

Birds and Bases

American Expansion under the Guano Act

On the day after Japan attacked Pearl Harbor, it began to shell and bomb other American possessions across the Pacific. Included in the first set of targets was a string of American bases and stations, including Baker, Howland, and Jarvis islands. Living on these islands were young Hawaiian men, sent there as part of the American Equatorial Islands Colonization Project. Their purpose, according to the US government, was to create a firm legal claim to the islands by providing a continuous American presence in the event of Japanese aggression. Replacing the “thin white line” of entrepreneurs from the previous century, this group also had a racialized dynamic. These small colonies were populated with Hawaiian men because, in the American imagination, only people from the South Pacific were suited to the climate. Success meant they survived until another wave of young men arrived to take their place. After Pearl Harbor, these “colonists” were trapped on the islands, without a means of escape.¹

This American colonial project of the 1930s was part of a much longer historical program to acquire islands like these as part of an expanding American Pacific empire. In the mid-nineteenth century, the United States began an aggressive campaign to acquire uninhabited islands in the Pacific. International Relations scholars usually ignore these acquisitions. After all, they were uninhabited. Scholars of imperialism, however, cannot ignore their importance. The United States not only acquired the territory, but populated it.

¹ “Hui Panalā‘au: Hawai‘ian Colonists in the Pacific, 1935–1942” (Manoa: University of Hawai‘i Center for Oral History, July 2006); Ty P. Kāwika Tengan, “Re-Membering Panalā‘au: Masculinities, Nation, and Empire in Hawai‘i and the Pacific,” *The Contemporary Pacific* 20, no. 1 (2008): 27–53; Ty P. Kāwika Tengan, “Of Colonization and Pono in Hawai‘i,” *Peace Review* 16, no. 2 (2004): 157–67. For an excellent overview, see Noelle Kahanu and Heather Giugni, *Under a Jarvis Moon* (Juniroa Productions, 2010).

Thousands of Pacific Islanders, Native Hawaiians, and African Americans were kidnapped or lured with false promises to the islands to shovel seabird droppings known as guano, which were used as fertilizer in the United States. The working conditions were horrendous. One American sailor who visited the guano islands wondered “how human beings could live in such a place and not go mad.”²

These islands suddenly became famous during the Pacific War. For many of the war’s pivotal sea battles, the central goal was to protect former guano islands. Most famously, the Battle of Midway – the turning point in the Pacific War – was fought over an old guano acquisition in the Pacific that had become a strategically important place to ambush the Japanese Navy. While IR scholars have overlooked the origins of the guano islands, the soldiers who fought in the war could not help but notice the origins of the islands as they hid in, navigated around, or reengineered the guano pits and other mining operations that still scarred the terrain.

Guano imperialism marked the first major commodity rush into the Pacific. Between 1850 and 1900, the United States claimed over a hundred islands across the world through the Guano Act of 1856. This plunged the United States into a seaborne competition for territory in the Pacific, vying against Australia, Chile, Ecuador, France, Germany, Japan, and Mexico. Under the terms of the Act, whenever an American citizen discovered an uninhabited, unclaimed island containing deposits of guano, that island would then “at the discretion of the President, be considered as appertaining to the United States” (48 U.S. Code §1411). At the time, no one quite understood what it meant to say an island “appertained” to the United States. Nonetheless, it was generally understood that the islands would be subject to US laws and regulations, and presidents could retain possession of the islands for as long as they saw fit.³

Why did the United States develop a guano empire? In the next section, we show that scholars have paid significant attention to state-led explanations for guano imperialism. Some argue that the state led the way into the Pacific to acquire fertilizer at the behest of American farmers; others emphasize naval lobbies. In both views, the state first expressed interest and then entrepreneurs followed. Rather than searching for a coherent state interest driving US foreign policy, this chapter presents evidence that entrepreneurs led the way into the Pacific. A sudden rise in guano prices led US entrepreneurs to search for guano, and threats to their interests from foreign competitors pushed them to ask for government protection.

