

POLITICS AND THE ECONOMY DURING THE CIVIL WAR

I. Lincoln's early presidency

A. Inaugural

1. **Vowed to preserve the Union**; to "hold, occupy, and possess" Federal property in the South; -- "Physically speaking, we cannot separate"
-- Ambiguous on how he would do so; careful not to offend border slave states
2. Republicans & Democratic unionists agreed with speech's firmness & moderation
3. Lower South regarded it tantamount to declaration of war.

B. Cabinet

1. **William H. Seward**, one of America's best secretaries of state
2. **Salmon P. Chase**, treasury sec. -- A leading abolitionist; presidential hopes
-- Eventually appointed by Lincoln as Chief Justice to the Supreme Court
3. **Edwin M. Stanton**: "War Democrat" later appointed as secretary of war. 4. Cabinet frequently feuded and intrigue often plagued it; added pressure to Lincoln

C. Lincoln an able leader

1. Developed a genius for interpreting and leading a fickle public opinion.
2. Showed charitableness toward South and patience toward backbiting colleagues
3. Succeeded in placating both Negrophobes and abolitionists in his bid for the presidency.

II. Attack on Fort Sumter begins the Civil War

A. Located at the mouth of Charleston Harbor, **Ft. Sumter** was one of two last remaining federal strongholds in the South (the other Ft. Pickering in Florida)

1. The day after inauguration, Lincoln notified by Major Robert Anderson that supplies to the fort would soon run out and he would be forced to surrender.
2. Lincoln faced with choices that were all bad
 - a. No supplies would mean surrender; would ruin his credibility to "hold, possess, and occupy"
 - b. Reinforcements would surely lead to an armed clash which would begin the Civil War with the North seen as the provocateur.
-- Also, Union detachments not available on such short notice.
- c. Solution: Notified South Carolinians of an expedition to provision the garrison, not to reinforce it.
-- Lincoln would let the South start the war if it wished
3. April 9, 1861 -- A ship carrying supplies for Fort Sumter sailed from New York.
-- Seen by S.C. as an act of aggression; "reinforcement"

B. **April 12**: Fort Sumter bombarded by more than 70 Confederate canon

1. Anderson's garrison held for 34 hours until 2:30 p.m. on April 13, when he surrendered.
2. Anderson's men allowed to return North.
3. No loss of life during bombardment; fort heavily damaged

C. Lincoln calls for volunteers

1. Before the attack, many northerners felt that if the South wanted to go, they should not be forced to stay.
2. Attack on Sumter provoked the North to fight for their honor & the Union.
-- Lincoln's strategy paid off; South seen as the aggressors -- North as benign
3. April 15, Lincoln issued call to the states for 75,000 militiamen; 90 day service

4. April 19, Lincoln proclaimed a blockade of Southern seaports
-- Initially ineffective; eventually strangled the South.
 5. May 3, Lincoln issued a call for 3-year volunteers; militia would not meet need
 6. Until April 25, Washington D.C. was virtually under siege and a Confederate assault on the capital was expected at any time.
- D. 4 more states secede from the Union: VA, AK, TN, NC
1. Northern calls for troops aroused South; viewed Lincoln as waging war.
 2. Richmond replaced Montgomery as the Confederate capitol.

