THE INFLUENCE OF WHEAT AND COTTON ON ANGLO-AMERICAN RELATIONS DURING THE CIVIL WAR[1]

[The following paper by Professor Schmidt was read before the American Historical Association in Philadelphia on December 27, 1917. Professor Schmidt is preparing a comprehensive history of agriculture in Iowa for future publication by The State Historical Society of Iowa.— EDITOR]

John Stuart Mill once wrote, in recording his impressions of the attitude of England toward the North and the South during the Civil War, that "the inattention habitual with Englishmen to whatever is going on in the world outside their own island, made them profoundly ignorant of all the antecedents of the struggle."[2] This criticism might have been applied with equal fairness to the American people on the eve of the present great world war. Separated from the affairs of Europe, they had developed a provincialism in their outlook and habits of thinking which tended to make them oblivious to the age-long rivalries and ambitions of the Nations of the old world. Favored by geography and by the delicate balance of power in Europe which had prevented interference in the affairs of the western hemisphere, they had come to dwell with complacency on the superiority of American institutions and on the destiny of the republic, when suddenly they were bewildered by the great world cataclysm with whose origin they were

[1] For a brief discussion of the importance of agriculture in American history, see the writer's paper on *The Economic History of American Agriculture as a Field for Study* in *The Mississippi Valley Historical Review*, Vol. III, pp. 39–49.

[2] Mill's *Autobiography*, p. 269.

only vaguely familiar and the ultimate purposes of which they little understood.

Students and writers of American history reflecting the attitude of the people have similarly shown an inclination to take a rather narrow and provincial view of our national past and thus to neglect a consideration of the external forces which have conditioned our development. Foreign affairs have therefore not received their proportionate share of emphasis in the study of American history. Such treatment as has been accorded to our foreign relations has tended rather to accentuate the more dramatic episodes of politics and diplomacy, and to neglect, if not to ignore, economic and commercial forces which have played a very significant rôle in international affairs.

The recent entrance of the United States into the great world struggle for the preservation of democratic institutions marks a definite departure from our time-honored policy of isolation. Furthermore, it brings home to the historian the imperative need of heeding the warning of the late Rear-Admiral Mahan, who wrote nearly twenty years ago, just as this Nation crossed the threshold to world empire, that it is time for us to abandon our provincial attitude and to take the larger or the long view of the forces which have shaped our national destiny.[3] Our new position as a world power of the first rank requires a better understanding of these forces in order that a broad and far-sighted statesmanship may be brought to bear on the formulation of the Nation's foreign policies in the future.

[3] Mahan's *The Problem of Asia* in *Harper's New Monthly Magazine*, Vol. 100, March, 1900, pp. 536–547. This paper is reprinted in Chapter I of his book on *The Problem of Asia*, published in 1900. It is not without significance that the writings of this foremost authority on the influences of sea power in history have been much more widely read in England and Japan and on the continent of Europe than in this country.

In directing attention to the study of the history of the foreign relations of the United States, considerable emphasis should be accorded to economic forces which in the past have had a profound influence on international politics and diplomacy, and which are to-day recognized as potent forces in the world war.

It is the aim of this paper to emphasize the fundamental significance of wheat and cotton in the study of Anglo-American relations during one of the most critical periods of our history: the period of the Civil War.[4] In essaying this task it is proposed: first, to determine the extent to which Great Britain was economically dependent on the American supply of these two staple commodities while the North and South were engaged in civil conflict; and, second, to inquire how far this double dependence on America was recognized when intervention in behalf of the Confederacy was most seriously threatened. It will then be possible to estimate the relative influence of these factors in deter-

[4] For a general review of Anglo-American relations during the Civil War see the following accounts: Foster's *Century of American Diplomacy*, Ch. X; Fish's *American Diplomacy*, Ch. XXII; Johnson's *America's Foreign Relations*, Vol. III, Chs. XXI, XXII; Callahan's *Diplomatic History of the Southern Confederacy;* Callahan's *Diplomatic Relations of the Confederate States with England, 1861–1865*, in the *Annual Report of American Historical Association*, 1898, pp. 267–283; Davis's *Confederate Government*, Vol. II, pp. 245–284, 367–381; Dunning's *The British Empire and the United States*, Ch. V; Hosmer's *Appeal to Arms* (*The American Nation*, Vol. XX), Ch. XX; Hosmer's *Outcome of the Civil War* (*The American Nation*, Vol. XXI), Ch. X; Rhodes's *History of the United States, 1850–1877*, Vol. III, pp. 415–434, 503–543, Vol. IV, pp. 76–95, 337–394; Schouler's *History of the United States*, Vol. VI, pp. 111–130, 261–274, 424–436; Morse's *Abraham Lincoln*, Vol. I, Ch. XII; Lathrop's *William H. Seward*, Chs. XVI–XX; Storey's *Charles Sumner*, Chs. XIII–XV; Adams's *Charles Francis Adams*, Chs. IX–XVIII; Baker's *The Works of William H. Seward* (New Edition), Vol. V. The last named volume contains a diplomatic history of the war for the Union.

mining Great Britain's official attitude toward the Union and Confederate governments.[5]

The Confederacy was dependent upon the outside world for many of its necessities. The first problem of the Union government therefore was to cut off the commerce of the South and then exhaustion of the Confederacy would be only a matter of time; whereas, with commerce open, the war would continue indefinitely, with strong chances that the Confederacy would ultimately be victorious. The maintenance of the blockade proclaimed by President Lincoln on April 19, 1861, depended first upon the efficiency of our navy; and second, upon the neutrality of foreign nations. The policy of the Confederacy, on the other hand, was to break the blockade: first, by the use of privateering vessels; and, second, by the aid of European intervention.

[5] That sympathy for the Confederacy was the prevailing sentiment among all classes of people in England, except the laboring classes and a part of the middle class, history has already clearly shown. The influences operating to set the current of opinion against the Union government during the first year of the war were as follows:

(1) The privileged classes, that is, the nobility and the landed gentry, feared the rapid development of the American republic. They regarded its growing power and influence with ill-disguised disfavor and pronounced it a standing menace. Their sympathies, on the other hand, were with the slave-holding aristocracy, with whom they had a sentiment of fellowship. They looked upon the breaking up of the Union with pleasant anticipations. Moreover, the opinions of these classes were reflected in the minds of many who came into social relations with them.

(2) The manufacturing classes, dependent as they were on the South for the great bulk of the cotton supply, argued that the policy of free trade upon which Great Britain had entered would be best subserved by the triumph of the South. The Morrill tariff act of 1861, though designed for revenue rather than for protection, further convinced them of a purpose on the part of the Federal government to restrict British importations into the United States. Furthermore, the North possessed a merchant marine second only to that of Great Britain. The continuance of the war therefore met with the approval of the commercial classes, so long as it had the effect of driving American commerce from the seas and placing it under the control of England. English capital was consequently almost a unit against the Union cause.

(3) The real nature and purpose of the struggle was not appreciated.

To accomplish the latter object the South possessed, as it believed, an effective economic weapon: namely, the cotton monopoly which, together with the promise of free trade, would enable it to secure Great Britain's interference in its behalf. The Confederacy, therefore, immediately endeavored to make effective use of this weapon, by prohibiting the exportation, and indeed ordering the destruction of, cotton in order that it might bring pressure upon the industrial classes and through them upon the governments of Europe. Moreover, while attempting to secure foreign intervention, the Confederacy endeavored also, in violation of the neutrality laws of foreign countries to purchase fully equipped iron-clad ships abroad for the

Some people regarded the war as a contest for State rights, and therefore justified by the Revolution. Others believed the Southern people would be able to establish their independence. The federal form of government was regarded as ill-adapted to such a strain, and the national resources of the Northern States were unappreciated until after 1863. There was therefore a widespread belief which at times became almost universal, that the federal union was doomed to failure. Liberals looked upon the war as a struggle for the perpetuation of slavery, basing their arguments on the declaration of the Federal government at the beginning of the war, as announced by President Lincoln, Secretary Seward, and Congress, that the contest was a struggle for the the preservation of the Union and not for the abolition of, or interference with, slavery in the Southern States. While indeed there were some influential leaders like John Bright who anticipated emancipation as an inevitable consequence of the war, this was the exceptional belief rather than the prevailing view.

(4) There were also certain undercurrents of opinion which were set in motion against the North. Among them may be mentioned the feeling that the Federal government had been lacking in due respect for other Nations as was illustrated by the invasion of Mexico and by the Ostend Manifesto, although the fact remained that this criticism was levelled at pro-slavery administrations. Then again, large numbers of our people had participated in the English-Irish controversy, often with an official, or semi-official sanction. The American spirit, moreover, was held to be presumptuous and boastful and this did not sit well on English nerves. Mention, too, should be made of leading journals, particularly *The Times*, which had a potent influence against the Union. And in the field of literature, Carlyle, Grote, and Dickens, took up the pen in defense of the Confederacy.

