寄稿論文

American Steam in the Mid-Nineteenth Century Pacific: The Case of Pacific Mail

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On New Year's Eve night in 1866, the commercial men of San Francisco gathered at a grand banquet to mark the next day's maiden voyage of the world's first permanent transpacific steamline. The new service, operated by the U.S. shipping conglomerate Pacific Mail, linked San Francisco to Yokohama, Shanghai, and Hong Kong. Though surprisingly neglected by historians of the nineteenth century, the inauguration of regular transpacific steam travel was as important to the era's revolution in global transport and communications as were the decade's more famous infrastructural achievements of the completion of the American transcontinental railroad and the cutting of the Suez Canal. Taken together, these three innovations revolutionized global communications and travel, creating what the *San Francisco Bulletin* called "a girdle of steam around the world."[1)]

The significance of the new steamline was not lost on the banqueters of San Francisco, who understood it in the nationalist terms of the augmentation of America's geopolitical significance and power in the Pacific. Many predicted that by creating "one continuous and undeviating line of steamship and railway from Asia to Europe," the American ports of "San Francisco and New York shall stand as two mighty portals on either side of the continent through which this affluent traffic must pass and at which it must pay tribute." "The Mail Line is an important American institution," declared the *Alta California*, "it will strengthen the trade and political eminence of the United States in Asia; it will induce many Americans to settle in China and Japan."[2)]

The attendees of the "Grand China Mail Banquet" were on to something in linking the expansion of American steam to the geopolitical rise of the United States. Late-nineteenth century imperialism was powered by the coal burning steam engines that brought hitherto distant peoples and markets into new, asymmetric power relationships. "Technology was fundamental in determining the actual shape and organization of imperial regimes," historians Tony Ballantyne and Antoinette Burton recently have argued, "as well as being at the heart of the debates over the political, moral, and spiritual consequences of empire building."[3)] The

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1) Quoted in *Daily Southern Cross*, Volume XXIII, Issue 2998, 5 March 1867.

2) *Alta California*, 1 January 1867.

3) Tony Ballantyne and Antoinette Burton, "Empires and the Reach of the Global," in Emily Rosenberg (ed.), *A World Connecting: 1870–1945*, ed. Emily Rosenberg (Cambridge, MA: Belknap Press of Harvard University Press, 2012), 352; Daniel R. Headrick, *The Tentacles of Progress: Technology Transfer in the Age of Imperialism, 1850–1940* (New York: Oxford University Press, 1988).

United States certainly followed this global script: both its domestic consolidation and outward thrust were conditioned by the development of new systems of steam transport. Indeed, the case of Pacific Mail, whose original service connected San Francisco to Panama City, reveals how continental nation-building and transpacific connections were inextricably entwined — in this case, through the haphazard growth of a steam transport company that evolved from a coastal service to a transpacific one.

The story of Pacific Mail shines an illuminating light on one of the most striking, and underappreciated, characteristics of U.S. foreign relations in the nineteenth century: its volatility. Steam companies rose and fell with frenetic regularity — and Pacific Mail was no exception. National subsidies to U.S. shipping lines and railroads similarly came and went. And with it all gyrated the overseas imperial footprint and cross-border networks of the United States. America's presence in the Pacific was notably shape-shifting: at various times expanding, contracting, and mutating as if it were a stress-ball in the hands of an anxious student on exam day. The steam network of Pacific Mail reveals the paradoxical and dynamic nature of America's position in the mid-nineteenth century Pacific: continental expansion thrust the United States across the sea, but the institutions and processes of national consolidation at times inhibited the outward projection of U.S. power.

What follows is a story in three acts. First, in the nationalist era of "manifest destiny" in the 1840s and 50s, Pacific Mail rapidly expanded its operations. This growth was fueled by federal subsidies and the booming traffic on the steam company's original route from Panama City to San Francisco. The shipping company soon established itself on the Atlantic side of the "Panama route," linking New York to Aspinwall (Panama). Pacific Mail became closely connected to the world's first transcontinental railroad, the 47-mile stretch across the Panamanian isthmus. Further federal support came from the Republican congresses of the Civil War era, which provided the subsidies that made possible the world's first transpacific steam service. By 1870, Pacific Mail was by far the largest U.S. oceanic steamshipping company. Indeed, it rivalled Britain's P&O as one of the world's largest shipping conglomerates.

But then, in the 1870s, the American steam company began to take on water — and here our story enters its second act. The domestic political and corporate financial fortunes of Pacific Mail rapidly took a turn for the worse, just as new foreign rivals emerged, not least the upstart Mitsubishi firm in Meiji Japan. By the end of the 1870s, the once dominant Pacific Mail had become something of a corporate zombie, kept afloat by non-compete payments from the mighty U.S. railroad networks and the income from its import business from East Asia to San Francisco. With this, we arrive at the final act of the story, one in which the old dreams of centralized, national expansion in the Pacific gave way to a far messier reality of transimperial competition and collaboration.

Steam and U.S. Expansion in the Pacific

Despite its origins as an Atlantic outpost of Europe, the Pacific ambitions of the United States were evident from its inception. The first American merchant vessel to enter Chinese waters, the *Empress of China*, departed from New York in 1784, the year after the United States achieved independence from Britain. The "old China trade" of the early nineteenth century, as the recent work of Dael Norwood has made clear, conditioned the economic development and imperial imagination of the United States in ways far more profound and diverse than has traditionally been assumed.[4] Transpacific connections, in short, long predated the age of steam. But this continuity should not obscure the fact that, around about the mid-1840s, the position of the United States in the Pacific underwent a sharp shift. The nature, scale, and diversity of America's Pacific connections rapidly increased, reverberating and intersecting with the economic and political development of the United States in unanticipated ways. The hitherto vast distance across the sea was suddenly bridged by new, multidirectional circuits of exchange.