III. The Border Slave States (MO, KY, MD, later WV)

- A. Remained in the Union since the North did not start the war
1. Crucial to Union cause; sent 300,000 soldiers to the Union Army
 - a. "Mountain white" pop. in South sent 50,000 soldiers to the North.
 - b. Lincoln: Hoped to have God on his side but he had to "have Kentucky."
 2. West Virginia left Virginia in mid-1861 to join the Union; "mountain white" pop.
 3. War began with slaveholders on both sides; not free-soil vs. slavery
-- Brothers and family members often split and fought on opposite sides
- B. Contained over 50% of the South's white population; fewest number of slaves
- C. Lincoln used force at times to keep these states in check.
1. Declared martial law in Maryland in certain areas and sent troops since it threatened to cut off Washington DC from the North.
 2. Troops also sent to W. Virginia and Missouri where a mini-Civil War raged.
- D. Politically, Lincoln had to keep border states in mind when making public statements
1. Declared the primary purpose of the war was to preserve the Union at all costs.
 2. Declared the North was not fighting to free the slaves.
 - a. Antislavery declaration would have driven the border states to the South.
 - b. Lincoln heavily criticized by abolitionists who saw him as a sell-out.
-- Lincoln in Aug. 22, 1862 to Horace Greeley: *"My paramount object is to save the Union, and is not either to save or destroy slavery... If I could save the Union without freeing any slave I would do it, and if I could save it by freeing all the slaves I would do it, and if I could save it by freeing some and leaving others alone, I would also do that."*
- E. Indian Territory: most of the Five Civilized Tribes sided with the Confederacy including Cherokees (who owned slaves), Creeks, Choctaws, Chickasaws, and Seminoles.

IV. Confederate Assets

- A. Only had to fight defensively behind interior lines and tie or stalemate; needed fewer troops
-- North had to invade, conquer, occupy, & forcibly return vast Southern territory to Union.
- B. Until emancipation proclamations of 1862 & 1863, many felt South had superior moral cause, slavery notwithstanding.
-- Fighting for self-determination, self-gov't, its social structure, homes, and fundamental freedoms (for whites)
- C. Had talented military officers
1. **Robert E. Lee** -- one of greatest military leaders in American history
 - a. Opposed to slavery and spoke against secession in Jan. 1861
 - b. Lincoln had offered Lee command of the Union armies but Lee felt compelled to side with his native Virginia after she seceded.

2. **Thomas J. "Stonewall" Jackson**

-- Lee's chief lieutenant and premier cavalry officer.

3. Top Union generals were inept during first three years of the war until replaced

D. Southern men of fighting stock and self-confident

1. Accustomed to hard life and management of horses and bearing arms.
2. Made excellent cavalry and foot soldiers.

V. Confederate chances

A. Lack of significant industrial capacity a crucial disadvantage; South primarily agrarian

B. As the war dragged on, severe shortages of shoes, uniforms, and blankets.

C. Breakdown of transportation, esp. when railroads were cut or destroyed by the North.

D. A number of scenarios might have given the Confederates victory

1. Border state secession
2. Upper Mississippi Valley states turning against the Union
3. Northern defeatism leading to an armistice ("Copperheads")
4. England & France breaking the blockade.

E. South did not get foreign intervention which usually helps revolutions to succeed.

VI. Northern Advantages

A. Population of 22 million (including border states); 800,000 immigrants between 1861-63

1. South only 9 million including 3.5 million slaves
2. Manpower advantages over Lee were 3 to 2 or even 3 to 1
3. Earlier immigrants also enlisted; 20% of army foreign-born.

B. Had 3/4 of the nation's wealth

C. Overwhelming superiority in manufacturing, shipping, and banking.

D. 3/4 of nation's railroads: large capacity for repair and replacement that the South lacked.

E. Controlled the sea through its blockade of Southern ports.

F. Ideal of Union

1. Devotion to Union aroused North against South; "Union Forever"
2. Significant in keeping border states and upper Mississippi states from seceding.
3. Cry for Union gave North strong moral issue until slavery was added to it later.

G. Much better logistical planning in the army and weaponry

VII. The Confederacy

A. Constitution largely copied from the Union.

-- Fatal flaw: Created by secession, it could not deny future secession to the states.

B. **Jefferson Davis'** idea of a strong central gov't was bitterly opposed states' righters

-- Some states didn't want their troops to fight outside their borders.

C. Davis often at odds with his Congress: in danger of being impeached at one point.

D. Davis lacked Lincoln's political savvy.

VIII. European Diplomacy during the War

A. Aristocracies of England, France, Austria-Hungary, etc. (except Russia) supported the Confederate cause.

1. Democracy loathed by the aristocracies; the Union a symbol of democracy

a. Seen as a threat to their power; Revolutions of 1848 concerned monarchs.

b. Britain especially had long sympathized with semifeudal, aristocratic society of South.

