

## Terms and People

- **Henry Clay** – Kentucky Congressman who favored federal action to improve the economy
- **John C. Calhoun** – South Carolina Congressman who opposed high tariffs
- **Daniel Webster** – Massachusetts Congressman who aligned with Clay and Calhoun
- **charter** – a legal document giving certain rights to a person or company

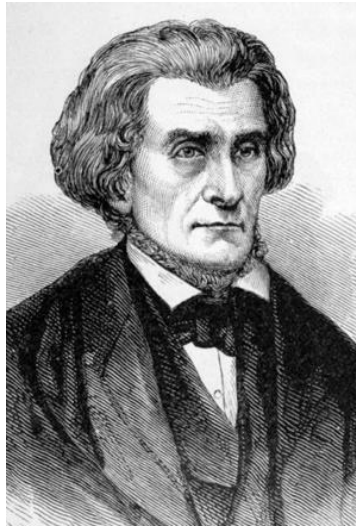
## Terms and People

- **dumping** – selling goods in another country below market prices
- **contract** – an agreement between two or more parties that can be enforced by law
- **capitalism** – the economic system in which privately owned businesses compete in a free market
- **interstate commerce** – trade between two or more states

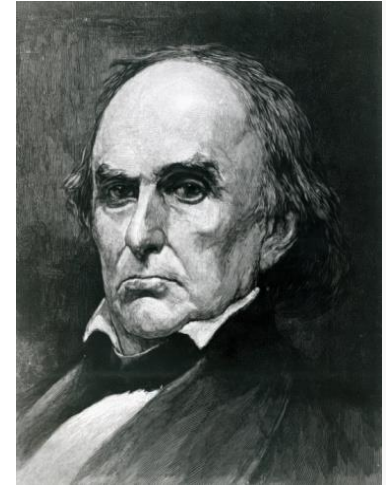
# Politics, 1812-1824



Henry  
Clay



John C.  
Calhoun



Daniel  
Webster

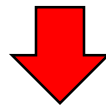
## **Objectives**

- Describe the feeling of national unity that followed the War of 1812.
- Explain how Congress tried to strengthen the national economy.
- Discuss how Supreme Court rulings supported federal power and economic growth.



## **How was the power of the federal government strengthened during the Era of Good Feelings?**

President Monroe's term in office is known as the "Era of Good Feelings."

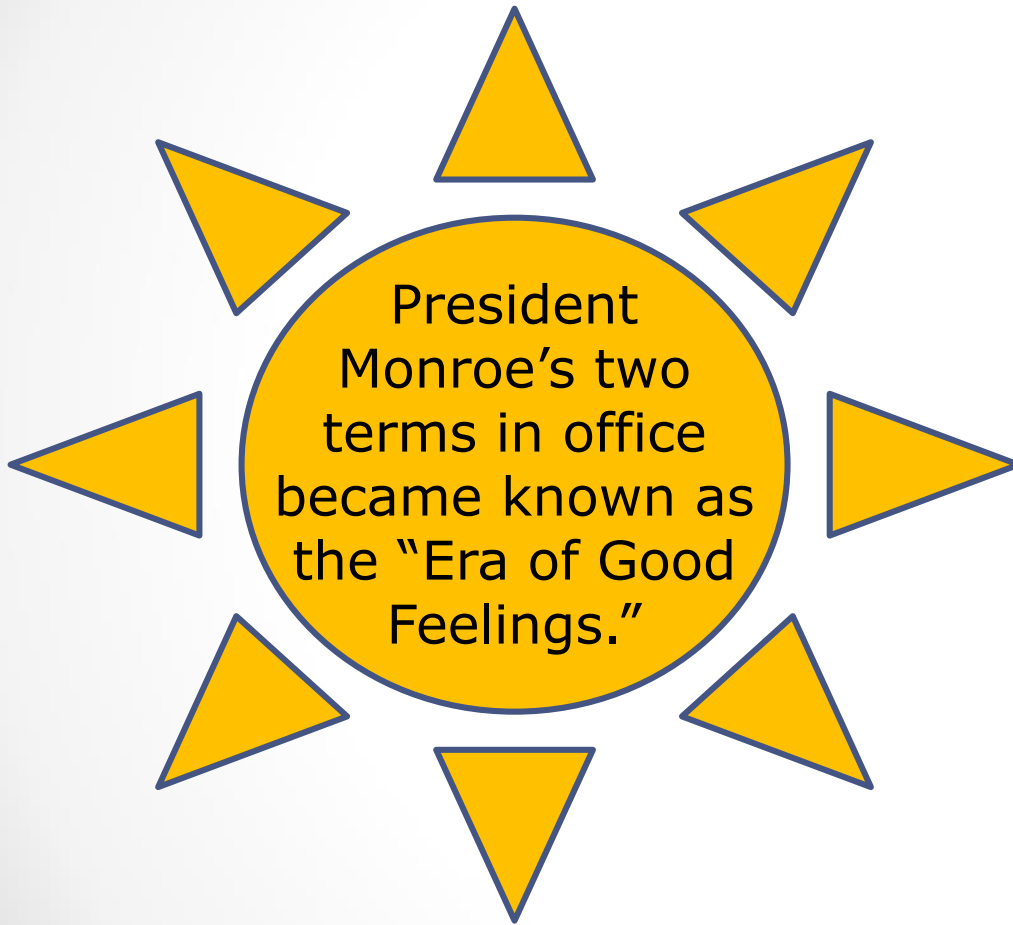


During this era, the President, Congress, and the Supreme Court all acted to increase federal authority.

Republican James Monroe won a landslide victory in the 1816 presidential election.



Within a few years, it disappeared completely.



- Monroe promoted national unity.
- The bitterness of the War of 1812 seemed to fade away.
- He ran unopposed for reelection in 1820.