Two factors explain this sudden intensification of transpacific connection in the 1840s. The first was America's burst of imperial expansion in the high age of antebellum "manifest destiny." The establishment of the U.S. continental empire — one that included Texas, Oregon, and California — during the presidency of James K. Polk forever transformed America's position in the Pacific. Now in possession of a fast-developing continental domain, complete with deep water ports on the Pacific coast (the most significant of which was San Francisco), the United States had become Pacific power. This was not some accidental by-product of U.S. expansion. Indeed, the aggressive diplomacy of the Polk administration was in part fueled by the objective of acquiring ports on the Pacific coast. "In reasserting Mr. Monroe's doctrine," Polk revealed in his diary in 1845, "I had California and the fine bay of San Francisco as much in view as Oregon."[5]

The second impetus for the rapid emergence of the United States in the Pacific was the technological revolution of steam power. Steam brought relative uniformity, regularity, and efficiency to what had been the higgedly-piggedly nature of sail. No longer would the unpredictable vicissitudes of wind powered shipping inhibit the outward projection of U.S. power. No longer would transpacific circuits be clogged up by the Pacific doldrums, nor stymied by the irregularities of "tramp" vessels that followed no fixed route. Indeed, steam demanded corporate rationalization and political bureaucratization: the high costs of shipbuilding required state support and access to stable capital markets; the fixed timetables

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[4] Dael Norwood, "Trading in Liberty: The Politics of the American China Trade, c. 1784–1862," PhD dissertation, Princeton University, 2012.

[5] Polk quoted in Jay Sexton, *The Monroe Doctrine: Empire and Nation in Nineteenth-Century America* (New York: Hill and Wang, 2011), 104; Norman A. Graebner, *Empire on the Pacific: A Study in American Continental Expansion* (New York: Ronald Press, 1955).

and maintenance requirements of steamship lines required diplomatic support in serviced ports; and, perhaps most of all, the voracious appetites of the era's engines — which devoured up to 50 tons of coal *per day* while on the high seas — necessitated new sources of fuel and supply chains to deliver them. Steam not only embedded the United States in the Pacific; it also conditioned the institutional development of the networks that deepened those connections.

These two sudden changes — U.S. dominion on the Pacific coast of North America and the expansion and bureaucratization of steam transport — ensured that the United States would no longer simply be a distant trading partner of the Far East, as it had been in the days of the old China trade. Henceforth, the fates of America and the Far East would become increasingly entangled. Americans quickly grasped the significance of the new context. They most often incorporated these new developments into nationalist frames. "Open up a highway through your country from New York to San Francisco," declared New York Whig William H. Seward in 1853. "Put your domain under cultivation, your ten thousand wheels of manufacture in motion. Multiply your ships, and send them forth to the East. The nation that draws most materials and provisions from the earth, and fabricates the most, and sells the most of productions and fabrics to foreign nations, must be, and will be, the great Power of the earth."[6] Commercial boosters of new steam lines and railways, such as Asa Whitney, who sought funding for an interlinked rail and shipping system that would make the United States "the great thoroughfare for all mankind," echoed Seward by linking the internal consolidation of America's continental dominion to the expansion of its commercial interests in Asia.[7]

The early history of the Pacific Mail Steamship Company, whose initial route serviced the Pacific coastline of North America, revealed how national integration and transpacific expansion went hand in glove in the 1840s. Pacific Mail's inaugural service that connected Panama City to San Francisco (with many points along the way, most notably Acapulco) was the product of three developments in the 1840s. The first was a spate of subsidies that Congress doled out to upstart steam lines in the mid-1840s. Modelled after the contracts produced by the British Lords of the Admiralty in the Victorian era, these federal subsidies creatively combined postal contracts, commercial interests, and strategic considerations (the steamships built with the federal funds were to be convertible to warships in times of hostility).[8] Pacific Mail would have never gotten off the ground without the nearly $4 million in federal subsidies it received between 1847–58 in exchange for the delivery of federal mails between Panama City and San Francisco.[9]

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6) Seward in *Congressional Globe*, 32nd Congress, 2nd Session, Appendix, 127.

7) Asa Whitney, *A Project for a Railroad to the Pacific* (New York, 1849).

8) John Hutchins, *The American Maritime Industries and Public Policy, 1789–1914: An Economic History* (Cambridge, MA: Harvard University Press, 1941), 350–1. For the foundational 1845 subsidies, see Congressional Globe, 28th, 2nd, 8 Jan 45, 105.

9) John H. Kemble, *The Panama Route, 1848–1869* (Berkeley: University of California Press, 1943). Figures from Thomas Rainey, *Ocean Steam Navigation and the Ocean Post* (New York: D. Appleton & Co., 1858), 167, 219; Hutchins, *American Maritime Industries*, 367–8.

But public funds weren't enough to finance the creation and operations of Pacific Mail. The second development that made possible the emergence of Pacific Mail was the maturation of capital markets on Wall Street. Pacific Mail's founding president, William Aspinwall, was a master at raising private funds from New York investment consortiums. This New York-born shipper and financier was the forerunner to the future railroad titans of the Gilded Age. Indeed, in addition to financing Pacific Mail, Aspinwall also owned a controlling interest in the successful (and unsubsidized) Panama Railroad company, which was funded entirely from private capital raised on Wall Street. Completed in 1855, the Panama Railroad revolutionized connections between the Atlantic and Pacific coasts of the United States. Under Aspinwall's leadership, Pacific Mail and the Panama Railroad were among the most profitable shares traded on Wall Street in the 1850s, doling out generous 25% dividends each year.

Here we arrive at a third explanation for the rise of Pacific Mail: the imperial policy of the United States. The shipping line and Panama Railroad would not have been operationalized, let alone profitable, without the support of the U.S. imperial state. The Bidlack-Mallarino Treaty, negotiated with Colombia in 1846, provided transit access. Soon, the United States established a coal depot at Taboga, just off the coast of Panama City. Meanwhile, in times of disorder the Marines were called in to stabilize the isthmian passageway. Such was the case during the Panamanian anti-American riots of the 1856 "Watermelon War."[10] It was in Panama in the 1850s where the United States pioneered its practices of informal imperialism. Steam catalyzed the formation of an informal imperial regime that looked similar to that practiced by the British in the ports and transit routes of a fast globalizing world economy.

The commercial success of the upstart Pacific Mail company in the 1850s could be measured in its dividends, escalating share price, and number of passengers it transported to San Francisco. Indeed, it appears that more migrants from New York arrived in California during the days of the gold rush via the Panamanian steam route than did in covered wagons through the overland South Pass.[11] Aspinwall's steam empire soon expanded, toppling a rival line (via Nicaragua) owned by Cornelius Vanderbilt, before then expanding its operations to the Atlantic. By 1860, Pacific Mail operated both sides of the Panama route: New York to Colon (or "Aspinwall, Panama" as Yankees called this American colony) along with its original San Francisco to Panama City route. Pacific Mail played an underappreciated role in the early integration of America's continental empire, as well as the establishment of what was a de facto American colony along the transit route in Panama.

