**(1832-1848)**

**The nullification crisis (civil war) avoided by compromise reductions tariff reduced (every four years) until reduction reaches 1816 level by 1848**

**KING COTTON and EUROPEANS ALLIANCES?**

Both Britain and France saw advantages in a divided union but pursued cautious policies toward both sides. The South believed “King Cotton” would induce European nations to give direct aid and recognition. The north wanted to prevent this recognition

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| Background | Outcome |
| Britain was sympathetic to the South….   1. Britain felt a kinship with the “aristocratic   south    2. **The Morrill Tariff (1862) hurt British**  **trade (review below)**    3. Britain hoped for an end to the American  democratic  experiment    4. Cotton 80% of British cotton came from the south | Though import to Britain and France, King  Cotton was  not enough to gain foreign  recognition **WHY?**   1. South has just be imported a bumper   crop in 1860     1. The Union blockade did not prevent   England from getting their cotton  – they also looked to India and  Egypt for alternative sources of cotton    3. The union threatened to suspend  shipments of much need wheat to Britain. |

A Brief Review of the Tariff Controversy

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| **The Economics of a Tariff**– (Hamiltonian Economics) revenue tariffs were enacted to help fund national debt, protective tariffs fueled sectional differences | |
| War of 1812 | The need for national defense - industrialization/armaments British seek to strangle infant U.S. industry with below-cost dumping first protective tariff passed by national minded Democratic-Republicans (1816)  constant increases (every four years) raises protection (1816-1832) |
| Tariff of Abominations  (1828) | Outgoing Q. Adams administration (Federalists/National Republicans) highest tariff to date stifles most foreign trade southern Democrats (South Carolina/Calhoun) blame tariff for farm recession nullification crisis threatens Union |
| Clay's Compromise  Tariffs  (1832-1848) | The nullification crisis (civil war) avoided by compromise reductions tariff reduced (every four years) until reduction reaches 1816 level by 1848 |
| **Morrill Tariff**  **(1862)** | Southern secession from Congress allows for northern wish-list legislation highest tariff to date offers war-time protection for Yankee industry.    30,000 acres of land for each Congressional representative granted to each state. Proceeds of land sales to be used to finance public colleges. |

**Foreign Entanglements**

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| **ISSUE** | **COMMENTS** |
| The Trent Affair, 1861 | The passenger ship RMS Trent was stopped by Union ships with CSA envoys to London who were sent North as prisoners of war. Lincoln chose to release the envoys, avoiding further conflict. |
| Laird Rams,  1863 | Potential crisis was avoided when the US minister to Britain persuaded Great Britain  to block the sale of the Laird Rams to CSA. |
| Maximillian Affair, 1863 | French troops overthrew Mexican government and install a puppet – Austrian Archduke Maximillan as Emperor of Mexico. Lincoln’s Reaction to situation protest but no action. |