Guano imperialism is essential for understanding the US entry in the Pacific. Of the islands discussed in this book, only Hawaii receives considerable

² Quoted in Christina Duffy Burnett, “The Edges of Empire and the Limits of Sovereignty: American Guano Islands,” *American Quarterly* 57, no. 3 (2005): 779–803, 788.

³ Gary Lawson and Guy Seidman, *The Constitution of Empire: Territorial Expansion and American Legal History* (New Haven, CT: Yale University Press, 2008), 98–99.

attention in the existing literature. This distorts the track record of America's Pacific imperialism. It shrinks the duration and reach of early American imperial adventures in the Pacific and, in doing so, dramatically limits the evidence available for understanding American foreign policy. One goal of this book is to open the empirical terrain and examine all acts of expansion (and nonexpansion) within the Pacific. This chapter is essential to that widening. Guano imperialism happened decades before other imperial acts and had a massive geographic sweep. To understand guano imperialism, we need to look for commonalities and compare it to later imperial actions. A careful analysis of guano imperialism shows the pattern that emerges from the three mechanisms described in Chapter 1 – price, threat to profits, and lobbying – are present as early as the 1850s, enlarging the size and scope of our account of empire.

This chapter begins by describing the period of booming guano prices, sometimes called “guano mania.” We describe how a period of high prices led entrepreneurs abroad. Second, we describe how one entrepreneur – Alfred J. Benson – sought out islands in order to profit from a spike in guano prices. We emphasize how threats to Benson's profits turned this entrepreneur into a lobbyist for imperialism. Finally, we show how Benson, hoping to protect this exhaustible resource, raised expectations of spectacular guano deposits in the Pacific and agitated policymakers in Washington to secure this resource. This lobby was successful. The Guano Act provided the legal basis for further expansion in the hopes of chasing high guano prices. With US protection assured, more entrepreneurs entered the Pacific searching for territory.

2.1 GUANO AND CONVENTIONAL EXPLANATIONS

Kenneth Shewmaker observed that the acquisition of guano islands would appear “so totally out of character as to defy explanation.”⁴ Scholars who study the guano islands have attempted to understand why the United States sought unclaimed and uninhabited islands in the Pacific at a time when the nation was still expanding across the continent. What made these barren rocks so attractive? This section reviews the strategic and economic factors scholars have suggested as explanations for why the United States sought out guano islands, showing that these explanations cannot account for the timing and location of American activity.

Scholars sometimes emphasize strategic motives for US interest in the guano islands. The strategic account focuses on William Seward, the senator who introduced the Guano Act. Michael Green, for example, describes Seward as an ambitious expansionist who was deeply concerned about the balance of power in Asia. In his account, Seward sought naval bases that could block British

⁴ Kenneth E. Shewmaker, “‘Untaught Diplomacy’: Daniel Webster and the Lobos Islands Controversy,” *Diplomatic History* 1, no. 4 (1977): 321–40, 321.

expansion from China into the Pacific.⁵ Such work suggests the Guano Act provided Seward with cover to pursue his expansionist agenda at a time when the United States was ambivalent toward overseas expansion.⁶ It also provided the US Navy with “stepping stones” across the Pacific.

Yet strategic interests do not explain American interest. There is little evidence that Seward believed the guano islands were important for naval bases. For example, in 1842, the Navy published its report of an extensive 4-year exploring expedition in Polynesia; some of the islands listed in the report would later become the guano islands, such as Baker, Howland, Canton, and Palmyra.⁷ The US Navy considered almost all these islands unsuitable for harbors and coaling stations.⁸ Midway Island was the exception that proved the rule. The US Navy briefly took possession of the island in 1867 for the purpose of establishing a coaling station but abandoned the project after it proved too costly. Throughout the rest of the nineteenth century, the island only seemed to attract poachers, shipwrecks, and a murder mystery novelist.⁹ The US Senate declared it “as bad a midway station as could be found and

⁵ Michael Green, *By More than Providence: Grand Strategy and American Power in the Asia Pacific since 1783* (Cambridge: Cambridge University Press, 2019), 60–62. For more on Seward, see Ernest N. Paolino, *The Foundations of the American Empire: William Henry Seward and U.S. Foreign Policy* (Ithaca, NY: Cornell University Press, 1973), 20–21.