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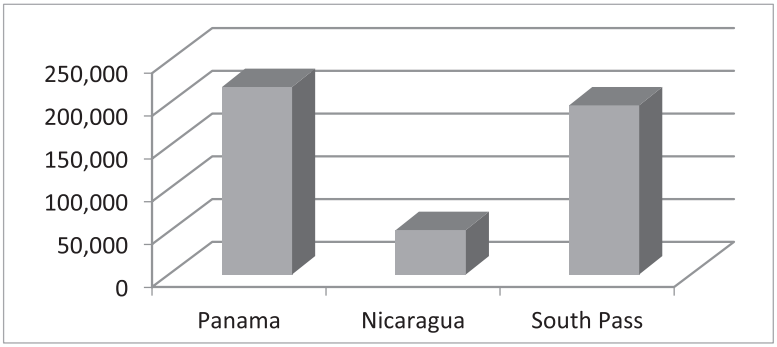
[10] Aims McGuinness, *Path of Empire: Panama and the California Gold Rush* (Ithaca: Cornell University Press, 2008).

[11] See, McGuinness, *Path of Empire*, 6–7; James Belich, *Replenishing the Earth*, 313. Precise data on migration patterns is difficult to come by, but see Karen Clay and Randall Jones, "Migrating to Riches? Evidence from the California Gold Rush," *Journal of Economic History*, 68:4 (December 2008), 997–1027.

Migrants to California[12)]

A Comparison of Routes, 1848–1860



Given the success of Pacific Mail's Panama operation, it is not surprising that steam boosters like Seward and Whitney called for the creation of a transpacific service that would connect China and Japan to California (and, via the existing Panama route, to the Atlantic coast). Such calls for U.S. transpacific steam often were presented in relation to the geostrategic competition against America's old enemy, Great Britain. For nationalist advocates of U.S. steam into the Pacific, Britain was at once a rival and a model. "We are second to England, indeed, but, nevertheless, how far are we not behind her in commerce and in extent of Empire!" Seward proclaimed in 1852, "What is to be regarded with more concern is, that England employs the steam engine even more vigorously and more universally than her military force. Steam engines, punctually departing and arriving between every one of her various possessions and her island seat of power, bring in the raw material for every manufacture and supplies for every want."[13)] The irony, however, was that U.S. entry into the commercial systems of new steam trading networks of the Far East depended upon British power. The 1844 Treaty of Wangxia, which secured the United States most favored nation status in China, was only possible because of the concessions that Britain had secured from the Qing at the conclusion of the Opium War of 1839–1842.

Early steam journeys to the Far East served to highlight America's dependence upon its former colonial master. When Commodore Perry's "black ships" steamed toward Japan on their commercial mission in 1853–4, they went along old British trade routes to have ready access to coal stores. Rather than using the Cape Horn route plied by the era's clipper ships, Perry's flagship, the 3,200-ton *Mississippi*, followed the trail of British coaling stations, stopping for

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[12)] John H. Kemble, *The Panama Route, 1848–1869* (Berkeley: University of California Press, 1943), 254; McGuinness, *Path of Empire*, 7.

[13)] William Henry Seward, *Commerce in the Pacific Ocean: Speech of William H. Seward, in the Senate of the United States, July 29, 1852* (Washington, DC, 1852).

fuel at Maderia, St. Helena, Mauritius, Ceylon, Singapore, Hong Kong, Macao, and Shanghai. In part because of this experience, Perry argued for the establishment of U.S. coaling stations in the Pacific. Impressed by the British possessions of Singapore and Hong Kong, Perry hoped to set up American counterparts in Keelung and the Bonin Islands. The Commodore even hoped that a small number of Americans would be moved to settle in these ports to foster the spread of U.S. commerce.[14)]

The immense logistical challenges of transpacific steam were readily apparent to American shippers and officials. What was required to overcome them was a set of entrepreneurial public-private partnerships that lay behind the Panama route's success: large federal subsidies to shipping lines, access to low-interest capital markets, and forward-looking imperial policies that secured coal supplies, structured diplomatic relations with foreign governments, and, when necessary, provided American commercial interests with naval power. But, apart from Commodore Perry's mission, the United States made little headway on these fronts in the Pacific in the late 1850s. Indeed, U.S. steam took a step backwards as the sectional crisis intensified. Paralyzed by the domestic conflict over slavery, the Democratic-controlled Congress allowed Pacific Mail's subsidy to lapse. Other U.S. steam transport initiatives dried up including the Collin's Line (the principal U.S. steam line that plied the New York — Liverpool route) and the proposed transcontinental railroad.

The Civil War constituted a watershed for American steam in the Pacific. The key development was politico-economic: the consolidation of Yankee power over the levers of the central state cleared the way through the domestic political thicket that had inhibited U.S. expansion and continental colonization during the sectionally rancorous days of the 1850s. The new Republican Party primed the pump for the colonization of the American West through the Homestead Act and the Pacific Railroad Act, which lent federal support for the long-planned transcontinental railroad. What was more was that the Republican Party moved away from the nativist politics of the Know-Nothings of the 1850s, instead embracing immigration — even from across the Pacific in the U.S.-Chinese Burlingame Treaty of 1868, which provided the West with the cheap labor it required to built its immense railroad network. Chinese labor played a central role to one of the most astonishing statistics in American history: already with more railroad miles than the rest of the world combined in 1860, the United States *doubled* its rail network in the post-war boom between 1865–73.[15)]

The same Civil War Republican congresses that lavished subsidies on the transcontinental railroads extended in 1865 an annual payment of $500,000 to Pacific Mail to inaugurate its transpacific line. Like the subsidies of the antebellum years, this one was linked to the delivery of mails. Pacific Mail now entered a frenetic period of expansion. Its operations in the port