These various influences were rapidly set in motion, culminating at the time

destruction of Northern commerce. Inasmuch as Great Britain was the great cotton importing and manufacturing Nation of the world and the course of other Nations would be largely determined by Great Britain's official attitude, attention should be given primarily to the attitude of England toward the two belligerents. Great Britain's relation to the cotton kingdom will be first considered.

of the Trent affair in a great explosion of feeling and the beginning of warlike preparations against the United States. John Stuart Mill wrote: "I contemplated the rush of nearly the whole upper and middle classes of my own country, even those who passed for Liberals, into a furious pro-Southern partisanship; the working classes, and some of the literary and scientific men, being almost the sole exceptions to the general frenzy." Mr. Mill explained that there was such profound ignorance of the antecedents of the struggle that it was not generally believed in England, for the first year or two of the war, that the quarrel was one concerning slavery. "There were men of high principle and unquestionable liberality of opinion who thought it a dispute about tariffs, or assimilated it to the cases in which they were accustomed to sympathize, of a people struggling for independence. It was my obvious duty," said Mill, "to be one of the small minority who protested against this perverted state of public opinion".— Mill's *Autobiography,* pp. 268, 269.

The influences working in favor of the North were at first negligible. The laboring classes and a considerable portion of the middle class were friends of the Union, but they were without any appreciable influence in the government. Represented in Parliament by John Bright, Richard Cobden, and William E. Forster, and in the field of literature by John Stuart Mill, Thomas Hughes, Goldwin Smith, and Tennyson, their voices at last came to be heard. Confused at first as to the real issue of the conflict, they soon came to look upon it as a struggle of democracy and free labor as opposed to class privileges. In the meantime economic forces, Northern wheat and Southern cotton, struggled for the mastery in the field of politics and diplomacy.

This analysis of English opinion on the American Civil War is based on the following accounts: Rhodes's *History of the United States, 1850–1877,* Vol. III, pp. 503–520; Pierce's *Memoir and Letters of Charles Sumner,* Vol. IV, pp. 151–159; Goldwin Smith's *England and America* in the *Atlantic Monthly,* Vol. 14, pp. 749–769; Goldwin Smith's *England and the War of Secession* in the *Atlantic Monthly,* Vol. 89, pp. 303–311. *The Economist* (London) and *The Times* (London) have also been freely used to determine the English temper toward the Union and the Confederacy. See especially *The Economist,* Vol. XIX, No. 944, September 28, 1861, pp. 1065–1067, for an editorial on "English Feeling toward America", and Vol. XXI, No. 1053, October 31, 1863, pp. 1209–1210, for an editorial on "English Opinion as Distinguished from English Action on American Questions". While *The Times* was ex-

INFLUENCE OF COTTON ON ANGLO-AMERICAN RELATIONS

The rapid growth of cotton manufacturing in Great Britain is one of the most remarkable chapters in the history of industry.[6] Introduced into England in the early part of the seventeenth century, this industry was still in its infancy when the American colonies established their independence. The industrial revolution marks the sudden rise of cotton to first place in the manufacturing of textiles, thus superseding wool which had ruled British industry since the Middle Ages. Cotton production was stimulated throughout the world, particularly in the United States, and British imports rose rapidly from an annual average of nearly 7,000,000 pounds for the years from 1776 to 1785 to 56,000,000 in 1800, and 152,000,000 pounds in 1820. By 1841 cotton imports had increased to 488,000,000 pounds and in 1861 the high figure of 1,391,000,000 was reached.[7] The cotton manufacture of Great Britain quickly rose to such importance that by 1846 the British government, by its formal adoption of the policy of free trade, recognized the cotton industry as the principal business of the country. J. R. McCulloch wrote in 1850 that the industry offered "an advantageous field for the accumulation and employment of millions upon millions of capital, and of thousands

tremely hostile to the Union, *The Economist* took a more judicial attitude, though it freely predicted the ultimate establishment of the Confederacy. It became the policy of the journal to counsel peaceful mediation in order that the war might be speedily brought to a close, but it vigorously opposed forcible intervention which would mean war with the North. For a statement of the attitude of other journals see footnotes in Rhodes's *History of the United States, 1850–1877*, Vol. III, pp. 503–520.

[6] For a brief sketch of the cotton manufacture of Great Britain, see *Encyclopedia Britannica* (Eleventh Edition), Vol. VII, pp. 281–291. For a longer account of the earlier history of this industry see Baines's *History of the Cotton Manufacture in Great Britain;* McCulloch's *Commercial Dictionary* (New Edition, 1850), pp. 450–466.

[7] McCulloch's *Commercial Dictionary* (New Edition, 1850), p. 453; Buxton's *Finance and Politics*, Vol. I, pp. 275–277.

upon thousands of workmen! The skill and genius by which these astonishing results have been achieved, have been one of the main sources of our power: they have contributed in no common degree to raise the British nation to the high and conspicuous place she now occupies."[8] This able authority estimated that 542,000 people were directly employed in the different departments of the manufacture of cotton. If to these are added the workers engaged in the construction and repair of machinery and buildings required to carry it on, the cotton industry furnished subsistence for 1,000,000 to 1,200,000 persons, not counting old and infirm persons and children who were dependent on those directly employed.[9]

The following decade witnessed the most marvelous growth of the cotton industry. The extension of the cotton plantations of the South, improvements in transportation and shipping, the accumulation of capital, the concentration of population in the great industrial centers of England, and the development of the market for cotton textiles: all combined to stimulate the manufacture of cotton textiles and to accentuate Great Britain's economic dependence on this industry. In 1860 Great Britain had 2650 cotton factories containing over 30,000,000 spindles and 350,000 looms run by 300,000 horse power.[10] "The cotton manufacture", according to *The Economist,* "from the first manipulation of the raw material to the last finish bestowed upon it constitutes the employment and furnishes the sustenance of the

[8] McCulloch's *Commercial Dictionary* (New Edition, 1850), p. 451.

[9] McCulloch's *Commercial Dictionary* (New Edition, 1850), pp. 457–458.

[10] Hammond's *The Cotton Industry* in the *Publications of the American Economic Association* (New Series), Part I, 1897, p. 252. Professor Leoni Levi in a paper read before the Statistical Society of London in 1864 stated that Great Britain had more than twice as many spindles as France, Russia, Germany, Austria, Switzerland, Italy, Belgium, and Spain, which collectively contained only 12,100,000 spindles.

largest portion of the population of Lancashire, North Cheshire, and Lanarkshire, of a considerable number of Derbyshire, Leicestershire, Nottinghamshire, and Yorkshire and of scattered industries in several other parts of England, Ireland and Scotland." Using McCulloch's estimate of 1850 as a basis, this journal concluded that "if we take into account the subsidiary trades and occupations, coal mines, machine workers &c and add all the unemployed families of the workmen", it was safe to conclude that nearly 4,000,000 persons were dependent for their daily bread upon the cotton industry.[11]

The bearing of these facts on the study of Anglo-American relations during the Civil War can readily be understood when we come to consider the extent to which Great Britain drew her cotton supply from the United States. During the four-year period, 1857–1860, inclusive, the British consumption of cotton amounted to 9,062,700 bales, of which 7,140,000 bales, or 78.8 per cent, came from the United States.[12] During the year 1860, which was a normal year, imports totaled 3,365,700 bales, of which 2,580,700 bales, or 76.6 per cent, were imported from the United States.[13] The remainder, or 785,000 bales, came from other countries: the East Indies furnishing 16 per cent, and Egypt, Brazil, and the West Indies supplying in the main the other 7 per cent. It will therefore be seen that Great Britain's supply was drawn almost entirely from America and that a vast population was dependent for a living on the cotton industry. These are the facts which explain

[11] Editorial on "The Disruption of the Union as it would Affect England" in *The Economist* (London), Vol. XIX, No. 908, January 19, 1861, pp. 57–59.

[12] *The Economist* (London), Vol. XIX, No. 908, January 19, 1861, pp. 57, 58.

[13] Hammond's *The Cotton Industry* in the *Publications of the American Economic Association* (New Series), Part I, 1897, p. 261.

why the South attached so much importance to the cotton monopoly.[14] It was firmly believed that Great Britain was so wholly dependent on American cotton that in the event of a war between the North and the South, England would interfere in behalf of the latter to keep open her source of supply; and that intervention would in turn precipitate a conflict between Great Britain and the United States which would insure the triumph of the Confederacy.