2. Europeans sold weapons, warships and supplies to the Confederates.

3. At times, contemplated direct intervention on behalf of South, esp. Britain.
4. British industrial & commercial centers desired an independent Confederacy
 - a. Independent cotton supply w/o northern blockade or interference
 - b. British shippers & manufacturers could profit from South w/o Union tariffs.
- B. Why did King Cotton fail the South?
 1. In 1861, British had oversupply of cotton.
 2. By the time British badly needed cotton again, Lincoln had issued the Emancipation Proclamation giving the North the moral cause
 3. Workingpeople in England, and to some degree France, supported the North and hated slavery; influenced their governments.
 4. As Union armies captured the South, the North shipped considerable supplies of cotton to England.
 5. Booming war industries in England, which supplied N. & S. relieved British unemployment.
 6. Huge production of northern grain fed Britain who suffered through bad harvests
- C. British diplomacy
 1. Britain officially neutral and observed its neutrality fairly well with exceptions.
 2. **Trent Affair** (1861)
 - a. Union warship north of Cuba stopped a British mail steamer and forcibly removed 2 Confederate diplomats (James Mason & John Slidell) on route to England.
 - U.S. captain erred; should have brought ship to port for proper judgment.
 - b. Northerners rejoiced -- had not yet won any important military victories.
 - i. Feared if two envoys had reached England, the Union blockade may have been broken if Rebs persuaded England & France for aid.
 - ii. Recalled impressment days of 1812; sweet revenge.
 - c. Britain outraged and prepared for war; troops sent to Canada.
 - Lack of working trans-Atlantic cable and slow steam ships allowed tempers to cool down on both sides.
 - d. Lincoln decided reluctantly to release Mason & Slidell
 - Did not want to fight a second war
 3. Britain as an unofficial naval base for the Confederacy until 1863
 - a. Confederate commerce-raiders were being built in Britain.
 - b. Over 250 Yankee ships captured by Rebs including many whalers.
 - c. **C.S.S. Alabama** --most famous of Confederate commerce-raiders
 - i. North had to divert naval strength to eventually destroy it & others.
 - ii. Manned by Brits w/ Confederate officers under the Confederate flag
 - Never entered a Confederate port.
 - d. Union outraged and threatened Anglo-American relations.
 - e. **Charles Francis Adams**, the American minister in London,
 - i. Responsible for preventing official British recognition of the Confederacy and fostering favorable Anglo-American relations.
 - ii. Hounded British gov't with lists of sinkings & bills for damages by *Alabama*
 - f. Union war effort not crippled by Confederate commerce-raiders
 - g. Britain eventually apologized for its role in *Alabama*.
 4. Issue of **Laird rams** in 1863

- a. Two Confederate warships with iron rams and large-caliber guns being built in Britain.; more dangerous than *Alabama*
 - i. South would be able to sink blockade squadrons and then fire upon northern cities.
 - ii. In retaliation, U.S. would probably have invaded Canada resulting in full-scale war with Britain.
 - b. Minister Adams warned if rams were released it would mean war.
 - c. London relented and purchased both ships for their Royal Navy.
5. Canada
- a. One Confederate raid into Vermont ended in 3 burned banks & 1 death.
 - b. Irish secret brotherhood, Fenians, invaded Canada from U.S. after the war.
 - c. British Parliament established the Dominion of Canada in 1867.
 - Partially created to help Canada politically & psychologically against possible future attack from the U.S.
- D. French diplomacy
- 1. French leader, Napoleon III, was openly unfriendly to the Union
 - 2. 1863, Napoleon III sent troops to conquer Mexico
 - a. Enthroned Austrian Archduke **Maximilian** as Emperor of Mexico.
 - b. Violated Monroe Doctrine
 - 3. During Civil War, U.S. cautious toward France -- did not want to fight a world war.
 - 4. After Civil War secretary of state Seward prepared to march U.S. forces to Mexico
 - Napoleon III abandoned Maximilian in 1867 and Mexico once again independent