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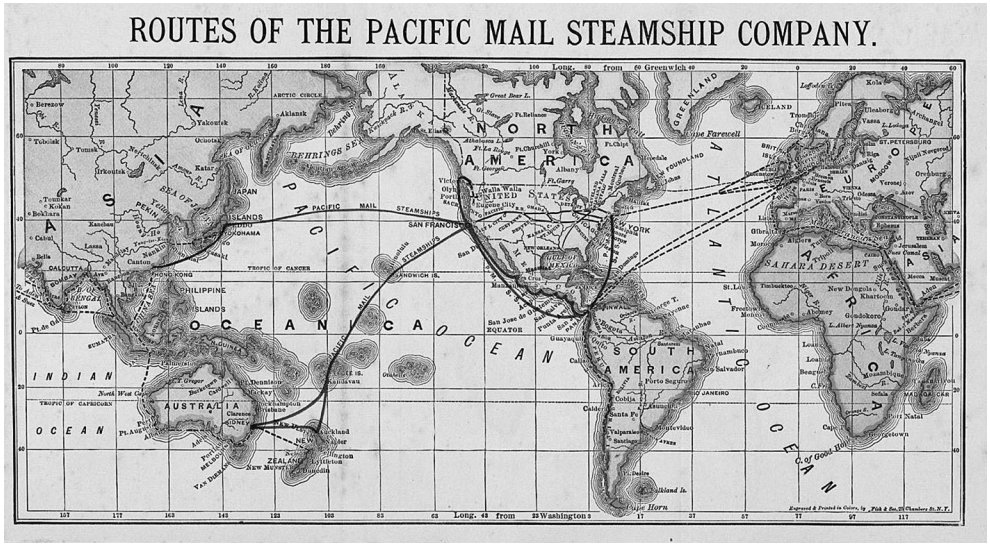
[14)] John H. Schroeder, *Matthew Calbraith Perry: Antebellum Sailor and Diplomat* (Annapolis: Naval Institute Press, 2001), 169, 195–6, 256–8.

[15)] Jay Sexton, *A Nation Forged by Crisis* (New York: Basic Books, 2018), 128.

of San Francisco expanded, including at its industrial shipyard in Benicia, the birthplace of Californian heavy industry.[16] Pacific Mail inaugurated two further services in East Asia: a Japanese coastal service, called the Hakodate line, which traversed Japan's coastline from Hakodate to Nagasaki, and also its Shanghai-Yokohoma line, which linked two of Asia's fastest growing ports. In 1875 Pacific Mail expanded southward, inaugurating a line that went from San Francisco to Hawaii and then down to Auckland, Sydney, and Melbourne.

Pacific Mail Steam Network at its 1870s Apex[17]



This rapid expansion demanded logistical innovation. The chief challenge concerned coal. Back in the 1850s, when the Panama route first boomed, Pacific Mail had taken steps to vertically integrate and rationalize coal supplies in order to avoid the vicissitudes of the open coal markets in San Francisco. The sister, sailing vessel arm of the Aspinwall shipping empire, Howland & Aspinwall, took over management of an Appalachian coal mine to meet the demands of Pacific Mail on the west coast, supplying and stockpiling coal at the company's principal stores in Taboga (off Panama), Acapulco, and San Francisco.[18] The steamship company followed a similar strategy of integrated expansion in East Asia during the 1860s. Under the leadership of company president Allan McLane, Pacific Mail stockpiled anthracite coals transported via sailing vessel from Appalachia in the company's facility in Yokohama.

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16) James P. Delgado, *To California by Sea: A Maritime History of the California Gold Rush* (Columbia: University of South Carolina Press, 1990), 132–141; Timothy G. Lynch, "Crucible of California Capitalism," *Southern California Quarterly*, 94:4 (Winter 2012), 410–22.

17) Bancroft Library Berkeley. p HE945.P2 P3 1870z

18) *Portsmouth Inquirer* (Ohio), 17 March 1851.

Such was the scale of coal delivery that Pacific Mail possessed the world's largest commercial supply of "black diamonds" in 1867.[19] Pacific Mail went further, lobbying the U.S. state to annex potential coaling stations. McLane was particularly interested in Brooks Island (now called Midway), which, he wrote to Secretary of the Navy Gideon Welles, "may possibly prove of early importance as a coaling station for this company's China steamships and the United States naval vessels cruising in those waters." Midway was soon annexed under the terms of the 1856 Guano Island Act. Once the island was in U.S. hands, Pacific Mail place on it an emergency coal store (which appears never to have been visited by a company vessel in the nineteenth century).[20]

Steam power, in sum, catalyzed an American "mission creep" into the Pacific. A subsidy started a transpacific steamline, which intensified coal production and distribution at home, which then necessitated the annexation of coaling stations and the creation of coal stores in foreign ports, above all in Yokohoma, which became Pacific Mail's East Asian hub. The U.S. navy was further drawn into Pacific affairs because of the expansion of steam power. It is no coincidence that one of the most aggressive acts of the U.S. Navy in the region, the 1871 punitive expedition to Korea, occurred in this initial phase of steam expansion. Nor was Pacific Mail the only U.S. steam entity operating in Asian waters. The largest steam company operating on the Yangtze River was the American Shanghai Steam Navigation Company.[21]

This was not a fully formed empire in the Pacific, but by 1870 the expansion of steam had prompted the United States to establish some of the foundations of its future power in the region. Pacific Mail spearheaded this expansion: by 1875 it serviced around 25 ports in Pacific waters, ranging from Shanghai to Panama, Melbourne to Vancouver. Everywhere Pacific Mail did business, it was represented by a branch office or freight agent. The American company owned, or rented, valuable wharfage and coal depots in all of the ports it serviced. Meanwhile, its institutional base at home similarly expanded. Pacific Mail's headquarters were located in an imposing, marble building on the corner of Wall Street and Hanover in New York. This was the company's "central brain," which possessed ultimate power over business strategy, as well managed relations with shareholders, rival lines, and politicians. But the New York office did not conduct most of the day to day operations. This was done by the office in San Francisco, one of the mightiest institutions in that city in its time. The volume of business handled here eventually required the construction of a grand, five-story building on the southeast corner of First and Market. It is often said that the United States lacked a

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19) Pacific Mail Steamship Company, *Annual Report, 1868* (New York, 1868). P&O kept on hand in the region of 90,000 tons of coal in this period. W. S. Lindsay, *History of Merchant Shipping and Ancient Commerce* vol. 4, 409.

20) For McLane's letter and the role of Pacific Mail in the annexation of Midway, see Senate Ex. Doc. No. 79, 40th Congress, 2d session.

21) David Pletcher, *The Diplomacy of Trade and Involvement: American Economic Expansion across the Pacific, 1784–1900* (Columbia: University of Missouri Press, 2001), 134–6, 179–193.

professional colonial bureaucracy in the nineteenth century. Into this void stepped the closest thing nineteenth century America had to an imperial Board of Trade: the public-private Pacific Mail conglomeration.

