The Federalist Party’s Background And Political Developments

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For the past 160 years, the United States has enjoyed political stability as there was only a two-party system that dominated and shaped the US political landscape as a permanent fixture: the Democratic Party and the Republican Party. However, since the nation’s inception, the United States has had other political parties as well to safeguard the government against factional interest in the political landscape. The founding fathers, after reading Aristotle, knew that the attacks from both above and below could decay any form of government as an attack from above, the elites could transform a republic into a tyrant society and the attack from below, the poor could deteriorate an independent state into a mob rule. Due to this sense of dread, the founding fathers of the United States shunned any form of political parties; however, despite these views, political parties did form around certain philosophical outlooks. Thus, congregated around certain philosophical outlooks in the early republic, Thomas Jefferson founded the Democratic-Republican Party, which is known as the Democratic Party in the present political landscape of the United States. In opposition, Alexander Hamilton conceived and launched the Federalist Party in 1789, which was a traditionalist conservative party that had largely dominated and shaped US politics since 1801 (Elkins and McKitrick, 1995). It is known that the party no longer exists on the American political landscape, which also begs the question of the reason behind the Federalist Party’s demise. This paper seeks to delve into the Federalist Party’s background, political developments, contributions to other areas of the United States, political achievements, and the ideological spectrum to which the Federalist Party belonged.

Federalist Party’s Background

The Federalist Party shaped and dominated the political era from 1789 to 1801 in the United States. The Federalist era was characterized by the adoption of the US Constitution, foreign tensions, growth and development of a strong and centralized republic, conflict with England and France, and internal opposition from the Democratic-Republican Party. Constitutional Convention drafted the 1787 US Constitution in Philadelphia, which was ratified and took effect by the majority of states around America in 1788 and 1789, respectively. The advocates who ratified the US Constitution were later called Federalists. Federalist Party’s founder Hamilton, along with Jay and James Madison, developed 85 essays to ratify the US Constitution (Hamilton, Madison, and Jay, 2017). They were published in the form of a book and also in many newspapers by the pen name Publius, which was later called Federalist, and Hamilton’s party later adopted this name for its political setup. On the other hand,

those who opposed the Constitution because it lacked the Bill of Rights were known as Anti-Federalists. Opposition or Anti-Federalists put forward the idea that the Constitution provided a strong and dominant centralized government at the expense of state liberty and sovereignty (Elkins and McKitrick, 1995).

Political Developments and Influences of the Federalist Party

Some of the noteworthy political developments and influences of the Federalist Party that proved to be the sustenance for the debt-ridden nation on the one hand and the contention that led to the Party's demise, on the other hand, were "Economic Program" and "Alien and Sedition Acts."

Alexander Hamilton's Economic Program

Alexander Hamilton, founder of the Federalist Party and the Secretary of the Treasury during the presidency of George Washington, sought the "economic" program to achieve the goal of a strong national government by solving the debt problem of the majority of the states of the US. Federalist Party's economic program included major political developments such as the creation of a system of tariffs and taxes to pay off the state's Revolutionary War debts and Old Continental Congress debts (Moramarco, 1967). To achieve this goal, the Federalist's founder created a First National Bank of the United States called the Bank of New York in February 1784 in order to handle finances, which also aimed to make stronger diplomatic ties with Great Britain as it was an all-powerful territory at that time.

Alien and Sedition Acts 1798

The Alien and Sedition Acts of 1798 were the major development of the Federalist era. John Adams had signed it into law, but later, it proved to be a controversial act that led to the demise of the Federalist Party. This provision was aimed to guard against seditious attacks against alien citizens from weakening the republic. However, Anti-Federalists charged that these acts were unconstitutional, making it most difficult for the immigrants to become US citizens. Therefore, they welcomed the majority of the criticism of the Federalist administration. Critics of the Alien and Sedition Acts also put forward that this provision has violated the First Amendment Right of the citizens to free speech (Smelser, 1954).

Contributions of the Federalist Party

The ingenious political interpretations of Hamilton in the Federalist era proved to be significant contributions to developing the law of the country as well as the beginning of American capitalism as he, along with his party members, struggled to rescue the bankrupt nation.

Defence of the Constitutionality of the Bank

When Anti-Federalists proclaimed the National Bank of the United States unconstitutional after a heated debate between members of the Federalist and Democratic-Republicans parties, Hamilton, in his constitutional interpretation, political writing named Defense of the Constitutionality of the Bank, defended chartering of the Bank for the common good of the nation. He broadly interpreted the Constitution to argue Jefferson's claim that chartering the National Bank of the United States was an unconstitutional act (Moramarco, 1967). His interpretation was later described as the "Doctrine of Implied Powers" by the Supreme Court of the United States as he argued that if the Constitution prohibits any congressional actions, then Congress could employ them for the common interests of any republic. Washington, after reading Hamilton's Defense of the Constitutionality of the Bank regarding the National Bank Act, signed the Federalist's bill into law (Lupu, 1997).