The establishment of an effective blockade of the Southern ports by the Union navy suddenly threatened the English manufacturers with a cotton famine.[15] Importations

[14] For an excellent statement of the absolute reliance which the South placed on the cotton monopoly, see the historic speech of Senator James H. Hammond of South Carolina on March 4, 1858, quoted at length in Scherer's *Cotton as a World Power*, pp. 235–242. See also Wilson's *Rise and Fall of the Slave Power in America*, Vol. II, pp. 548–550, for excerpts from this speech. Hammond declared that no Nation dared to make war on cotton. "Without firing a gun, without drawing a sword," he said, "should they make war on us we could bring the whole world to our feet. . . . what would happen if no cotton were furnished for three years? . . . . England would topple headlong and carry the whole civilized world with her, save the South. No, you do not dare to make war on cotton. No power on earth dares to make war upon it. Cotton *is* King". To Francis Lieber, Senator Hammond wrote on April 19, 1860: "I firmly believe that the slave-holding power of the South is now the controlling *power* of the world — that no other *power* would face us in hostility. Cotton, rice, tobacco, and naval stores command the world; and we have sense to know it, and are sufficiently Teutonic to carry it out successfully. The North without us would be a motherless calf, bleating about and die of mange and starvation."— Quoted by Rhodes in his *History of the United States, 1850–1877*, Vol. II, p. 440, from *Life and Letters of Francis Lieber*, p. 310.

"Had it not been for the reliance which the architects of the Great Rebellion placed on cotton as a means of obtaining revenue, it is doubtful if the war would have been undertaken."— Hammond's *The Cotton Industry* in the *Publications of the American Economic Association* (New Series), Part I, 1897, p. 257.

[15] For a consideration of the effects of the cotton famine see Arnold's *History of the Cotton Famine;* Adams's *Charles Francis Adams*, Ch. XIV; Palgrave's *Dictionary of Political Economy*, Vol. I, pp. 439–441; Scherer's *Cotton as a World Power*, Ch. 56; Buxton's *Finance and Politics*, Vol. I, pp. 277–280.

from America declined from 2,580,700 bales in 1860 to 1,841,600 bales in 1861, and to only 72,000 bales in 1862,[16] in which year the cotton famine reached its height, though it continued well into the year 1863. The average Liverpool price for middling uplands cotton increased from 5.97 pence per pound in 1860 to 18.37 pence in 1862, and finally reached 27.17 pence in 1864.[17] Mills were stopped, cotton operatives were thrown out of employment, and 500,000 people were dependent upon public charity.[18] Relief contributions poured in from India, Canada, Australia, and also from New York City; while the sum of $12,000,000 was distributed among the distressed.[19]

It was in the midst of the cotton famine that there appeared to be real danger of intervention. The hope that the war would be of short duration was dispelled, and the manufacturing and commercial classes clamored for recognition of the Confederacy in order that the struggle might speedily be brought to a close. Lord Palmerston (Prime Minister) and Earl Russell (Minister of Foreign Affairs) seriously considered recognition. Parliament took up the cotton situation and debated the feasibility of recognizing the independence of the Confederacy.[20] Recognition im-

[16] Hammond's *The Cotton Industry* in the *Publications of the American Economic Association* (New Series), Part I, 1897, p. 261.

[17] Hammond's *The Cotton Industry* in the *Publications of the American Economic Association* (New Series), Part I, 1897, Appendix I, devoted to "Statistics of the Cotton Production and Trade of the United States from 1784 to 1897."

[18] "A relief fund was established and the number of persons relieved, which in June 1862 was 129,774, in December, 1862 was 485,434. The number continued nearly as high till April, 1863, when it was 362,076."—Levi's *History of British Commerce* (Second Edition, 1880), p. 446, note 5.

[19] Adams's *Charles Francis Adams*, pp. 276, 277.

[20] The parliamentary debates on the recognition of the independence of the Confederacy are reported in Hansard's *Parliamentary Debates*, Third Series, Vol. 168, July 18, 1862, pp. 511–578 (House of Commons); Vol. 169, March

plied intervention and the breaking of the blockade, which would release American cotton for shipment to England,[21] and thus relieve the distressed mill owners and operatives and bring about a general mercantile trade revival.

Lord Campbell argued in the House of Commons that recognition would be of interest to the cotton manufacturers. He stated that it had been reported to him by credible authorities that the Southern planters had during the previous year begun to grow cotton in anticipation of recognition and that they had plowed it under when their hopes expired. He contended, therefore, that the first and most important reason for acknowledging the independence of the Confederacy was the Lancashire distress, which would experience no relief until cotton rose in abundance and fell in price; and that result, he said, could hardly be expected to occur until the end of the war. In reply to the argument that the deficiency should be supplied by encouraging the production of India cotton, Lord Campbell declared that "no man, conversant with political economy,

23, 1863, pp. 1714–1741 (House of Lords); Vol. 171, June 30, 1863, pp. 1771–1841 (House of Commons); Vol. 172, July 13, 1863, pp. 661–673 (House of Commons). The Iowa State Law Library (located in the State Capitol in Des Moines) is one of a very few libraries in this country which is fortunate enough to possess a complete set of these debates. The writer is indebted to Mr. A. J. Small, Law Librarian, for courtesies which have facilitated the preparation of this paper.

[21] There were no reliable crop statistics for the South during the war, but the estimates of the period show that a considerable amount of cotton had accumulated during the years 1861 and 1862. The British consul at Charleston estimated in August, 1862, that there were 2,500,000 bales of cotton then on hand in the South, and that the crop of 1862 would probably total 1,500,000 bales. Of this amount but 50,000 bales successfully ran the blockade, thus leaving, according to this estimate, 3,950,000 bales available for distribution. — *The Economist* (London), Vol. XX, No. 1001, November 1, 1862, p. 1207. *The Commercial and Financial Chronicle* placed the estimates of cotton production during the war much higher. See Hammond's *The Cotton Industry* in the *Publications of the American Economic Association* (New Series), Part I, 1897, p. 259.

supposes that cotton crops will start into existence in other portions of the world while an avalanche of 4,000,000 bales impends upon the market from America."[22]

The Marquess of Clanricarde attacked the legitimacy of the Federal blockade of the Southern ports,[23] basing his argument on the Declaration of Paris,[24] which declared that blockades to be legal must be effective. He read a letter from a merchant of Manchester stating that the American blockade had been run by four ships, which in less than four months had made seventeen successful journeys carrying in 120,000 pounds sterling worth of British goods and taking out 200,000 pounds sterling worth of cotton. One steamer alone, it was reported, had run through the Charleston blockade with a cargo of 1750 bales of cotton and 500 barrels of rosin.[25] Mr. Russell dismissed this argument by reminding the Marquess that the United States had not ratified the Declaration of Paris, and that under

[22] Hansard's *Parliamentary Debates*, Third Series, Vol. 169, March 23, 1863, pp. 1716, 1728.

[23] For a report of the debate in the House of Commons on the blockade of the Southern ports, see Hansard's *Parliamentary Debates*, Third Series, Vol. 165, March 7, 1862, pp. 1158–1230, 1233–1243.

[24] The Declaration of Paris was signed on April 16, 1856, by all the powers represented at the Congress: England, France, Austria, Russia, Sardinia, Turkey, and Prussia. It provided that: (a) privateering is and remains abolished; (b) the neutral flag covers enemy's goods, with the exception of contraband of war; (c) neutral goods, with the exception of contraband of war, are not liable to capture under an enemy's flag; and (d) blockades, in order to be binding must be effective; that is to say, maintained by forces sufficient really to prevent access to the coast of the enemy. The countries not represented at the Congress were invited to sign, and most of them did so before the end of the year; but the United States held out, basing her objection upon the idea that, inasmuch as we did not possess a large navy, the right to fit out privateers should be retained until the capture of private enemy property at sea was abolished. See Hershey's *Essentials of International Public Law*, pp. 73, 74, note 49; and Moore's *International Law Digest*, pp. 561–583.

[25] Hansard's *Parliamentary Debates*, Third Series, Vol. 171, June 15, 1863, pp. 874–880.

similar circumstances England had blockaded "the whole coast of France, from Brest to Dunkirk; and when we were at war with America, we proclaimed a blockade of not less than 2000 miles of coast; and if we ourselves held legitimate a blockade of 2000 miles of coast, we should still . . . . if we were at war with the United States hold that such a blockade was a legitimate one." Mr. Russell urged further that before taking any action it would be better to await developments in America.[26]

The Parliamentary debate on the question of interference in the American struggle entered its final stage on June 30, 1863, when Mr. Roebuck introduced his resolution calling for the recognition of the independence of the Confederacy. In defense of this resolution, Mr. Roebuck argued: first, that a large portion of the population were "suffering in consequence of the cotton famine;" second, that the time had come for the recognition of the Confederacy because it had "vindicated the right to be recognized"; and third, that the Southern people were by the continuance of the war being driven to become a manufacturing nation, producing their own woollen, cotton, and iron manufactures, which would foster a protective system and thus destroy the market for British goods. On the other hand, intervention would be reciprocated by free trade and the British market would be retained. "The cry about slavery", he continued, "is hypocrisy and cant. We shall do no harm to the black man if we adopt my Resolution."[27]

But recognition of the Confederacy was complicated by other questions. Russell defined the position of the government on the American question by explaining that England

[26] Hansard's *Parliamentary Debates,* Third Series, Vol. 171, June 15, 1863, pp. 883, 884.