IX. Raising Armies: North and South

A. Northern troops

- 1. Initially northern armies comprised of volunteers with each state given a quota based on population 90% of Union army.
- 2. 1863, Congress passed federal conscription law for first time in U.S. history.
 - a. Purpose: To make up for fewer numbers of volunteers.
 - b. Policy unfair as wealthier youth could hire substitutes for \$300.
- 3. Draft caused biggest stir in Democratic strongholds of North, inc. NYC.
 - **New York Draft Riot** in 1863 sparked by Irish-Americans cost nearly 500 lives lost and buildings burned.
- 4. Large bounties for enlistment also offered by federal, state, & local authorities.
- 5. About 200,000 deserters of all classes in North; South similar

B. South initially relied mainly on volunteers

- 1. Smaller population meant numbers troops smaller
- 2. Confederacy forced to conscript men between ages of 17 & 50 as early as April, 1862; a year earlier than the Union.
- 3. Rich men could hire substitutes or purchase exemption.
- 4. Mountain whites refused to enlist

C. African-American soldiers in the North.

- 1. About 180,000 served in Union armies; about 10% of total Union enlistments; 38,000 died
 - Most came from slave states but many came from free-soil North as well.
- 2. Black volunteers initially rejected.
 - a. Initial war aim not to end slavery.

- b. Racism and fear of arming blacks led to white sentiment of fighting own war.
- 3. 1862, need for soldiers and emancipation opened door to black volunteers
- 4. Lincoln attributed the Union's victory largely on the impact of the black regiments.
- D. Confederacy did not enlist slaves until a month before the war ended.
 - 1. 10s of thousands forced into labor battalions, building fortifications, supplying armies, and other war-connected activities.
 - 2. Slaves kept the southern farms going while the southern white men fought.
 - 3. Ironically, slaves didn't revolt back home (despite learning of emancipation proclamation).
 - 4. Many abandoned plantations when Union armies arrived.

X. Financial aspect to the Civil War

A. Raising money in the North

- 1. First income tax in nation's history levied; relatively small but still raised millions
 - Paid for 2/3 of the war's cost
- 2. Excise taxes on tobacco and alcohol substantially increased by Congress.
- 3. **Morrill Tariff Act of 1861** -- Raised low Tariff of 1857 about 10%
 - a. About the level of the Walker Tariff of 1846.
 - b. Tariff rates later raised due to demands of revenue and protection during war.
 - c. Protective tariff came to be associated with Republicans for next 70 years.
- 4. **Greenbacks**
 - a. About \$450 million issued at face value to replace gold.
 - b. Supported by gold; value determined by nation's credit.
 - c. Though fluctuating during the war, they held value well after Union victory.
- 5. Sale of bonds through U.S. Treasury: marketed through private banking house of **Jay Cooke & Co.** which receive commission of 3/8 of 1% on all sales.
- 6. **National Banking System** authorized by Congress in 1863
 - a. Designed to establish standard bank-note currency.
 - At the time, North flooded with depreciated "rag money" issued by unreliable bankers.
 - b. Sold gov't bonds.
 - c. Banks that joined the National Banking System could buy bonds and issue sound paper money backed by the system.
 - d. The first national-type banking institution since Jackson killed the BUS
 - Lasted for 50 years until the Federal Reserve System.

B. Southern finances

- 1. Customs duties cut-off to Union blockade
- 2. Gov't issued large amounts of bonds sold at home & abroad = \$400 million.
- 3. Significant raise in taxes and 10% tax on farm produce.
 - a. Most states' rights Southerners against heavy direct taxation by central gov't
 - b. Direct taxation accounted for only 1% of gov't revenues.
- 4. Biggest source of revenue: printed large amounts of paper money
 - a. "Runaway inflation" as treasury cranked out more than \$1 billion
 - b. Inflation of currency coupled with tax on farm produce worked until the end of the war for the Confederacy.