After 1815, many Americans from different regions believed the government should take action to improve the economy.



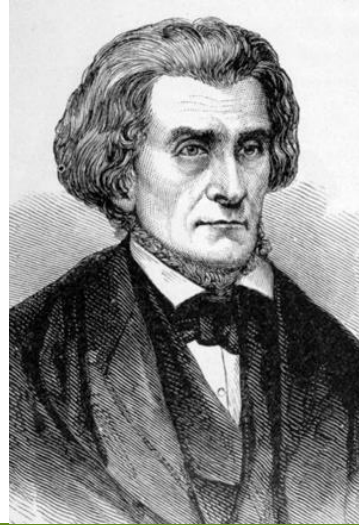
Three influential Congressmen favored federal action, but they did not agree on what that action should be.



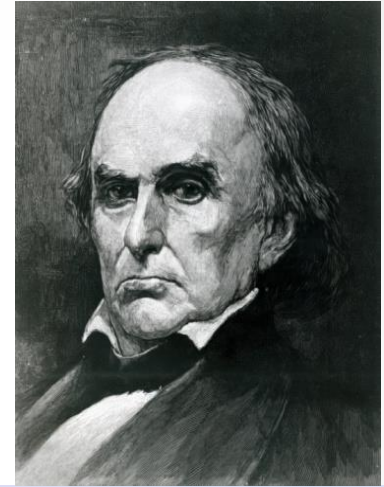


HENRY CLAY AT 40.

**Clay** spoke for the West. He argued for better roads and canals to transport goods.



**Calhoun** spoke for the South. He opposed high tariffs because they raised the price of goods.



**Webster** spoke for the Northeast. He supported high tariffs as a way of protecting industry.

In 1811, the **charter** of the first Bank of the United States ran out, and the economy suffered.

The bank closed.



State banks  
made too  
many loans.

Spending  
increased and  
prices rose.

In 1816, Congress created the second Bank of the United States. **This helped the economy.**

Foreign competition also created problems for the nation after the War of 1812.

### **Before the War**

The Embargo Act kept British goods out of the United States.



Lack of competition helped American industry grow rapidly.

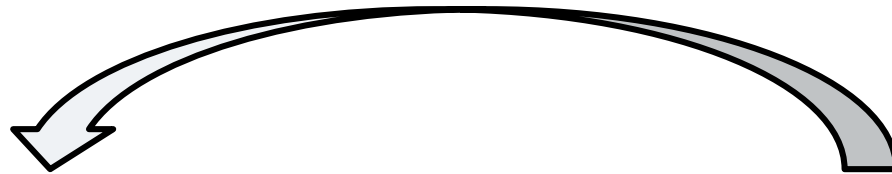
### **After the War**

British manufacturers could sell their goods in the United States.



Increased competition damaged the American economy.

The British began **dumping** their goods into the American market.



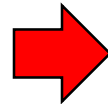
Many New England businesses failed.

Britain produced goods more cheaply than the United States did.

**Factory owners asked Congress for protection.**

Congress responded with the Tariff of 1816, which put a tax on many foreign products.

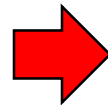
Tariffs helped Northern factories compete.



Many Northerners supported tariffs.

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Tariffs forced southerners to pay more for goods.



Most Southerners opposed high tariffs.

By increasing the cost of imported goods, tariffs helped U.S. manufacturers compete with foreign manufacturers.

	United States	Great Britain
Cost of cloth	\$6.00	\$5.00
Cost to manufacture final product	\$0.85	\$0.50
Shipping costs	\$0.20	\$0.25
Tariff	—	\$1.50
Total	\$7.05	\$7.25

But the higher prices hurt consumers.

**Henry Clay** argued that high tariffs would benefit the entire country.

Region	Benefits of Tariffs
North	<ul style="list-style-type: none"><li>• Northern manufacturers would become wealthier.</li></ul>
South and West	<ul style="list-style-type: none"><li>• Northern manufacturers could afford to buy their farm products.</li><li>• Government could use revenue to improve infrastructure.</li></ul>

Clay's plan, called the American System, was never fully put into practice.

**The Supreme Court also promoted economic growth and federal power during this era.**

*McCulloch v. Maryland (1819)*

The state of Maryland tried to tax its branch of the federal Bank.

The court ruled that states had no power to interfere with federal institutions.



*Dartmouth College v. Woodward (1819)*

The court ruled that the college's charter was a private **contract**.

The state of New Hampshire could not change the college's contract.

By protecting private business, this ruling helped promote **capitalism**.

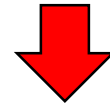
## *Gibbons v. Ogden* (1824)

The court prevented New York State from regulating travel on the Hudson River.

The Hudson flows through two states. Travel on the river is **interstate commerce**.

Only Congress can regulate interstate commerce.

After *Gibbons v. Ogden*, no state could grant a monopoly to a steamboat company to use a river that divides two states.



This ruling strengthened the power of the federal government at the expense of the states.

## Quiz

1. spokesperson for the West in Congress
  2. senator who defended the southern states' rights
  3. another name for a charter
  4. trade between states
  5. President James Monroe wanted to promote the growing sense of national unity.
  6. Webster represented the ideas of the Northeast.
  7. Henry Clay titled his plan of action the "American System".
  8. Calhoun represented the ideas of the west.
  9. What was the Era of Good Feelings?
- a. Daniel Webster
  - b. capitalism
  - c. Henry Clay
  - d. contract
  - e. interstate commerce
  - f. dumping
  - g. John C. Calhoun

## Tablet:

1. What was the “era of good feelings”?
2. 10 facts about each
  1. President Monroe
  2. Henry Clay
  3. John C. Calhoun