[27] Hansard's *Parliamentary Debates,* Third Series, Vol. 171, June 30, 1863, pp. 1776, 1780.

had never taken part in interventions, except "in behalf of the independence, freedom, and welfare of the great portion of mankind"; that no interests deeply as they might affect England would induce the government to interfere, except "in the cause of liberty and to promote the freedom of mankind"; that England as the champion of free institutions could not afford to take any step which would involve the recognition and perpetuation of the institution of slavery; and that so far as he was concerned he hoped "with regard to this Civil War in America" that the government might be able to continue an "impartial and neutral course".[28]

Again, recognition of the Confederacy would constitute a plain violation of international law. This view of the question was well stated as follows by *The Economist* on July 4th, when the Roebuck Resolution was before the House of Commons:

> Two conditions, and two only, are necessary for a just recognition: — first, that the future existence — not only the present monetary life, but the indefinite future continuance of the new State — should be really and truly certain; next, that the recognising State has no sinister by-thought that warps its judgment. A recognition from partiality to the insurgents — a premature recognition while the existence of the seceding State is as yet insecure and unreliable — is a good casus belli to the residuary State against the recognising State.[29]

The Economist went on to show that neither of the two conditions was applicable to the American question,[30] and

[28] Hansard's *Parliamentary Debates*, Third Series, Vol. 169, March 23, 1863, pp. 1740, 1741.

[29] Editorial on "The Common Sense of International Law" with special reference to the question of "Recognition".— *The Economist* (London), Vol. XXI, No. 1036, July 4, 1863, p. 732.

[30] "Now, if such be the law regulating recognition, the application of it to the case of the Confederate States is very clear. You have only to hear the

that recognition would therefore constitute a just cause of war on the part of the North against England. The writer further expressed his views as follows:

As neutrals, we cannot recognise the Confederacy while it only *may* be independent, while its independence is only one event in a host of probabilities, while it is only in Paley's celebrated phrase, "one guess among many": if we do so, we help it to become independent; we make that particular solution of events more likely than it was before. As neutrals, we can only recognize a new State when it *must* be independent, for then we can neither aid the acquisition of that independence or prevent it.

Even if England did recognize the independence of the Confederacy it was "very dubious whether the effect of recognition would not be to prolong the war which it is sought to terminate. The most natural termination would be caused by the decline of the warlike spirit in the North, and the intervention of England would more than anything else excite and fan this spirit just when all other events and the evident diminution in the probability of success ought to weaken it."

"Mere recognition", continued the writer, "would, therefore, when the subject is examined, be a breach of international law, without even the base merit of a corresponding advantage. It would not relieve our manufacturing districts. If we chose to intervene by war, to break the blockade, to create the 'South' as we created Belgium and as we created Greece, we should at least gain much. But

pleadings of the advocates for it, of Mr. Roebuck or Mr. Spence. They say recognition will put an end to the civil war, and the cessation of the war is a plain good to England. This is only saying in other words 'we will aid the insurgent States against their old Government: the two parties being at present fighting with some approach to equality, we will interfere so as to destroy that equality: the present undecidedness of the struggle is to be our reason for stepping in to decide it, and there cannot be, according to the principles laid down, a worse reason: it is the exact reason why we should not step in." — *The Economist* (London), Vol. XXI, No. 1036, July 4, 1863, p. 732.

the objections to this course are so many and so obvious that no one even proposes it."[31]

But the recognition of the Confederacy was urged to be impracticable, not only because it would in all probability precipitate a conflict with the North, but also because there were more feasible methods for temporarily relieving the cotton situation until the American supply should become available. As early as January, 1861, *The Economist* called attention to the disastrous effects which civil war in America would have on the cotton manufacture and trade of Great Britain, but predicted that these effects would be reduced by degrees in various ways. In the first place, a great stimulus would be given to the already awakened activity of British merchants in procuring supplies of raw material from regions that were only then just beginning to be thought of, but from whence under sufficient pressure considerable quantities might within a reasonably short time be procured. India, Egypt, Brazil, Australia, the West Coast of Africa, and Asia Minor would be able to supply a considerable portion of the deficiency caused by the cutting off of American cotton. In ordinary times India alone supplied a considerable amount, as was shown by the cotton receipts of 1857, when this region sent 680,000 bales to England, other districts sending 255,000 bales. Under extraordinary pressure and inducements, India, Egypt, Brazil, and other regions would be able to supply a third more than in 1857, or about 1,200,000 bales, which would be equal to one-half of the total consumption (after deducting exports) in 1860.

In the second place, a considerable economy would at once be effected under the influence of the high rate of prices by a general tendency of manufacturers toward the

[31] *The Economist* (London), Vol. XXI, No. 1036, July 4, 1863, p. 732.

production of the finer fabrics. This possibility was discussed as follows:

> Manufacturers who now use weekly 100 bales, could easily by turning to finer fabrics reduce their consumption to 70 or 75 bales. . . . . "Domestics" as they are called, or strong cotton cloths and shirtings, and coarse yarns would be discouraged; and, as their price approached more nearly to that of linen and woollen fabrics, would be to a considerable extent superseded by them. This would cause an increase in the production of these latter articles, and a consequent increased demand for work-people; and by this process a considerable number of the hands thrown out of work in the cotton trade would be absorbed and the suffering to the operatives, though not the loss to the masters, would be greatly mitigated.[32]

These two measures for industrial relief received serious consideration as the cotton famine became more acute and the hope for an early termination of the war was abandoned. It was urged at considerable length that special encouragement should be given to the production of India cotton.[33] But India cotton, known by its trade name as "Surat", was of an inferior quality as compared with the American product, while the cost of production, including transportation from the interior, was considerably higher.[34]

[32] *The Economist* (London), Vol. XIX, No. 908, January 19, 1861, pp. 57–59.

[33] For an extended inquiry into the problem of increasing the supply of India cotton, see Hansard's *Parliamentary Debates,* Third Series, Vol. 167, June 19, 1862, pp. 754–793; Vol. 168, August 1, 1862, pp. 1063–1077; Vol. 172, July 3, 1863, pp. 178–237. See also *The Economist* (London), Vol. XX, No. 961, January 25, 1862, pp. 85, 86, for an excellent article on "India versus American cotton: the real State of the Case".

[34] "The fibre of the Orleans cotton is much longer, more even, and more silky than that of Surat. It is usually also much cleaner. So much of the Surat cotton falls down as dirt, or flies off as duct and flock, in the process of working it into yarn, that a pound of it *makes much less yarn or cloth,* than a pound of Orleans. Being shorter in fibre, also, it requires more twisting to give it the required strength, and therefore cannot be made into yarn so fast. From these two causes, its value to the manipulator is never more than *two-thirds* that of an equal weight of its American rival,— and *never can be more*

It could not, therefore, compete with the southern staple. While India might be encouraged to supply the deficiency caused by the Southern blockade, English capitalists naturally hesitated to make heavy investments in India cotton fields; and manufacturers were reluctant to institute expensive changes in machinery for the utilization of the eastern staple. They realized the fact that upon the termination of the war American cotton would in all probability regain its former position of supremacy in the British markets, and thus great financial losses would be incurred by investors in the India product.[35]

The growing industrial distress, nevertheless, served as a stimulus for the gradual establishment of new and extended sources of supply. India in particular began to respond to England's imperative needs and to the correspondingly higher prices for cotton. Table I shows that while cotton imports from America declined, the imports from other countries rose rapidly from 785,000 bales to 1,445,000 bales

whatever improvements and adaptations of machinery may be introduced, so long as its quality and character remain unaltered,— for not only is its quality inferior, but its character is peculiar.— The plain simple, conclusive truth is that the American cotton *has more in it* than the Indian''.— *The Economist* (London), Vol. XX, No. 961, January 25, 1862, pp. 85, 86.

[35] ''Let us, therefore, look to India for all the cotton it can spare us; let us urge the natives to improve the quality and condition of their product,— for that is always worth their while; let us press forward as much as possible the improvement of their rivers and their roads,— for these things will tell upon all articles as well as on cotton; let us purchase, at whatever price we can afford to pay, this indispensable material from Egypt, from Brazil, from Australia, from Jamaica, and from the Gold Coast;— but do not let us waste means in fostering or forcing artificial industries, and do not let us delude ourselves into the belief that as long as America sends us cotton at all it will not supply us cheaper and better than any other country,— *for it would not be true.*''— *The Economist* (London), Vol. XX, No. 96, January 25, 1862, p. 86.

TABLE I

BRITISH COTTON IMPORTS FROM THE UNITED STATES AND OTHER COUNTRIES[36]

YEAR	FROM UNITED STATES BALES	FROM OTHER COUNTRIES BALES
1860	2,580,700	785,000
1861	1,841,600	1,194,000
1862	72,000	1,445,000
1863	132,000	1,932,000
1864	198,000	2,587,000
1865	462,000	2,755,000

in 1862 and 1,932,000 bales in 1863, finally reaching the high figure of 2,587,000 bales in 1864, which equalled the imports from the United States, or four-fifths of the total imports from all countries, in 1860. In the meantime, the industrial situation was further relieved by extension of the linen and woollen industries.[37] Thus, while industrial distress still

[36] Hammond's *The Cotton Industry* in the *Publications of the American Economic Association* (New Series), Part I, 1897, p. 261.