Running Out of Steam

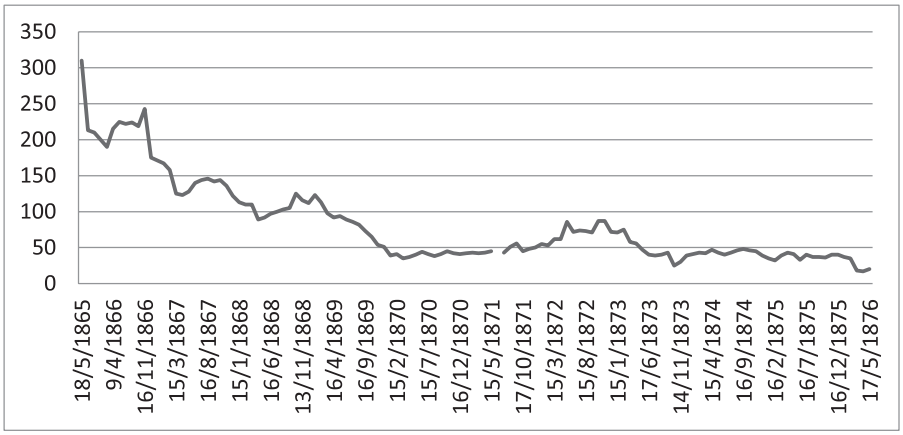
But then, in the mid-1870s, Pacific Mail's empire started to unravel. Like a steamer that runs out of coal on the high seas, the company idled and tread water for the final quarter of the nineteenth century. To be sure, it didn't take on water and sink: Pacific Mail continued to operate out of San Francisco its trunk lines to Panama City, East Asia, and Australasia. But the American company stopped expanding; indeed, it began a phase of managed decline, offloading assets and selling lucrative navigation rights to foreign shipping lines. This contraction was most striking in the size of its fleet: Pacific Mail operated 45 vessels in 1875; five years later, in 1880, it owned only 23. This decline was particularly pronounced in the Far East, where the once mighty U.S. company rapidly ceded market primacy to the upstart Mitsubishi conglomerate. What had happened?

Three developments explain why Pacific Mail stalled in the late nineteenth century. First, Pacific Mail endured more than its share of fires and shipwrecks. Of its initial four-vessel fleet of sidewheelers that plied the China route, two were lost within the first six years (including the *America*, which burned in Yokohama harbor, and the *Japan*, which killed some 400 Chinese steerage passengers after its forward coal bunker spontaneously combusted). The years 1872–74 were particularly disastrous, with Pacific Mail losing eight vessels.[22)] Luck was clearly not on Pacific Mail's side. But, as in sport, one could make their own luck in the steam business. The decision of Pacific Mail President Allan McLane in the mid-1860s to double down on the antiquated ship design of wooden-hulled, paddle-wheelers placed the company on the wrong end of technological innovation. The future lay with the iron-hulled, screw-propelled ships that were already in production in British shipyards. Perhaps McLane doesn't deserve all the blame, for U.S. shipyards were already finding themselves at competitive disadvantage to foreign rivals: high costs of labor, iron, and steel (the latter two thanks in part to the tariffs of the Republican Party) put American shipbuilders behind their foreign rivals, forcing them to stick with the wooden-hullers, despite the fire risks, because of the low shipbuilding costs (the product of America's abundant supply of cheap timber). Pacific Mail did unveil a new line of iron-hulled, screw-propelled steamers in the late 1870s. But, for the next decade or so, the bulk of the company's fleet would remain wooden-hulled sidewheelers, which had a poor safety record.

[22)] William Kooiman, "Grace's Pacific Mail, 1915–1925": PMSS upHE753.3p 3 pam (SF Maritime Archive) provides a list of major shipwrecks.

It is a testament to the unstable condition of Pacific Mail in the 1870s that its flammable, coal-devouring, wooden-hulled fleet was the least of its problems. The second challenge confronting the company in this period related to its domestic political fortunes, which took a dramatic turn for the worse. As we have seen, Pacific Mail relied upon state subsidies and mail contracts to turn a profit. Here, the U.S. company was not unique — nearly all long-haul steam services in the Victorian age required state support. Indeed, U.S. subsidies to American shipping lines were notoriously parsimonious when compared with the support Britain, France, Germany and Japan extended to their steam lines.[23] Pacific Mail argued that it was losing ground to its better subsidized foreign rivals, a lobbying campaign that prompted the Republican Congress of 1872 to double its subsidy in exchange for doubling the number its transpacific services. But this expansion and infusion of cash proved to be temporary. The Panic of 1873 was the gamechanger. The sudden fall in government revenues led to budget belt-tightening. A related development were the shock mid-term results of 1874, which placed the Democrats back in control of the House of Representatives for the first time since before the Civil War. The Democrats were suspicious of Pacific Mail's subsidies — indeed, they had been back in the late 1850s, as well. They organized a congressional investigation into Pacific Mail that unearthed a corruption scandal connected to the subsidy increase of 1872. It was not long before Congress cancelled the federal subsidy for Pacific Mail. The company was now in a perilous state: no subsidy and a sinking share price on Wall Street's volatile post-1873 capital markets.[24]

The Sinking Share Price of Pacific Mail[25]



[23] This theme is emphasized in Rainey, *Ocean Steam Navigation*. For comparisons of national subsidies, see William Wray, *Mitsubishi and the N.Y.K., 1870–1914: Business Strategy in the Japanese Shipping Industry* (Cambridge, MA: Harvard University Press, 1984), 491–504.

[24] For the Pacific Mail corruption scandal, see "China Mail-Service," 43rd Congress, 2nd Session, House Report No. 268.

[25] These share price data collected from *The New York Daily Tribune*.

Political opposition to Pacific Mail was not limited to Democrats in the House of Representatives. In California, anti-monopolist critiques of Pacific Mail seamlessly merged with rising sinophobic xenophobia. Groups like the "Anti-Coolie and Anti-Monopoly Association" targeted Pacific Mail as the source of these twin evils.[26] Pacific Mail was closely associated with Chinese immigration in California: its China line was by far the most popular passenger steamline available for immigrants from Hong Kong to San Francisco (indeed, for many years, it was the *only* regular steamline plying this route); much of its in-bound freight carried cargo consigned by Chinese merchants; and, in order to cut costs, it employed Chinese seamen and laborers, much to the chagrin of white seaman and dockworkers in San Francisco.[27] It is perhaps not a coincidence that one of Pacific Mail's former San Francisco dockworkers, Dennis Kearney, emerged as the most virulent opponent of the Chinese in California politics in the build-up to the Chinese Exclusion Act of 1882. "Either we must drive out the Chinese slave, and humble the bloated aristocrat, or we shall soon be slaves ourselves," Kearney declared with characteristic urgency, "There is no other solution to the problem. It is death or victory."[28] Pacific Mail's dock complex in San Francisco appears to have been targeted in the 1870s by "audacious mobs" who shared Kearney's views on the nexus between Pacific Mail and Chinese immigration.[29]