Report on Manufacturers

Hamilton, in his attempt to extol innovation and development in manufacturing, put forward his Report on Manufacturers, which argued that the expansion in textile or any form of manufacturing would be effective in producing finished goods made at the national level. Therefore, the Federalist Party and Hamilton, through his writing, encouraged Congress to invest and implement novel mechanization processes, protective tariffs, and duty taxes, encourage loans and import foreign labourers for business entrepreneurs in order to foster mechanization (Frisch, 1978).

Political Achievements of the Federalist Party

Federalist Party and Hamilton believed that the values of the economic and industrial arenas of the United States could better be developed through innovations and mechanization processes in the industry, which included the Federalist Bank and innovations in manufacturing.

National Bank of the United States

The Federalist Party, in the early days of the United States' political landscape, managed to contribute to the country quite a bit despite its callow attitude towards the American people and other

shortcomings. One of the major contributions of the Federalist Party was the National Bank, also known as the Federalist Bank of New York, in February 1784. Federalist Party, under the leadership of Alexander Hamilton, chartered a national bank, the Bank of the United States, as the secretary of the Treasury after Washington's inauguration in 1789 (Moramarco, 1967). The party aimed to charter the bank in order to repay the national debts of the Old Continental Congress and the state's Revolutionary War debts. This national bank of the US provided a stable economy that secured America's prosperity in the trying times as it was the sustenance of an inflation-cursed and debt-ridden American nation without which the United States would have quickly floundered (Lupu, 1997).

American System

Federalist Party and Hamilton along with Jay and James Madison demonstrated the "American System" which allowed the state to extol innovations in manufacturing, particularly in textiles, and also permitted industrialists to greatly reduce the manufacturing costs. Federalist Party argued that the expansion of manufacturing at the national level was necessary as Hamilton argued that continued dependence on European goods would jeopardize the independence of the free republic of the United States (Fischer, 1965). Therefore, for Federalists, the self-reliance, entrepreneurship, and autonomy of America were based on the manufacturing policy. The party demonstrated that the political system of the country should be modelled according to the manufacturing of national goods as a breeding ground to yield federal power for the inflation-cursed country. Hamilton's vision of the "American System" for manufacturing influenced the development of national goods, particularly in the development and excellence of the textile industry, as America saw the best cotton cultivation due to manufacturing policies and the invention of the cotton gin technique in 1800 (Scheiber, 1980).

Traditional Ideological Spectrum of Federalist Party

The Federalist Party, since its inception in 1789, was a traditionalist conservative party that believed, argued for, and promoted a strong centralized government in contrast to the Anti-Federalists, who believed in a subservient small central government representing the United States of America. It is evident that the concepts of left-wing or right-wing did not exist in the early political landscape of the United States as that was the time of the nation's founding; therefore, Federalists were more aligned with the strong centralized power. The Federalists living in the 1790s, as compared to the 20th century, believed in a strong republic as well as a broad interpretation of the Constitution to promote business growth and enhance commercial development (Frisch, 1978). So, in the modern sense, the Federalist Party is considered to favour "bigger governments" through the promotion of trade and business to build a trade-based and urban society as well as the creation of institutions and reforms such as the National Bank and the American System.

The Federalist Party supported bigger governments through taxation, autonomous mechanization of industry and trade, and creation of institutions so they could be considered more left-wing than the

Republicans, who were the States' Rights People (Fischer, 1965). Besides, after the French Revolution in the 19th century, the party promoting business interests was considered left-wing, and the party supporting farmers, landowners, and poorer people was considered right-wing. So, this division would make the Federalist Party a left-wing party as they wanted a centralized federal government that favoured businesses and trade interests (Scheiber, 1980).

The demise of the Federalist Party

It is known that the Federalist Party's demise after the death of Hamilton led to its demise, and the election of 1800 further contributed to its vanishing from the political landscape of the United States. However, there were also some other factors, including the Alien and Sedition Acts of 1798 and the feud between the Democratic-Republican and Federalist Party, which hastened the ultimate collapse of the Federalist Party. On the contrary, the Democratic-Republican Party, which was founded by Thomas Jefferson and James Madison in the early republic, still exists to the present time with the name Democratic Party, although the early decade saw the Democratic Party as a weak and ineffective minority in the majority of the northern states as well as in Congress.

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