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Hamilton's and Jefferson's views in the Early Republic

The Early Republic lasted from 1789 to 1815. One of the greatest challenges was how to pay back the debts piled up from the Revolutionary War. There were two political parties: the Federalists, with Alexander Hamilton as their leader and the Democratic-Republicans, with Thomas Jefferson as their leader. Hamilton favored a loose construction of the Constitution and believed that the country should be ruled by only "the best people". He wanted to side with Britain and promote trade. In contrast, Jefferson favored a strict construction of the Constitution and a small federal government with limited powers. He believed people can make good decisions for their country, agriculture is the best for the ideal economy and wanted to side with France. Jefferson's views played a greater role in shaping the ideal economy in the Early Republic.

Jefferson's views prevailed more on the ideal economy as shown by the Louisiana Purchase. In 1790 the nation's economy was mainly based on agriculture. Hamilton wanted to expand the economy & increase the nation's wealth by using the power of the federal government to promote business, manufacturing, and trade. To achieve this, he wanted to create a national bank. Jefferson strongly disagreed with Hamilton. He believed that "Those who labor in the earth are the chosen people of God" (Thomas Jefferson), and opposed the idea of the national bank. In 1800 Spain ceded the Louisiana territory (530 million acres) to France. But France closed the port of New Orleans to American farmers and they did not have a port to export their goods. Jefferson bought the Louisiana territory from France because he feared that

France getting control of the Louisiana territory is “the embryo of a tornado which will burst on the countries on both shores of the Atlantic and involve in it’s effects their highest destinies.”

(Thomas Jefferson) This event was really important in shaping the Early Republic because this territory was 530 million acres and Americans used it for farming. That was a fair amount of land so agriculture must have increased a lot. Jefferson believed that the nation’s economy should be based on agriculture, so that means Jefferson’s views had a greater influence on this topic.

Some people think that Hamilton had a greater impact on shaping the ideal economy in the Early Republic. There were a lot of debts left unpaid from the Revolutionary War. The United States needed to find a way to get money and to pay back the debts. At this time, whiskey was really expensive and farmers used it as money. The federal government taxed the whiskey. Many farmers rebelled and protesters refused to pay the tax. This was known as the Whiskey Rebellion. To end this revolution, Washington sent an army of about 13000 men to Pennsylvania. By this time most of the rebels had fled and the rebellion ended without a battle. This act did not support agriculture. In fact, it prevented agriculture, because a lot of farmers could not afford the tax. The government used this tax to pay back the unpaid debts left unpaid from the Revolutionary War and to improve manufacturing. Hamilton believed that the nation’s economy should be based on manufacturing rather than agriculture and that the country should pay back the debts from the Revolutionary War. That means this act supported Hamilton’s view of the ideal economy. But the Whiskey Rebellion was not as important in shaping the Early Republic than the Louisiana Purchase. The Louisiana territory remained America’s, and it was used for farming. This land was 530 million acres, so agriculture must have expanded a lot. But the whiskey tax was repealed in 1802, by President Thomas Jefferson. That means the Whiskey

Rebellion was not as important as the Louisiana Purchase, because the whiskey tax lasted only for 5 years, but the Louisiana territory remained America's.

Jefferson's views played a greater role in shaping the ideal economy in the Early Republic. But Jefferson's views also have had a greater impact on shaping modern America. About 40% of land in the United States is used for agriculture and agriculture is the major industry of the US.