These critiques politically wounded the shipping company, leaving it vulnerable to the predations of its most dangerous domestic enemy: the U.S. transcontinental railroads, which, as Richard White has demonstrated, became the mightiest players in Gilded Age politics.[30] Having lost its federal subsidy and much of its market value, Pacific Mail was ripe for the taking by the U.S. transcontinental railroads. The source of this competition was the simple fact that the seaborne Panama route between San Francisco and New York could undercut the rates of the new overland transcontinental rail network between these two coastal termini. The Panama route was also surprisingly competitive when it came to time (because of timetabling considerations, it usually took freight, as opposed to passengers, three weeks to journey from New York to San Francisco via overland rail in this period — only a week or so faster than the Panama route). In his testimony before the Pacific Railway Commission, Charles Francis Adams of the Union Pacific admitted that Pacific Mail could reduce its rates "until it would

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26) "Memorial of the Anti-Coolie and Anti-Monopoly Association of San Francisco," *Sen. Mis. Doc. No. 34, 41st Congress, 2d Session*.

27) Justin Jackson, "'The Right Kind of Men': Flexible Capacity, Chinese Exclusion, and the Imperial Origins of Maritime Labor Reform in the United States, 1898–1905," *Labor: Studies in Working-Class History of the Americas*, 10:4 (2013), 39–60.

28) *The Labor Agitators; or, the Battle for Bread* (San Francisco: G.W. Greene, 1879), 4–5.

29) *Daily Evening Bulletin*, 26 July 1877; Robert J. Schwendinger, *Ocean of Bitter Dreams: Maritime Relations Between China and the United States, 1850–1915* (Tuscon: Westernlore Press, 1988), 100–1.

30) Richard White, *Railroaded: The Transcontinentals and the Making of Modern America* (New York: Norton, 2011).

make the business worthless to us, and yet making something itself."[31]

To be sure, the overland railroads wanted a viable transpacific steamline for the through-traffic from Asia to the U.S. east coast. But their bigger concern was being undercut by the Panama route. The transcontinentals thus did everything they could to neutralize Pacific Mail, without entirely killing it off so that they could profit from East Asian through-traffic: they won the battle for political support and subsidies in Washington; they destroyed the credit rating of Pacific Mail stock, only to then buy controlling shares of the company at cut-rates in order to put their lackeys on the board of directors; they established a rival transpacific line, the Occidental and Oriental Steamship Company, that engaged in rate wars if Pacific Mail proved uncooperative. Once Pacific Mail was weakened, the transcontinental railroads imposed non-compete clauses upon it in exchange for monthly subsidies that kept the shipping line afloat. These non-compete payments came at the price of Pacific Mail accepting the terms of the railroads, which constrained the business of the shipping line. The result of all this was that many of the steamers plying the Panama route in the late nineteenth century were half empty — and transcontinental passenger and freight rates were kept high. "The expanding power and influence of these great railroad corporations appears to know no limit," *The Nation* wrote as early as 1871, "they are not satisfied with the control of the land, they now seek the control of the sea as well."[32] Eventually, in 1893, Pacific Mail became a subsidiary of Collis Huntington's Southern Pacific Railroad empire. All of this was a reversal of the synergy between overland and transpacific expansion that had marked the 1840s and 50s: the interests of the continental railroads now inhibited the overseas business of America's largest oceanic shipping line.[33]

Here we arrive at the third explanation for the demise of Pacific Mail: its inability to keep pace with foreign competition. Britain's P&O escaped the fate of Pacific Mail when it retained its subsidy in the face of a cost-cutting Parliament in the late 1860s, thus fortifying its position as "the flagships of British imperialism."[34] It was P&O, not Pacific Mail, that become the pre-eminent shipping line in the Pacific in the late nineteenth century. A second, and more direct, competitor to Pacific Mail emerged from the rapidly industrializing Meiji Japan, which sought to wrest control of its coastal shipping away from the American steam company. The upstart Mitsubishi firm, in collaboration with the Meiji state, took the lead. Its founder Iwasaki Yatarō committed the firm, as he put in a company proclamation in 1875, to "recovering for

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[31] Testimony of Charles Francis Adams before the U.S. Pacific Railway Commission, 50th Congress, 110–11.

[32] *Nation*, 12 January 1871.

[33] For this sad story, see Edward R. Gundelfinger, "The Pacific Mail Steamship Company, 1847–1917: Its Relations with the Railroads," Thesis, University of California, 1917; John Haskell Kemble, 'The Transpacific Railroads, 1869–1915,' *Pacific Historical Review*, 18:3 (Aug. 1949), 331–43.

[34] Freda Harcourt, *Flagships of Imperialism: The P&O Company and the Politics of Empire from its Origins to 1867* (Manchester, 2006), esp. 205–220.

our country its navigation rights by eliminating the intrusion of Pacific Mail."[35]

Yatarō's message found much traction within an increasingly expansionist Meiji state. The new regime was so desirous of bolstering its sea power during the period of its 1874 incursion into Taiwan that it purchased the four Pacific Mail steamers that plied the Hakodate route. These reflagged vessels entered the service of the Meiji regime. Mitsubishi went further, buying out the American company's rights to the lucrative Yokohama-Shanghai service. The deal, a British observer at the time noted, "at once gave not only [Mitsubishi], but Japan itself, a standing among the trading nations in these seas. The Japanese flag was no longer confined to the coasts of Japan, but became familiar in the largest commercial emporium in the Far East."[36]

The days of American steam dominating Japanese coastal waters and regional connections were over. The fast-rising Mitsubishi conglomerate pioneered new methods of state collaboration and corporate vertical integration. Mitsubishi interests extended beyond shipping to maritime insurance, foreign exchange, and coal mining. In 1881 Mitsubishi assumed ownership of the Takashima mine, nearby its Nagasaki heavy industries, from which 44% of its overall profits would come between 1886 and 1892.[37] These profits from ownership of the region's major coal mine helped to lay the foundation for the rapid expansion at the turn of the century pursued by Mitsubishi's successor Nippon Yusen Kaisha (NYK), which, among other new long-haul routes, opened a transpacific line between Yokohama and Seattle in 1896 that competed with Pacific Mail's old Yokohama — San Francisco route.