⁶ See, for example, Burnett, “The Edges of Empire and the Limits of Sovereignty.” Also see Stephen McCullough, “U.S. Overseas Expansion in the Post-Civil War Era,” in Christos Frentzos and Antonio Thompson (eds.), *The Routledge Handbook of American Military and Diplomatic History* (New York: Routledge, 2013), 27–28; Walter Stahr, *Seward: Lincoln’s Indispensable Man* (New York: Simon and Schuster, 2012), 158–59; D. W. Meinig, *The Shaping of America: A Geographical Perspective on 500 Years of History, Vol. 2: Continental America, 1800–1867* (New Haven, CT: Yale University Press, 1995), 556; Jeffrey A. Geiger, *Facing the Pacific: Polynesia and the U.S. Imperial Imagination* (Honolulu, HI: University of Hawai’i Press, 2007), 47.

⁷ For more information, see Charles Wilkes, *Narrative of the United States Exploring Expedition during the Years 1838, 1839, 1840, 1841, 1842* (Philadelphia, PA: Lea and Blanchard, 1845).

⁸ Welles to Senate, U.S. Congress, Senate Executive Documents 79, 40th Congress, 2nd Session, July 26, 1868, p. 4. Also see Daniel Immerwahr, *How to Hide an Empire*, 81; Jimmy M. Skaggs, *The Great Guano Rush: Entrepreneurs and American Overseas Expansion* (New York: St. Martin’s Press, 1995), 115; Walter Nugent, *Habits of Empire: A History of American Expansionism* (New York: Vintage Books, 2009), 252.

⁹ David Neal Leff, *Uncle Sam’s Pacific Insets* (Stanford, CA: Stanford University, 1940), 15. The Navy was initially hopeful about developing Midway into a base and coaling station, receiving funds in 1869 to dredge a channel. The funds were insufficient and the project was abandoned. The island was deserted by its lone caretaker. See Resolution of Senate on practicability, expediency, and probable cost of deepening entrance to harbor of Midway islands in Pacific Ocean, Senate Committee on Naval Affairs, 40th U.S. Congress, 3rd Session, Senate Report 194, January 28, 1869. Midway later served as the backdrop in Robert Louis Stevenson and Lloyd Osbourne, *The Wrecker* (New York: C. Scribner’s Sons, 1895). Also see “Lonely Midway Islands,” *New York Times*, March 6, 1904.

could never be made a repair and equipment station.”¹⁰ This view did not change until after World War I.¹¹ Islands beyond Midway did not receive the attention of nineteenth-century strategic thinkers in the United States. Unlike the doomed Midway project, they were often thousands of miles from major sea lanes, sometimes surrounded by reefs, had no natural harbors, and had insufficient land for naval operations (see Map 2.1).

The geography and timing of acquisitions provide the most decisive evidence against any relationship between naval power and guano acquisitions. American naval enthusiasm in the late 1880s and 1890s is usually cited as an explanation for Pacific imperialism. Yet, this is decades after the primary period of US guano imperialism. Map 2.1 provides a visualization of the growth of American guano imperialism. Most acquisitions occur in the 1850s, decline in the 1860s, and barely exist in the 1880s and 1890s. This is precisely the opposite of what strategic explanations would expect. And these later acquisitions – such as Clipperton, Huon, and Starbuck – had no strategic significance. They are very far from nineteenth-century shipping lanes and saw no attention from military strategists, ever, as far as we can identify.