C. War-time prosperity in the North

- 1. Civil War produced first millionaire class in U.S. history.

- a. New factories protected by the new tariff emerged.
 - b. Beginning of the "Gilded Age" dominated by "Robber Barons"
 - c. Much dishonesty in supplying goods for gov't (e.g. poor quality uniforms)
 - 2. New labor-saving machinery spurred expansion while best laborers fought war.
 - a. Sewing machine
 - b. Mechanical reapers numbered 250,000 by 1865
 - 3. Petroleum industry born in PA in 1859
 - 4. Westward movement
 - a. **Homestead Act of 1862**
 - i. Provided free land to pioneers heading to virgin land out west.
 - ii. Many pioneers headed west to escape the draft.
 - iii. By 1865, 20,000 settlers had moved west.
 - b. Gold seekers (NV, CA) -- would later constitute a formidable mining frontier with the completion of the transcontinental railroad.
 - c. **Morrill Land Grant Act of 1862**
 - i. Each state received 30,000 acres of public lands for each senator and Congressman in Congress.
 - ii. Profits from sale of lands financed agricultural and mechanical colleges in each state.
 - iii. Southern states who rejoined the Union enjoyed the same terms
 - d. **Pacific Railway Act (1863)** -- established a transcontinental railroad to be built connecting northern states and territories to California.
 - 6. Only Northern industry to suffer was overseas shipping due to Confederate commerce-raiders.
- D. Demise of the Cotton Kingdom
- 1. Blockade and destruction wreaked by Union armies ruined southern economy.
 - a. Transportation collapsed.
 - b. Severe shortage of metals & other materials for military purposes
 - 2. Cotton Kingdom eclipsed by new 2nd Industrial Revolution of the North.
- XI. War-time President Lincoln bends the Constitution and suspends certain civil liberties
- A. Motive: Saving the Union required side-stepping some areas of Constitution.
 - 1. Congress generally accepted or approved Lincoln's acts.
 - 2. Suspension of liberties not sweeping but more than any other period of U.S. history.
 - 3. Lincoln believed thing would be restored once the Union was preserved.
 - B. Blockade proclaimed when Congress not in session shortly after Fort Sumter.
 - Action later upheld by Supreme Court.
 - C. Increased size of federal army and navy
 - 1. Constitution states only Congress could do this
 - 2. Later approved by Congress who actually increased appropriations and size of the army.
 - D. Extended volunteer enlistment to three years
 - E. Directed his sec. of treasury to advanced \$2 million without appropriation or security to three private citizens for military purposes.
 - F. Suspended writ of habeas corpus so that anti-Unionists could be summarily arrested.
 - 1. ***Ex Parte Merriman, 1861*** -- Chief Justice Rober Taney ruled that safeguards of *habeas corpus* could only be set aside by Congress
 - a. 864 people held without trial during first nine months of the war alone.

- b. Lincoln ignored Taney's report and took no action.
- c. Significance: During crisis of wartime, the President could bend the law for the welfare of the country, including suspending the Court's authority.
- 2. In 1863, Congress approved Lincoln's action
- 3. After 1862, arrests increased: spies, smugglers, blockade-runners and foreigners.
- G. Arranged for "supervised" voting in Border States
 - Voters holding colored ballot indicating party preference had to walk between two lines of armed troops. Intimidation?
- H. Federal officials also suspended certain newspapers and the arrest of their editors for obstructing the Union war cause.
- I. Signed a bill outlawing slavery in all the national territories even though it conflicted with the *Dred Scott* decision.
- J. Generally, civil liberties and constitutional rights were respected during war.
 - Few political opponents were arrested.
- K. Jefferson Davis, unlike Lincoln, unable to exercise arbitrary power
 1. States' righters displayed intense localism.
 2. South seemed more willing to lose war than surrendering local rights.

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