square miles, with a population of over 9,000,000 and great natural resources. Its cotton was almost essential to the manufactories of the world ; in exchange for it every munition of war could be procured ; and it was hardly possible to blockade a coast over 3000 miles in length, on which the blockading force had but one port of refuge, and that about the middle of the line. Nevertheless President Lincoln issued his proclamation announcing the blockade of the Southern coast, a procla­mation from President Davis appearing with it, offering letters of marque and reprisal against the commerce of the United States to private vessels. The news brought out proclamations of neutrality from Great Britain and France, and, according to subsequent decisions of the Supreme Court, made the struggle a civil war, though the minority held that this did not occur legally until the Act of Con­gress of July 13, 1861, authorizing the president, in case of insurrection, to shut up ports and suspend commercial intercourse with the inhabitants of the revolted district.

1. The president found himself compelled to assume powers never granted to the executive authority, trusting to the subsequent action of Congress to validate his action. He had to raise and support armies and navies ; he even had to authorize seizures of necessary property, of rail­road and telegraph lines, arrests of suspected persons, and the suspension of the writ of *habeas corpus* in certain districts. Congress supported him, and proceeded in 1863 to give the president power to suspend the writ anywhere in the United States, which he proceeded to do (§ 115). The Supreme Court, after the war, decided that no branch of the Government had power to suspend the writ in districts where the courts were open,—that the *privilege* of the writ might be suspended as to persons properly involved in the war, but that the writ was still to issue, the court deciding whether the person came within the classes to whom the suspension applied. This decision, however, did not come until “arbitrary arrests,” as they were called, had been a feature of the entire war. A similar suspension of the writ took place in the Con­federate States.
2. When Congress met (July 4, 1861), the absence of Southern members had made it heavily Republican. It decided to consider no business but that connected with the war, authorized a loan and the raising of 500,000 volunteers, and made confiscation of property a penalty of rebellion. While it was in session the first serious battle of the war—Bull Run, or Manassas—took place (July 21), and resulted in the defeat of the Federal army. Both armies were as yet so ill-trained that the victors gained nothing from their success. In the west the battle of Wilson’s Creek, near Springfield, Mo. (August 10), was either a drawn battle or a Confederate victory; but here also the victors rather lost than gained ground after it. The captures of Fort Hatteras, N.C. (August 29), and Port Royal, S.C. (November 7), gave the blockading fleets two important harbours of refuge. The over-zealous action of a naval officer in taking the Confederate envoys Mason and Slidell out of a British mail-steamer sailing between two neutral ports almost brought about a collision between the United States and Great Britain in November. But the American precedents were all against the United States (§ 172), and the envoys were given up.
3. General M'Clellan (p. 789), in the early months of the war, had led a force of Western troops across the Ohio river, entered western Virginia, and beaten the Confederate armies in several battles. After the battle of Bull Run he was called to Washington and put in command of all the armies on the retirement of Scott. His genius for organization, and the unbounded confidence of the people in him, enabled him to form the troops at and near Washington into the first great army of the war —the army of the Potomac. It was held, however, too much in idleness to suit the eagerness of the people and the administration; and the dissatisfaction grew louder as the winter of 1861-62 passed away without any forward movement (§ 284).
4. If the army was idle, Congress was not. The broad-construction tendencies of the party showed them­selves more plainly as the war grew more serious ; there was an increasing disposition to cut every knot by legisla­tion, with less regard to the constitutionality of the legis­lation. A paper currency, commonly known as “green­backs,” was adopted and made legal tender (February 25, 1862). The first symptoms of a disposition to attack slavery appeared : slavery was prohibited in the District of Columbia and the Territories; the army was forbidden to surrender escaped slaves to their owners; and slaves of insurgents were ordered to be confiscated. In addition to a Homestead Act, giving public lands to actual settlers at reduced rates (§ 200), Congress began a further develop­ment of the system of granting public lands to railway corporations.
5. The railway system of the United States was but twenty years old in 1850 (§ 230), but it had begun to assume some consistency. The day of short and discon­nected lines had passed, and the connexions which were to develop into railway systems had appeared. Consoli­dation of smaller companies had begun ; the all-rail route across the State of New York was made up of more than a dozen original companies at its consolidation in 1853. The Erie Railway was formed in 1851 ; and another western route—the Pennsylvania—was formed in 1854. These were at least the germs of great trunk lines (§ 312). The cost of American railways has been only from one-half to one-fourth of the cost of European railways; but an invest­ment in a far western railway in 1850-60 was an extra- hazardous risk. Not only did social conditions make any form of business hazardous ; the new railway often had to enter a territory bare of population, and there create its own towns, farms, and traffic. Whether it could do so was so doubtful as to make additional inducements to capital necessary. The means attempted by Congress in 1850, in the case of the Illinois Central Railroad, was to grant public lands to the corporation, reserving to the United States the alternate sections. The expectation was that the railway, for the purpose of building up traffic, would sell lands to actual settlers at low rates, and that the value of the reserved lands would thus be increased. At first grants were made to the States for the benefit of the cor­porations ; the Act of 1862 made the grant directly to the corporation.
6. The vital military and political necessity of an immediate railway connexion with the Pacific coast was hardly open to doubt in 1862 ; but the necessity hardly justified the terms which were offered and taken. The Union Pacific Railroad was incorporated; the United States Government was to issue to it bonds, on the completion of each 40 miles, to the amount of §16,000 per mile, to be a first mortgage ; through Utah and Nevada, the aid was to be doubled, and for some 300 miles of mountain building to be trebled ; and, in addition to this, alternate sections of land were granted. The land-grant system, thus begun, was carried on in the cases of a large number of other roads, the largest single grants being those of 47,000,000 acres to the Northern Pacific (1864) and of 42,000,000 to the Atlantic and Pacific line (1866).
7. Specie payments had been suspended almost every­where towards the end of 1861 ; but the price of gold was but 102∙*5* at the beginning of 1862. About May its price in paper currency began to rise. It touched 170 during