Economic explanations for guano imperialism often emphasize major domestic interest groups in the United States. These accounts typically claim the islands were valuable to American farmers. For instance, Daniel Immerwahr notes that guano was an effective fertilizer, so securing these islands was critical for sustaining agricultural productivity in the United States.¹² Walter Nugent agrees, stating that American farmers exerted pressure on the Peirce administration to secure an affordable supply of guano. The administration responded by helping pass the Guano Act of 1856. In sum, the guano islands “had no purpose except to ensure that their one asset, bird dung, was accessible (solely) to American farmers.”¹³ These explanations are similar to ours in emphasizing economic factors, but they differ because they concentrate on large businesses in the metropole, rather than small businesses on the periphery.

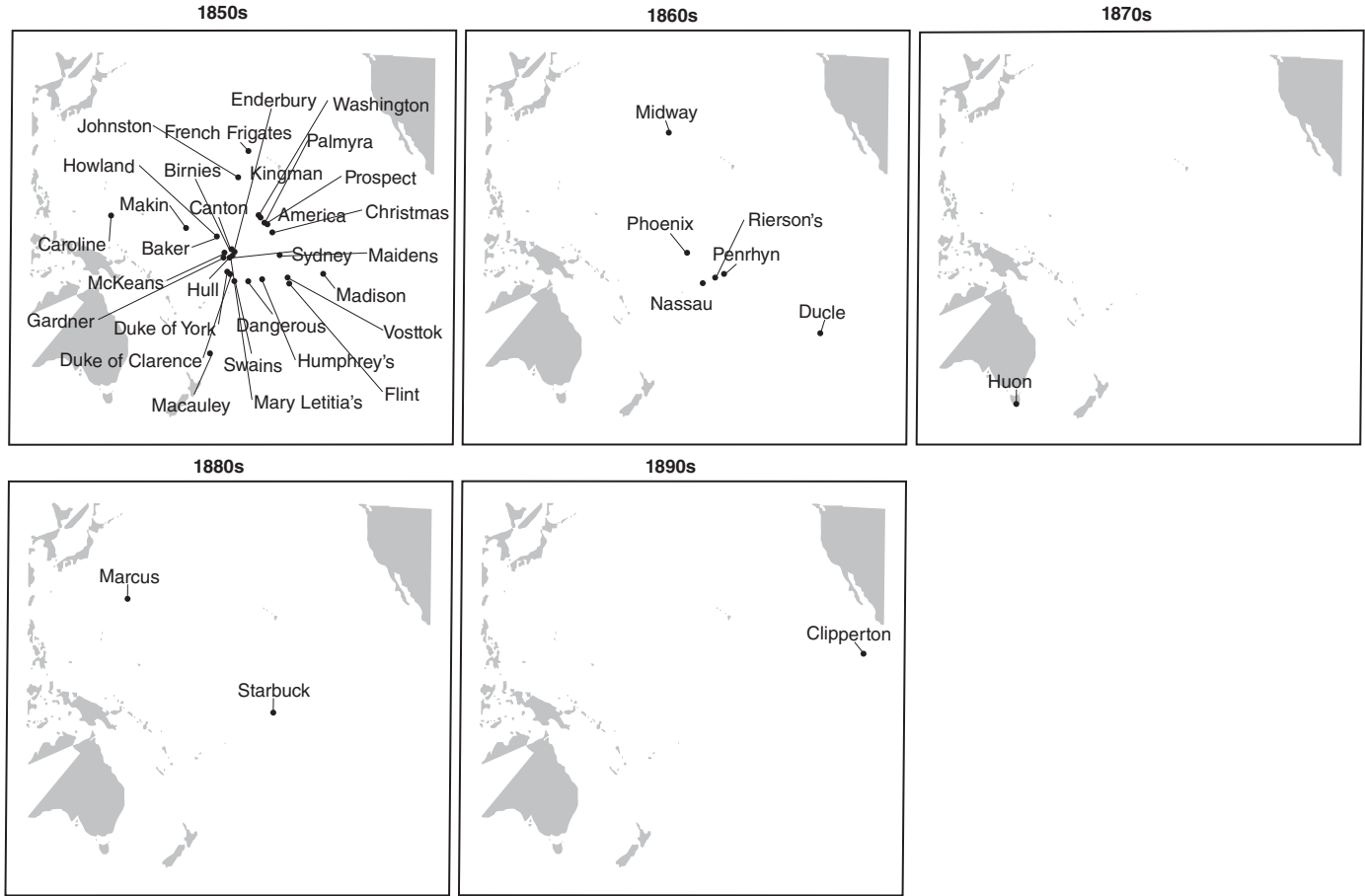
Theories that emphasize major American metropolitan interests are correct that farmers wanted guano; this chapter begins with this fact – guano mania – and how it seized the imagination of American farmers. But these theories cannot account for the turn in US foreign policy from trade to expansion as a strategy for obtaining fertilizer. Farmers in the United States primarily wanted