"Mr. Henry Ashworth, speaking at the annual meeting of the Manchester Chamber of Commerce, 30th January 1865, said: 'The quantity of cotton consumed in 1860 was valued at £34,000,000. Last year (1864) for a quantity probably not exceeding one-half what we received in 1860, we had to pay, in round number, £80,000,000. In 1860 our consumption was one billion eighty-three million pounds. In 1864 it was five hundred and sixty-one million pounds, or about fifty-one per cent. of the former year. But the inferiority of the material required much more labour; hence the fifty-one per cent. of cotton consumed required from sixty to seventy per cent. of the hands to work it up. In 1860 American cotton furnished five days' labour out of six in every week; in 1864, it did not furnish enough for half a day per week. In 1860 we paid for Indian cotton £3,500,000 and in 1864 nearly £40,000,000. The quantity had increased two and a half times (from two hundred and fourteen million pounds to five hundred and thirteen million pounds), and the price had increased ten or eleven times.' "— Quoted from Watts's *Facts of the Cotton Famine* in Adams's *Trans-Atlantic Historical Solidarity*, p. 123.

[37] This is shown by a comparison of exports of linen and woollen piece goods during the seven years preceding the cotton famine (1855–1861) with the seven years which include this period. Exports of linen goods increased from an annual average of 131,238,504 yards for the years 1855–1861, to 210,304,491 yards for the years 1862–1868: an increase of 79,065,987 yards

continued, business conditions improved materially, the number of people dependent upon public charity decreased,[38] and the economic necessity for interference in the American struggle was felt to be less acute. At the same time, the destruction of American shipping gave Great Britain's merchants a monopoly of the trade which was rapidly developing in spite of the cutting off of the Confederacy by the Union blockade.

Finally, mention should be made of John Bright and Richard Cobden, who continually kept before the people the fact that their economic well-being, as well as the cause of democracy, would be promoted by the triumph of the North. These two popular leaders addressed the masses in great gatherings on the cotton situation, and reminded them that the cotton supply of the South would be much better secured by free labor than by slave labor. Said Mr. Bright, in June, 1863:

> I maintain, that with a supply of cotton mainly derived from the Southern States, and mainly raised by slave labor, two things are indisputable: First, that the supply must always be insufficient; and Second, that it must always be insecure.— I maintain and I believe my opinion will be supported by all those men who are most conversant with American affairs — that with slavery abolished, with freedom firmly established in the South, you would find in ten years to come a rapid increase in the growth of cotton, and not only would its growth be rapid, but its permanent increase would be secured.— There is no greater enemy to Lancashire to its

or 60.2 per cent. Exports of woollen goods during the same period increased from an annual average of 168,747,893 yards to 245,091,834 yards: an increase of 76,343,941 yards or 45.2 per cent. The impetus given to the linen industry is further shown by "the fact that whilst there were in 1858, only 91,646 acres under flax in Ireland, the area increased in 1864 to 301,942 acres."— Palgravé's *Dictionary of Political Economy*, Vol. I, pp. 440, 441.

[38] See above note 18. After April, 1863, the number of persons dependent upon public charity "fell monthly till 1865 when the excess disappeared."— Levi's *History of Commerce* (Second Edition, 1880), p. 446, note 5.

capital and to its labor, than the man who wishes the cotton agriculture of the Southern States, to be continued under slave labor.[39]

It will therefore be seen that while cotton was the economic basis for England's ultra-partisan sympathy for the South, culminating in threatened recognition of the Confederacy, the following factors contributed in varying degrees to the decision of the government to remain neutral in the conflict.

In the first place, recognition of the Confederacy involved the recognition and perpetuation of the institution of slavery, which would be inconsistent with the established policy of the English government not to interfere in the civil dissensions of foreign states except to promote the cause of liberty and freedom throughout the world. Again, recognition would constitute a plain violation of international law: first, because "the indefinite future continuance" of the Confederacy was so uncertain as to make the recognizing power a participant in helping the new state to establish its independence; second, because recognition, accompanied "by a sinister by-thought which warps its judgment", would be premature and therefore a good *casus belli* on the part of the residuary state against the recognizing state; and, third, because recognition would not even have the base merit of a corresponding advantage, namely, the relief of the manufacturing districts, inasmuch as it would involve the risk of war with the United States, with the result that the struggle which recognition sought to terminate would be prolonged rather than shortened.

Moreover, it will be seen by consulting Table I that while American cotton imports declined, imports from other countries increased rapidly, until in 1862 they amounted to

[39] Scherer's *Cotton as a World Power*, p. 282. See also Hansard's *Parliamentary Debates*, Third Series, Vol. 171, June 30, 1863, p. 1830.

two-fifths and in 1864 to four-fifths the total imports in 1860. These importations, together with the extension of the woollen and linen industries, brought considerable relief to the industrial classes, thus lessening the economic necessity for interference in the American quarrel. It was even urged that with proper encouragement of the production of India cotton, Great Britain would become independent of the American supply, but this opinion was not entertained to any marked degree. American cotton was so superior to any other product that it was bound to regain its former place in the British market upon the conclusion of hostilities. But as long as the war continued India cotton supplied to an increasing extent the deficits caused by the cutting off of the American product. These facts were duly emphasized when recognition of the Confederacy was proposed as a remedy for the cotton famine. Finally, it was urged by Bright and others that with England so largely dependent on American cotton, the supply would under a system of slave labor always be insufficient, not to say insecure; whereas, with slavery abolished and freedom established (which would be the inevitable consequence of the war if the combatants were left to themselves), the South would in a few years be able to increase its cotton production sufficiently to insure a permanent supply for the British mills.

INFLUENCE OF WHEAT ON ANGLO-AMERICAN RELATIONS

While these forces were all contributing to the maintenance of neutrality, various agencies were employed by the North to prevent British recognition of the Confederacy. These agencies were: first, the diplomatic mission of Charles Francis Adams who, in coöperation with President Lincoln and Secretary Seward at home and with John

Bright and William E. Forster in England, handled American affairs so tactfully when there appeared to be real danger of intervention; second, the Emancipation Proclamation, which cleared away British misconceptions concerning the real nature and purpose of the struggle and convinced all classes that democracy was the fundamental issue at stake; third, the military victories of July 4, 1863, which gave evidence of the ability of the North, if left to itself, to preserve the Union; and fourth, Great Britain's dependence on Northern wheat, which was greatly accentuated during the period of the cotton famine and which therefore operated as a contributing influence in keeping the British government officially neutral while the war was in progress. With due recognition of the part played by the first three of these agencies in the maintenance of Great Britain's neutrality, the writer desires to direct special attention to a consideration of the fourth influence, which seems to have been consistently overlooked by all students of Anglo-American relations during this critical period. Attention, therefore, will now be given to Great Britain's relation to the cereal region of the Northwest.

The United Kingdom had by 1860 become a great wheat importing country. The Industrial Revolution had transformed the Nation from an agricultural community exporting grain and live stock into a manufacturing state, dependent to a considerable degree upon foreign Nations for an adequate food supply.[40] Although agriculture had indeed expanded and prospered after the close of the Napoleonic wars, due to enclosures and the improvement in the technique of farming, it had not as a matter of fact con-

[40] Great Britain definitely became a wheat-importing country in 1793.— See Prothero's *English Farming: Past and Present*, p. 268.

tinued to keep pace with the rapid industrial development of the country. Population increased more rapidly than did the supply of foodstuffs, and the British Isles were compelled to rely on foreign importations to meet the annually recurring deficits in the home supply which, heretofore negligible, had now begun to assume vast proportions. Particularly was this true in the case of wheat: the first article of prime necessity in the food consumption of the United Kingdom. In respect to this important food product British agriculture experienced a retrogressive movement, not only falling behind the real needs of the people, but actually supporting a fewer number of people in 1860 than in 1830. The repeal of the Corn Laws[41] in 1846, in response to a popular demand on the part of the industrial classes for more and cheaper food was immediately followed by a rapid increase in the importations of wheat and flour. Imports increased from an annual average of 900,000 quarters for the decade 1831–1841 to 2,948,000 quarters for the decade 1841–1851, and finally reached the high figure of 5,030,000 quarters for the decade ending with 1861.[42] The

[41] For a history of the English Corn Trade and the Corn Laws see especially Prothero's *English Farming: Past and Present,* Ch. XII and Appendix III; Levi's *History of British Commerce* (Second edition, 1880), Part III, Ch. VIII, and Part IV, Chs. I, IV, reprinted in Rand's *Economic History Since 1763* (Fourth edition, 1903), Ch. IX; Day's *History of Commerce* (New Edition, 1916), Chs. XXXV, XXXVI; Ogg's *Economic Development of Modern Europe,* Ch. XII; Slater's *Making of Modern England,* pp. 136–148; McCulloch's *Commercial Dictionary* (New edition, 1850), pp. 411–450. See also Trevelyan's *The Life of John Bright,* Chs. IV, V, VI, on *The Battle of the Corn Laws,* containing an excellent account of the Corn Law repeal.