Pacific Mail's Transimperial Turn

The Mitsubishi take over of Pacific Mail vessels and routes was an act of imperial transfer. In so being, it was part of a broader story of late-nineteenth century transimperialism — that is, the exchange, connectivity, and competition between the imperial formations of the Pacific.[38] The final phase of our story is one in which Pacific Mail's operations became increasingly transimperial in character. The declining domestic political and financial fortunes of Pacific Mail necessitated a shift in the company's business strategy. No longer able to count on consistent domestic support, Pacific Mail entered into new, transimperial arrangements with foreign governments and suppliers.

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[35] Wray, *Mitsubishi and the N.Y.K.*, 74.

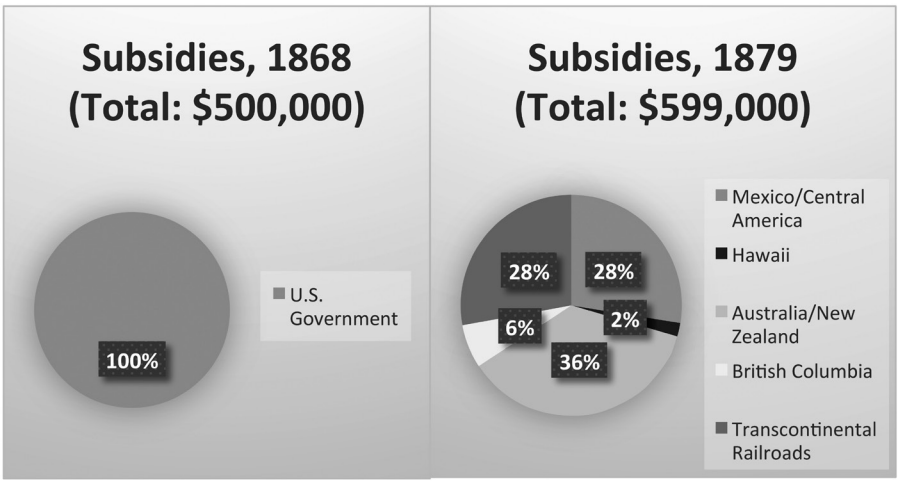
[36] Wray, *Mitsubishi and the N.Y.K.*, 42–53, 84–6; John Black, *Young Japan: Yokohama and Yedo, 1859–1879*, volume 2 (London: Trubner and Co., 1881), 454–5.

[37] Wray, *Mitsubishi and the N.Y.K.*, 254; John McMaster, "The Takashima Mine: British Capital and Japanese Industrialization," *The Business History Review*, 37:3 (Autumn, 1964), 217–39.

[38] For a discussion of "transimperialism," see Kristin Hoganson and Jay Sexton (eds.), *Crossing Empires: Taking U.S. History into Transimperial Terrain* (Durham: Duke University Press, 2020).

Nowhere was the transimperial turn of Pacific Mail more visible than in its changing subsidy portfolio. The company did not sit on its hands upon losing its federal subsidy. Instead, Pacific Mail scrambled to negotiate mail contracts and subsidies with the foreign (and often colonial) governments with which it did business. The most important subsidy came from the settler governments in Australia and New Zealand, which provided more than $200,000 per year to Pacific Mail to operate its new Australian Line. Complementing this payout were agreements with governments in Hawaii (a stop on the Australian line), in Mexico and Central America (for the multi-stop Panama route), and in British Columbia (for a new northern coastal branch line form San Francisco). When combined with the non-compete payments from the transcontinental railroads, Pacific Mail actually raked in more subsidy funds in 1879 than it had in 1868, as the below figure makes clear. Contracts with foreign and colonial governments deepened Pacific Mail's integration into imperial networks of exchange, not least because they resulted in American-flagged vessels carrying foreign mails and cargoes, as well as accessing port services and facilities in the Pacific.

Pacific Mail's Subsidy Portfolio[39)]



Pacific Mail's increased reliance upon global coal markets was another manifestation of its transimperial turn. By the mid-1870s, the national, vertically integrated coaling system conceived in the 1850s and 60s had unraveled. No longer would Pacific Mail and its auxiliaries, such as Howland & Aspinwall, carry American coals around the world to satisfy the insatiable appetites of its steamers. The company instead turned to Asian coal markets, in effect outsourcing and sub-contracting its fuel supply. Pacific Mail's Yokohama depot, which

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39) This chart's data comes from Pacific Mail Steamship Company, *Annual Report, 1868* (New York, 1868); Pacific Mail Steamship Company, *Annual Report, 1879* (New York, 1879); Senate Doc. 52, 54th Congress, 2nd Session, 11 January 1897 (for transcontinental agreements with Pacific Mail).

had previously been stocked with Appalachian anthracite, started in the early 1870s to house coal from East Asia and Australia.[40] Of particular note were coals from the Takashima mine near Nagasaki. Thanks to an infusion of British capital and mining expertise, the Takashima mine became one of the most important suppliers of "black diamonds" to the coal markets of East Asia, notwithstanding a catastrophic fire that briefly disrupted operations in the summer 1876.[41] As early as 1872, some 33% of the coal mined in Takashima ended up in the furnaces of vessels owned by Pacific Mail.[42] It was not just the Americans that used Takashima coals: P&O, Messageries Maritimes, and Mitsubishi all powered their vessels with these coals; even the Royal Navy, whose normal policy was to exclusively use Cardiff coal, began in the late-nineteenth century to fuel its steamers in the Far East with a mixture of 1/3 Takashima to 2/3 Cardiff.[43]

Japanese production transformed the coal markets of East Asia. In the late 1860s, nearly 80% of the coal sold in Shanghai was imported from Britain, Australia, or the United States (with the latter supplying only 7% of the total). By 1875 Japanese coal comprised more than half of that sold in Shanghai; fifteen years later Japan's share of supplying the market peaked at 77%. The story was similar in the other major coal market in the region, that of Hong Kong. In the span of the 1880s, Japanese coal jumped from constituting one-third of Hong Kong's market share to more than three-quarters. Japanese coal also fueled the steamship business in the Pacific in the late nineteenth century. Though generally of inferior quality to coals from Britain, those of Japan were always cheaper, a result of the geographic proximity which reduced freight rates (and hence the cost of coal in the market) and allowed supply to more nimbly respond to changes in demand. Takashima coal generally could be purchased in Hong Kong for $6 per ton; Welsh coal cost around $10. Pacific Mail became reliant not only on East Asian coals, but also East Asian labor, which provided the muscle both in the mines of Takashima and in the Asian ports which re-coaled U.S. vessels.[44]

The late nineteenth century history of Pacific Mail was characterized less by the type of national expansion that its boosters had envisaged in the 1850s and 60s than it was by

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[40] For Pacific Mail's coaling operations in this period, see the Fred E. Foster Papers in the Huntington Library, especially Foster to Babcock, 9 October 1878. See also S.F. Bus: Pacific Mail Steamship Lines Folder, San Francisco Public Library, San Francisco History Center, 6th floor.