¹⁰ Communications from the Representatives of Certain Cable Companies in the United State Regarding the Cost of Laying a Pacific Cable (Senate Committee on Naval Affairs: 56th Congress, 1900), 15.

¹¹ Report on Survey of Welles Harbor, Midway Islands, House Committee on Rivers and Harbors, 40th U.S. Congress, 2nd Session, House Document 49, June 30, 1936; Karl F. Leuder, “Midway Is Ready as Pacific Airport,” *New York Times*, June 7, 1935.

¹² Immerwahr, *How to Hide an Empire*, ch. 3.

¹³ Nugent, *Habits of Empire*, 253. Relatedly, see Dan O’Donnell, “The Pacific Guano Islands: The Stirring of American Empire in the Pacific Ocean,” *Pacific Studies* 16, no. 1 (1993): 43–66.



MAP 2.1 Nineteenth-century American guano possessions by decade of claim. Data drawn from Skaggs, *The Great Guano Rush*.

to trade for guano with large guano-producing states, especially Peru; Pacific expansion was not originally part of the story.¹⁴ The shift to a territorial strategy emphasizing small claims was stunning and sudden. American Pacific guano claims were unlikely to have moved the needle on prices because they were smaller than South American sources and were originally viewed as low quality, or about “as valuable as bone dust” by analyses often read by American farmers.¹⁵ The claims also required a revolution in American foreign policy thinking. The Guano Act, as Senator William P. Fessenden of Maine observed at the time, “is something of a novel experiment” and “a very new kind of legislation, never known before.”¹⁶ Economic explanations emphasizing farmers’ interests, in sum, cannot explain the focus on seizing new territories. It was simply not on the agenda.

2.2 THE SEARCH FOR GUANO

The central argument of this section is that rising guano prices led American entrepreneurs abroad. As explained in the last chapter, this price mechanism provides evidence that entrepreneurs, rather than the state, led the way into the Pacific. We now test the price mechanism. The first section reviews the sharp increase in guano prices and how they seized the entrepreneurial imagination. The next section tests the effects of this on entrepreneurs’ decisions to locate abroad by examining American entrepreneurial activity following passage of the Guano Act. The Guano Act required entrepreneurs to file claims with the US government, which means we can directly examine the relationship between prices and entrepreneurial activity.

2.2.1 Guano Mania

The demand for fertilizers rose dramatically in the early nineteenth century. Agriculture was a relatively unsophisticated industry in the mid-nineteenth century. American farmers practiced primitive agricultural techniques that eroded the soil and led to declining agricultural productivity.¹⁷ Farmers

¹⁴ Weymouth T. Jordan, “The Peruvian Guano Gospel in the Old South,” *Agricultural History* 24, no. 4 (1950): 211–21. Also see R. S. F., “Statistics of Guano,” *Journal of the American Geographical and Statistical Society* 1, no. 6 (1859): 181–89. D. J. Browne, “Guano, Its History, Sources, Qualities, and Applications,” U.S. Congress, Senate Executive Documents 42, 33rd Congress, 2nd Session, 1855, 90–102.