[42] *The Journal of the Royal Agricultural Society of England,* Second Series, Vol. V, pp. 186, 187, 190, 196, 197. See also McCulloch's *Commercial Dictionary* (New Edition, 1850), pp. 438, 439; and Prothero's *English Farming: Past and Present,* Appendix III, p. 441, which presents a tabulation of average prices of wheat in England and Wales from 1771 to 1911. A quarter is equivalent to eight bushels.

The first agricultural census of the United Kingdom was taken in 1867. Reliance must therefore be placed on estimates before that date which, though calculated with considerable care, are nevertheless somewhat at variance. For

average annual home production of wheat for the five-year period ending with 1859 was estimated at 16,000,000 quarters[43] which, together with the annual importations, supplied 21,000,000 quarters: the total amount available for home consumption. The United Kingdom had therefore by 1860 come to depend on foreign countries for one-fourth of the total supply of wheat required for a population of 29,000,000.[44]

The principal granaries of Great Britain were the United States, Russia, Germany, and France. To what extent, then, was Great Britain dependent on the American wheat supply during the years 1860 to 1865, and what effect did this dependence have on the attitude of that country toward the North in the critical period of the war? In answering this question it will be necessary to inquire into the condition of the British and continental harvests; how far the grain-raising States of the Northwest were able to respond to Great Britain's imperative needs; and to what extent this dependence on Northern wheat was recognized when intervention was seriously threatened.

the statistics used in this paper, which are for the United Kingdom as a whole, dependence has been placed chiefly on *The Journal of the Royal Agricultural Society of England* as the most reliable source of information. *The Economist* (London) has also been found to be very useful, especially for weekly reports of the wheat trade.

[43] *The Journal of the Royal Agricultural Society of England,* Second Series, Vol. IV, p. 396.

[44] For an excellent survey of the world's wheat supply from 1852 to 1868 (which includes the first agricultural census), see especially Lawes and Gilbert's *On the Home Produce, Imports, and Consumption of Wheat,* printed in *The Journal of the Royal Agricultural Society of England,* Second Series, Vol. IV, pp. 359–396; Evershed's *Variation in the Price and Supply of Wheat,* printed in *The Journal of the Royal Agricultural Society of England,* Second Series, Vol. V, pp. 153–262; and Caird's paper *On the Agricultural Statistics of the United Kingdom,* read before the Statistical Society in March, 1868, and printed in *The Merchants Magazine and Commercial Review* (edited by William B. Dana), Vol. 60, pp. 431–447.

The United Kingdom in 1860, 1861, and 1862 had a succession of crop failures. The wheat harvest of 1860 returned only 13,000,000 quarters, or 3,000,000 quarters below the general average for the two preceding years. In 1861 occurred one of the worst crop failures in the history of the country, when production fell to 11,000,000 quarters, while in 1862 the harvest amounted to only 12,000,000 quarters.[45] During this three-year period Great Britain was therefore confronted with a huge deficit in her wheat supply. To provide the usual amount of food for the Nation required the importation of a quantity of wheat equal to nearly one-half of the supply needed.[46] Great Britain's dependence on foreign wheat was therefore accentuated to a degree hitherto unknown. The wheat exporting countries of continental Europe, however, failed Great Britain in the hour of need. Imports from Russia and Prussia remained steady, but these two countries were unable to respond to Great Britain's greatly increased demands.[47] Imports from France suffered a sharp falling off, owing to crop failures in 1861 and 1862.[48] Nor were Egypt and the South American countries able to furnish sufficient wheat to meet the short-

[45] See *The Journal of the Royal Agricultural Society of England*, Second Series, Vol. IV, pp. 392–396, for tables giving estimated amounts of home production, imports, and consumption of wheat for England and Wales, Scotland, Great Britain, Ireland, and the United Kingdom respectively. See especially Table V for the United Kingdom which summarizes preceding tables.

[46] Whereas in 1854–1855 and 1855–1856 the imports supplied but 17 per cent of the estimated average annual requirements of wheat for the United Kingdom, in 1860–1861 they supplied 53 per cent; in 1861–1862 they furnished 47 per cent; and in 1862–1863 they amounted to 45 per cent of the total annual requirements. These figures are for the harvest years from September 1 to August 31. See *The Journal of the Royal Agricultural Society of England*, Second Series, Vol. IV, p. 385.

[47] *The Journal of the Royal Agricultural Society of England*, Second Series, Vol. V, pp. 163–165, 187, 188, 196, 197, 198–218.

[48] *The Journal of the Royal Agricultural Society of England*, Second Series, Vol. V, pp. 159–163, 196, 197, 225, 226.

age.[49] It was the United States alone that was able to supply the deficiency.

The United States had already by 1860 become a great wheat-producing nation, with the prospect of becoming the successful competitor in the world's markets. The development of water transportation and the extension of railroads into the Middle West opened up this region as the great wheat emporium of the world.[50] The production of wheat increased from 100,000,000 bushels in 1849 to 173,000,000 bushels in 1859 — an increase of seventy-three per cent in the decade preceding the threatened disruption of the Union.[51] Of this amount, the free States and Territories contributed 142,000,000 bushels, or eighty-two per cent, while the seceding States contributed only 31,000,000 bushels, or eighteen per cent, as their share of the wheat harvest in 1859.[52] By far the greater proportion of the wheat crop was marketed at home, the rising industrial centers consuming increasing quantities from year to year, and the southern States purchasing on an average about 10,000,000 bushels annually from the North in the decade ending with 1860.[53]

The Civil War cut off the southern market and thus left

[49] *The Journal of the Royal Agricultural Society of England,* Second Series, Vol. V, pp. 165–176, 196, 197, 218–225, 226–238, 240–244.

[50] *Eighth Census of the United States,* volume on Agriculture (published in 1864), pp. xxix–xlv. This is a valuable source of information on wheat production in the United States by States and geographic divisions for the decennial years, 1850 and 1860. See especially pp. xli–xliv on "Wheat Growing in the West". See also pp. cxxxv, cxxxvi.

[51] *Eighth Census of the United States,* volume on Agriculture (published in 1864), pp. xxix–xxxi.

[52] Calculated from the returns of the *Eighth Census of the United States,* volume on Agriculture (1864), pp. xxix–xxxi. See also *Compendium of the Ninth Census,* p. 695; and *Report of the Commissioner of Agriculture,* 1862, p. 548.

[53] See *Report of the New York Produce Exchange,* 1875–1876, p. 324.

the North with a rapidly accumulating surplus, which now became available for shipment to England. Moreover, the high prices of wheat in the fifties, due in large measure to the Crimean War and the consequent interruption of the wheat supply from southern Russia, continued to rule throughout the war period,[54] with the result that the increased production of wheat was greatly stimulated. The enlistment of hundreds of thousands of men in the army, not to mention the great overland migration to the western gold fields during these years, threatened the grain-raising States with a serious shortage of farm labor. This deficiency, however, was more than counterbalanced by the popularization of improved farm machinery, the work of women and children in the fields, and immigration from foreign countries and from the eastern and the border States.[55]

Agriculture, as a matter of fact, expanded and prospered

[54] The annual average export prices of American wheat during the eleven-year period 1855 to 1865, inclusive, were as follows:

Year	Price	Year	Price
1855	$1.66	1861	$1.23
1856	1.85	1862	1.14
1857	1.53	1863	1.29
1858	1.02	1864	1.33
1859	.95	1865	1.95
1860	.98		

See *Annual Report on the Foreign Commerce and Navigation of the United States* (Treasury Department), 1890, p. xxii; *Annual Report of the Commissioner of Agriculture*, 1868, p. 48. For annual average prices of British wheat imports during the same period, see Prothero's *English Farming: Past and Present*, p. 441. See also Table II, accompanying this paper, in which there is listed the average price of wheat per quarter for the years 1858 to 1865, inclusive.

[55] See Fite's *Agricultural Development of the West during the Civil War* in *The Quarterly Journal of Economics*, Vol. XX, pp. 259–278. This article is reprinted in substantially the same form as Chapter I in the same author's *Industrial and Social Conditions in the North during the Civil War*, and contains an excellent survey of the agricultural development of the West during the war period.

during the war period. The forces which had already begun to revolutionize agriculture, transforming it from a primitive, pioneer, self-sufficing industry into a highly complex business, organized on a capitalistic commercial basis, were all brought into play by the exigencies of the war.[56] In no line of agricultural production was this expansion more self-evident than in the wheat-growing industry. The loyal States and Territories increased the total production of wheat from 142,000,000 bushels in 1859 to 187,000,000 in 1862; while in 1863, the banner year of the war period, the harvests returned 191,000,000 bushels.[57] This increased production of wheat immediately reflected itself in the export trade, which suddenly mounted from 17,000,000 bushels in 1860 to 53,000,000 bushels in 1861, reached 62,000,000 bushels in 1862, and still remained at the high figure of 58,000,000 bushels in 1863.[58] Almost the entire shipment of wheat and flour went to England.