[41] Olive and Sydney Checkland, "British and Japanese Economic Interaction under the Early Meiji: The Takashima Coal Mine 1868–88," *Business History*, 26:2, (1984), 139–155; John McMaster, "The Takashima Mine: British Capital and Japanese Industrialization," *The Business History Review*, 37:3 (Autumn, 1964), 217–39.

[42] Shinya Sugiyama, *Japan's Industrialization in the World Economy, 1859–1899: Export Trade and Overseas Competition* (Atlantic Highlands, N.J.: The Athlone Press, 1988), 193.

[43] Steven Gray, "Black Diamonds: Coal, the Royal Navy, and British Imperial Coaling Stations, circa 1870–1914," PhD dissertation, Warwick University, 2014, 151.

[44] Sugiyama, *Japan's Industrialization in the World Economy, 1859–1899*, esp. chapter 6. Coal figures in this paragraph draw from this chapter.

transimperial collaboration and interdependence. With the plans to create national coal depots on annexed islands for a nationally subsidized shipping line having not materialized, Pacific Mail turned to associative partnerships with foreign entities. These transimperial entanglements left their mark on the United States. Indeed, *contra* the dominant trend in U.S. historiography that emphasizes America's impact outside of its border, a case can be made that headline story of transpacific steam was how it changed the United States.

This was certainly the case when it came to the cargoes on Pacific Mail's steamers. The transpacific trade in the late-nineteenth century was asymmetric: the incoming traffic to San Francisco outpaced the outgoing. The cargo value of the import trade to San Francisco on transpacific services dwarfed that of the export trade by a factor of three. The disparity appears to have been similar with the passenger trade: the booming economy of California sucked in labor from East Asia, particularly from Hong Kong. The two trades — that of people and goods — were of course related. Many of the incoming goods to San Francisco were consignments from Asian merchants to meet consumer demands of migrant populations in California. One of the most valuable outgoing cargos from San Francisco were remittances from migrants back to their families in Asia in the form of treasure. Another significant outgoing cargo, as Elizabeth Sinn's recent work has made clear, were bones of deceased Chinese migrants that were shipped back for traditional burial.[45)]

Transpacific steam, in sum, brought Asia to America more than it projected America into Asia. Here Pacific Mail played a role similar to what it did with its Panama route: carrying migrants and goods into the "black hole" port of San Francisco, whose breakneck development devoured labor and resources. The post-1882 era of Chinese exclusion disrupted these transpacific flows, but did not end them. The Chinese Exclusion Act included exempt categories of Chinese, most notably merchants, educators, and their dependents, as well as left the door open for transpacific travel to those Chinese already resident in the United States. Indeed, by some counts the number of incoming Chinese on transpacific steamships increased in the decade after 1882. The immigration facility at Angel Island in San Francisco Bay would not be opened until 1910. Severing the Pacific connections forged by steam would require a more centralized and dirigiste state than that which existed in late nineteenth century America.[46)]

[45)] Elizabeth Sinn, *Pacific Crossing: California Gold, Chinese Migration, and the Making of Hong Kong* (Hong Kong: Hong Kong University Press, 2013) 265–296; John Haskell Kemble, "The Big Four at Sea: The History of the Occidental and Oriental Steamship Company," *Huntington Library Quarterly*, 3:3 (April 1940), 339–57.

[46)] Robert Eric Barde, *Immigration at the Godlen Gate: Passenger Ships, Exclusion, and Angel Island* (Westport, CT: Praeger, 2008), 12; Paul A. Kramer, "Empire against Exclusion in Early 20th Century Trans-Pacific History," *Nanzan Review of American Studies*, 33:1 (2011), 13–32; Erika Lee, "Defying Exclusion: Chinese Immigrants and Their Strategies During the Exclusion Era," in Sucheng Chan (ed.) *Chinese American Transnationalism: The Flow of People, Resources, and Ideas between China and America during the Exclusion Era* (Philadelphia: Temple University Press, 2006), 1–21.

Conclusion

The case of Pacific Mail casts a different light on the mid-nineteenth century position of the United States in the Pacific. Rather than the familiar story of an incrementally expanding American presence across the Pacific[47], the shifting fortunes of Pacific Mail illuminate a different arc: one in which the imperial political economy of the United States shifted from a nationalist, state-sponsored regime conceived in the antebellum era to a transimperial, semi-privatized system that took root in the 1870s. Here we see a different American empire than the one presented in the old studies of the New Left: one whose power tenuously rested on associative partnerships with other empires and — perhaps most significant of all — one in which the dominant direction of travel was not outward from an American metropole, but rather the incoming traffic to the world's quintessential "black hole" port of San Francisco, which soaked up power and labor from abroad like a thirsty sponge.

The legacies of Pacific Mail's haphazard growth and contraction extended beyond American shipping. The collapse of Pacific Mail's federal subsidy in the 1870s inaugurated an era in which the U.S. state largely withdrew its support from oceanic steamshipping. When the U.S. colonial outburst of 1898 came, America's Pacific shipping would have some fast catching up to do.[48] Yet, despite Pacific Mail's post-1873 retrenchment, its Pacific footprint – its route network, coal depots, and commercial relationships — remained a foundation of America's presence, and future power, in the region. Midway might have been of little use as a company coaling station, but it would become a strategic node of America's vast system of military bases in the twentieth century. Pacific Mail's transimperial associations created networks of interdependence, thus entangling the United States in Pacific affairs more than would have been the case had the United States maintained a more dirigiste model of state-supported and directed overseas commerce. Perhaps the ultimate lesson from the story of Pacific Mail is that once the United States became emmeshed in Pacific trade and migration, there was no going back.

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[47] Best told by the historians of the New Left, especially Walter LaFeber, *The New Empire: An Interpretation of American Expansion, 1860–1898* (Ithaca: Cornell University Press, 1963).

[48] For the quick catching-up the United States had to do in the realms of shipping and logistics in 1898, see Peter Shulman, *Coal and Empire: The Birth of Energy Security in Industrial America* (Baltimore: Johns Hopkins Press, 2015), 164–213.