organized animosity. Washington warned against factionalism and political parties in his farewell address, but it was too late. Factionalism had beset the United States, and fully formed political parties were soon to follow.

The effects of this highly adversarial factionalism on how people perceive issues can still be felt in the United States today. For example in 2002, 39% of Republicans believed the federal government had too much power, and 37% of Democrats agreed. That divide has greatly widened today with 82% of Republicans believing the federal government has too much power and only 36% of Democrats agreeing.\(^\text{140}\) Clearly, we live in divided times defined by party allegiance, and the roots of that division can be traced all the way back to conflicts among the Founders who, much like today’s political figures, saw only themselves and their views as correct and legitimate.

Bibliography