British importations rose rapidly (see Table II), increasing from an annual average of 5,000,000 quarters to 7,334,000 quarters in 1860, to 8,618,000 quarters in 1861, and finally to 11,548,000 quarters in 1862. Whereas the United States supplied only 11.2 per cent of Great Britain's wheat imports in the two years 1858 and 1859, in 1860 this country supplied 29.2 per cent; in 1861, 41.5 per cent; in 1862, 43.5 per cent; and in 1863 the United

[56] The agricultural revolution in the United States dates from the Civil War to the close of the century. The forces contributing to this revolution were: (a) a liberal land policy: free homesteads after 1862; (b) improved labor saving machinery; (c) extension of transportation facilities; (d) foreign immigration; (e) development of domestic and foreign markets; and (f) agricultural societies and fairs; farmers' organizations; and agricultural journals, colleges, and experiment stations.

[57] *Annual Report of the Commissioner of Agriculture*, 1862, pp. 577–587; 1863, p. 599.

[58] *Annual Report of the Commissioner of Agriculture*, 1868, p. 47.

TABLE II

QUANTITIES OF WHEAT AND FLOUR (REDUCED TO QUARTERS) IMPORTED INTO THE UNITED KINGDOM; AND THE AVERAGE PRICE[59]

COUNTRIES	1858	1859	1860	1861	1862	1863	1864	1865
	QUARTERS	QUARTERS	QUARTERS	QUARTERS	QUARTERS	QUARTERS	QUARTERS	QUARTERS
Russia:								
Northern ports	160,000	204,000	233,000	161,000	155,000	155,000	310,000	195,000
Southern ports	452,000	681,000	1,082,000	885,000	1,172,000	891,000	880,000	1,672,000
Prussia	629,000	772,000	1,151,000	1,029,000	1,451,000	1,020,000	1,148,000	1,266,000
Hanse Towns	203,000	152,000	252,000	294,000	230,000	680,000	209,000	183,000
France	1,283,000	1,867,000	1,052,000	314,000	452,000	428,000	658,000	1,398,000
Egypt	465,000	377,000	198,000	340,000	726,000	536,000	84,000	2,000
United States	1,099,000	99,000	2,143,000	3,602,000	5,022,000	2,739,000	2,325,000	945,000
Other Countries	1,052,000	799,000	1,233,000	1,993,000	2,304,000	679,000	1,041,000	302,000
Total Quarters	5,343,000	4,951,000	7,334,000	8,618.000	11,548,000	7,128,000	6,655,000	5,963,000
Average Price per Quarter	44s. 2d.	43s. 9d.	53s. 3d.	55s. 4d.	55s. 5d.	44s. 9d.	40 s. 2d.	41s. 10d.

[59] *The Journal of the Royal Agricultural Society of England*, Second Series, Vol. V, pp. 196, 197.

States still supplied 38.4 per cent of Great Britain's imports, which totalled over 7,000,000 quarters. Or taking the three-year period from 1861 to 1863, inclusive, the United States supplied nearly forty-one per cent of Great Britain's wheat and flour imports. It will therefore be readily seen that Great Britain's dependence on American wheat was most acute when the cotton famine was at its height; for while Southern cotton was withheld from shipment to England, Northern wheat supplied the deficits in bread stuffs which other Nations were unable to furnish. These facts go to show that wheat was an economic weapon of considerable weight in the hands of the Federal government just at the time when recognition of the Confederacy was proposed as a remedy for the cotton famine; for while recognition might have enabled England to procure cotton, it would have involved risk of war with the North and the consequent cutting off of the bread supply.[60] That this fact did not escape the attention of the English government is clearly evident from the emphasis accorded to the wheat situation by the leading journals and public men of the time.

[60] The United States Commissioner of Agriculture emphasized the fundamental importance of wheat in the prosecution of the war in the following terms:

"The existing rebellion demands that we should look at the corn and wheat crops together. From the corn is produced most of our meats. Unitedly they form the breadstuffs and meats which now have such a controlling influence at home and abroad. Unitedly, too, they stand arrayed against the kingly prerogatives of cotton, and, therefore, against that rebellion which seeks to overthrow a Union which, so wisely and advantageously, has heretofore bound together in peace all interest.

"The great staple in our exportation of breadstuffs is wheat.

. . . . . .

"The exportation of wheat and flour to Europe has continued to increase for many years, until it is certain that its dependence on us is permanent, varying, of course, as to the amount, according as the crops of Great Britain and the continent may be greater or less."—*Annual Report of the Commissioner of Agriculture*, 1862, p. 548.

The Journal of the Royal Agricultural Society of England called attention to England's increasing dependence on foreign wheat; it emphasized the uncertainty of the continental supply, owing to the unsettled political and economic conditions then prevailing throughout Europe; and it reminded its readers that the United States possessed superior advantages for supplying the markets of the world.[61] *The Economist,* while according much space to cotton, recognized the primary importance of wheat in an editorial which appeared on October 25, 1862, just when the cotton situation was most serious. After reviewing in detail the development of the corn trade, it observed that this was "one of the most remarkable, perhaps the most remarkable commercial fact of modern times. As respects the mass of the people, it is little to say that their comfort is enhanced by these vast importations, for the truth is that without such importations our people could not exist at all. If we could not subsist our population without foreign aid in 1847, we certainly can not subsist them in 1862."[62] *The Mark Lane Express,* one of the leading agricultural journals of the country, took a similar view of the food situation, but expressed the fear that the United States could not supply England's needs, owing to reduction of the

[61] See Lawes and Gilbert's *On the Home Produce, Imports, and Consumption of Wheat* in *The Journal of the Royal Agricultural Society of England,* Second Series, Vol. IV, pp. 359–396; and Evershed's *Variation in the Price and Supply of Wheat* in *The Journal of the Royal Agricultural Society of England,* Second Series, Vol. V, pp. 153–262. See especially the Appendix to the latter article, pp. 198–262, which gives the British consular reports on the foreign agriculture during the war period.

[62] Quoted from an editorial with valuable statistics on "The Immense Present Importation of Corn", in *The Economist* (London), Vol. XX, No. 1000, October 25, 1862, pp. 1179–1180.

See also letters on *The Wheat Supply* by "Ceres", "Mark Lane", and "Old Broad Street", printed in *The Economist* (London), Vol. XX, No. 959, January 11, 1862, p. 33; No. 960, January 18, 1862, p. 61; No. 961, January 25, 1862, pp. 90, 91; No. 963, February 8, 1862, p. 145.

rural population by enlistments in the army and to the devastation of a considerable portion of the wheat-growing area; but the greatly increased importations from the northern States corrected this assumption.

No less significant were the observations of James Caird who traveled extensively through the rural districts of England and recorded his views of the food situation. In speaking before the Statistical Society in 1868 he referred to Great Britain's imperative need of foreign grain in past years and in the following terms emphasized wheat as the first article of necessity:

> The consumption of bread is very constant, ... everything must be given up before bread, ... bread being the staff of life, it must be had by the people whatever the price may be. This view is confirmed by inquiries which I have since made among some of the leading bakers in the most densely peopled quarters of Whitechapel in the east, and the Harrow Road in the northwest, one of whom has been 30 years in business, and has now three shops in a district entirely inhabited by the working classes. Their testimony is, that the consumption of bread is at present very large, for although dear, it is still the cheapest article of food within reach of the poor; the next substitute, potatoes, being scarce and very dear.[63]

Mr. Caird added that the "one circumstance which might severely affect us, would be a continued cessation of supplies from America. Of the 11,000,000 quarters we imported in 1862, she gave us five; and as the figures show, we have received for many years from her, on the average more than one-third of our yearly supply."[64]

[63] *The Merchant's Magazine and Commercial Review* (edited by William B. Dana), Vol. 60, pp. 437, 438. See also *The Economist* (London), Vol. XXI, No. 1057, November 28, 1863, p. 1317.

[64] *The Merchant's Magazine and Commercial Review* (edited by William B. Dana), Vol. 60, p. 440.

"Lastly, the consumption per head of the population will vary, not only according to the amount of employment, and to the price of wheat itself, but

While the press emphasized Great Britain's dependence on American wheat, leading public men of the country, such as Bright, Cobden, and Forster, did not fail to impress this fact upon the people and upon the governing authorities. In a speech delivered before the Manchester Chamber of Commerce on October 25, 1862, Mr. Cobden, in reviewing British foreign policy in relation to the cotton situation, called particular attention to the importance of American wheat in these significant terms:

> Recollect that half, at least, of all the exports from America come in ordinary times to this country. But our imports from America do not consist solely of cotton. It would be bad enough to keep out the cotton, to stop your spindles, and throw your work-people out of employment. But that is not all. You get an article even more important than your cotton from America — your food. In the last session of Parliament, an Hon. Member, himself an extensive miller and corn-dealer, moved for a return of the quantity of grain and flour for human food imported into this country from September of last year to June in the present year. His object was to show what would have been the effects on the supplies of food brought to this kingdom if the apprehension of war, in relation to the Trent affair, had unhappily been realized. Well, his estimate was, that the food imported from America between September of last year and June of this year was equal to the sustenance of between 3,000,000 and 4,000,000 of people for a whole twelve-month, and his remarks to me was . . . . that if that food had not been brought from America, all the money in Lombard street could not have purchased it elsewhere.[65]

to that of other consumable articles. If other food-stuffs are cheap a low price of wheat may but little increase its consumption; but if other articles are dear a relatively low price of wheat will increase its consumption. Again, if both wheat and other articles are dear, it may be a question whether the consumption of the first necessary of life — *bread* — will not be increased rather than diminished, to compensate for the necessary abstinence from, or limitation in the use of, the less absolutely essential food-stuffs.''— Quoted from Lawes and Gilbert's *On the Home Produce, Imports, and Consumption of Wheat* in *The Journal of the Royal Agricultural Society of England,* Second Series, Vol. IV, p. 380.

[65] *Speeches on Questions of Public Policy by Richard Cobden* (edited by John Bright and J. E. T. Rogers, 1880), pp. 457, 458.

Mr. Cobden further contended that Great Britain's power to interfere in the American war had been exaggerated; that the policy to be pursued by the North was in the hands of the great grain-raising States of the Mississippi Valley situated remote and inaccessible from the sea; and that if this region, populated by 12,000,000 people, was determined to continue the war "all the Powers of Europe could not reach that 'far West' to coerce it."[66] Bright spoke in a similar vein to large crowds of people, urging that it was for the material interest of England to remain neutral in the struggle. While, therefore, meetings were called to memorialize the government to recognize the independence of the Confederacy, such gatherings were counter-balanced by other meetings where it was pointed out that recognition would be a false step and that it would not bring to England's shores a single ship-load of cotton, unless followed up by intervention, which if adopted would mean war: a "war in favor of the Slave Confederacy of the South and against the free North and Northwest whence comes a large proportion of our imported corn."[67]

[66] "The policy to be pursued by the North will be decided by the elections in the great Western States: I mean the great grain-growing region of the Mississippi valley. If the States of Ohio, Michigan, Indiana, Illinois, Iowa, Wisconsin, and Minnesota — if those States determine to carry on this war — if they say, 'We will never make peace and give up the mouth of the Mississippi, which drains our 10,000 miles of navigable waters into the Gulf of Mexico; we will never make peace while that river is in the hands of a foreign Power',— why, all the Powers of Europe cannot reach that 'far West' to coerce it. It is 1,000 miles inland across the Rocky Mountains, or 1,000 miles up the Mississippi, with all its windings, before you get to that vast region — that region which is rich beyond all the rest of the world besides, peopled by ten or twelve million souls doubling in numbers every few years. It is that region which will be the depository in future of the wealth and numbers of that great Continent; and whatever the decision of that region is, New York, and New England, and Pennsylvania will agree with that decision." Quoted from Cobden's speech at Rochdale, October 29, 1862, printed in *Speeches on Questions of Public Policy* by Richard Cobden (edited by John Bright and J. E. T. Rogers, 1880), p. 469.

[67] Quoted from Watts's *Facts of the Cotton Famine* in Scherer's *Cotton as a World Power,* p. 279.

Nor was British dependence on American wheat ignored in the Parliamentary debates. On the very same day that the Roebuck Resolution was presented, Lord Robert Montague argued that intervention to be successful must exhaust every point in dispute. It was complicated, he said: first, by the slavery question; second, by the fact that the North had now become a great military power; third, by the prospect of the seas being covered with Alabamas and Floridas which the North would fit out to prey on English ships; and fourth, by the question of the grain supply. Regarding this latter question he said:

> We import largely of grain, our two chief sources of supply being Poland and the North West States of America. Was it likely that we should be able to get much from Poland under her present circumstances? No. Then we must rest mainly upon supplies from North America. But how would war affect that? Would not the distress in England be aggravated by a war with America? From the Northern States of America we received 5,500,000 quarters of corn, whereas from the north of Europe we received only 2,000,000. The total imported into England in 1861 was 16,094,914 quarters, of which more than one-third came from the North Western States — namely, Illinois, Michigan, Indiana, and Wisconsin — whose yearly available produce was not nearly exhausted by their exports.[68]

These facts led Lord Montague to add:

> If these states could find a market for their corn in England, it would promote a good feeling between them and Canada; but if this country went to war with America that good feeling would be prevented. In fact, a desire for alliance with us was already growing up in those States. By holding back from war those North Western States will force trade with us, through Canada; and perhaps, with that object, enter into close alliance with us, while the transit of the goods would be of material benefit to Canada; while by running

[68] Hansard's *Parliamentary Debates*, Third Series, Vol. 171, June 30, 1863, pp. 1794, 1795.

the risk of war we should be injuring ourselves commercially in the greatest degree.[69]

Mr. Forster stated that the Roebuck Resolution meant war; that the country at large was not in favor of war; and that unless the harvest was better than it promised to be, the sufferings of the people would be great indeed if they were deprived of the American wheat crop of this year. In the light of these facts, Mr. Forster begged the House of Commons to consider what the cost of a war for cotton would be in corn.[70]

Meanwhile events brought the Ministry to a clear realization of the fact that it was to Great Britain's interest to remain neutral throughout the continuance of the struggle. Northern resources now began to tell heavily against the South, thus foreshadowing the ultimate triumph of the Federal army and navy. The Emancipation Proclamation united Northern sentiment in favor of the prosecution of the war and strengthened the support of the Union cause among all classes of people in England. No less important was Mr. Adams' calm but firm and tactful insistence on the claims of the Union government, which won for himself and the cause which he represented the respect of British officialdom. But it was Northern wheat that may well be regarded as the decisive factor, counter-balancing the influence of cotton, in keeping the British government from recognizing the Confederacy.

That the wheat situation in England was a serious one can not be denied. It became a subject for detailed investigation, it received extended treatment in the leading journals of the time, and it was accorded considerable emphasis

[69] Hansard's *Parliamentary Debates*, Third Series, Vol. 171, June 30, 1863, p. 1795.

[70] Hansard's *Parliamentary Debates*, Third Series, Vol. 171, June 30, 1863, pp. 1812, 1813.

in public speeches and in the debates of Parliament. That the wheat situation must have exerted a profound influence on the government may reasonably be concluded from the evidence presented. The Ministry must have realized that a war for Southern cotton would have to be paid for in Northern wheat, which would in consequence be withheld from shipment to England, and that a food famine would entail more serious consequences for England than a cotton famine. The Ministry must, in short, have clearly understood what Bright and Cobden repeatedly urged — that it was for Great Britain's material interest to maintain a position of official neutrality. These are the facts which help to explain why Mr. Roebuck on July 13th — several days before the news of the Northern victories of Gettysburg and Vicksburg was received — decided to withdraw his resolution asking for the recognition of the Confederacy.[71] This action marks the turning point in Anglo-American diplomacy during the Civil War period. The danger of English intervention in behalf of the Confederacy now quickly passed away and Lord Palmerston hastened to state publicly that it was consonant with the interests and foreign policies of the British government to remain neutral in the American war.[72]

It will therefore be seen that Great Britain's dependence on the United States was greatly accentuated during the period of our civil conflict. The blockade of the Southern ports and the consequent interruption of the cotton supply occasioned widespread distress throughout the manufacturing districts, leading to a demand for the recognition of

[71] Hansard's *Parliamentary Debates*, Third Series, Vol. 172, July 13, 1863, p. 662.

[72] Hansard's *Parliamentary Debates*, Third Series, Vol. 172, July 13, 1863, pp. 668–672.

the Confederacy which the government appeared for a time hardly able to resist. It was while affairs thus hung in the balance that England's dependence on Northern wheat was most pronounced. When it is remembered that the question of an *adequate* and *cheap* food supply concerned the masses of the people to no less degree than did the question of the cotton supply, it may be seriously questioned whether the government would have ventured in the face of public opinion to recognize the Confederacy; for recognition implied forcible intervention and the risk of a war with the North and the consequent cutting off of the wheat supply when England could ill afford to do without it. Thus did economic forces contend for the mastery in the field of Anglo-American diplomacy during one of the most critical periods in the history of our foreign affairs. In this contest wheat won, demonstrating its importance as a world power of greater significance than cotton, which the South had by 1860 come to regard as an effective economic weapon with which it could bring England to its aid and thus establish its independence.

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