¹⁵ Quote from Gregory T. Cushman, *Guano and the Opening of the Pacific World: A Global Ecological History* (Cambridge: Cambridge University Press, 2013), 83. Also see J. D. Hague, “On Phosphatic Guano Islands of the Pacific Ocean,” *American Journal of Science and Arts* 34, no. 101 (1862): 2–21.

¹⁶ *Congressional Globe*, 24th Congress, 1st Session, July 20, 1856, 1699.

¹⁷ L. C. Gray and Esther Katherine Thompson, *History of Agriculture in the Southern United States to 1860*, Carnegie Institution 430 (Washington, DC: The Carnegie institution of Washington,

desperately sought solutions for “soil exhaustion.”¹⁸ They experimented with various fertilizers: animal manures, putrefied animal remains, ash, blood, bones, cotton seeds, fresh urine, “night soil” (human excrement), and many others.¹⁹ Guano excited American farmers the most. Peru used calcified piles of seabird droppings, which were found in its Chincha Islands, sometimes in piles more than one hundred feet high.²⁰ While indigenous Peruvians traditionally used guano as a fertilizer, it was mostly unknown to the rest of the world. The Peruvian government nationalized ownership of its guano reserves in the hopes of starting an export trade and charging royalties on its extraction.²¹ Samples turned up in North America and Europe and elicited favorable reviews in the agricultural press.²² The editor of the *American Farmer* received a sample of this “celebrated manure used in South America” from his son-in-law and discovered its “astonishing fertilizing properties” (p. 316).²³

1933), 800; Avery Craven, *Soil Exhaustion as a Factor in the Agricultural History of Virginia and Maryland, 1606–1860* (Urbana IL: University of Illinois, 1925), 11. On fertilizers, see Gray and Thompson, *History of Agriculture in the Southern United States to 1860*, 800–1; W. Claggett, “Manures,” *The Cultivator*, vol. 1, p. 29, March 1834. Farmers did not practice crop diversification or rotation. The prevailing view of crop rotation was to turn old fields out to “rest” without sowing for one or more vegetative cycles. Rosser H. Taylor, “Fertilizers and Farming in the Southeast, 1840–1950: Part I: 1840–1900,” *The North Carolina Historical Review* 30, no. 3 (1953): 305–28, 306.

¹⁸ Data on declining agricultural productivity is not available. At the time, “soil exhaustion” conventionally meant land that no longer yields adequate crops through loss of fertility. See William Chandler Bagley, *Soil Exhaustion and the Civil War* (Washington, DC: American Council on Public Affairs, 1942), 1. Westward migration also exacerbated declining agricultural productivity. Competition between Eastern and Western farmers led to overproduction, which depressed commodity prices. As a result, individual farmers yielded fewer crops and received less money. See Steven Stoll, *Larding the Lean Earth: Soil and Society in Nineteenth-Century America* (New York: Hill and Wang, 2003).

¹⁹ Skaggs, *The Great Guano Rush*, 3.

²⁰ Alanson Nash, “Peruvian Guano: An Account of the Guano Trade at the Chincha Islands on the Coast of Peru,” in *Transactions of the American Institute of the City of New York for the Year 1856* (Albany, NY: C. Van Benthuyzen, 1857), 224.

²¹ Cushman, *Guano and the Opening of the Pacific World*, ch. 2; Skaggs, *The Great Guano Rush*, 9–10.

²² On the emergence of the agricultural press, see Clarence Henry Danhof, *Change in Agriculture: The Northern United States, 1820–1870* (Cambridge, MA: Harvard University Press, 1969), 55–60.

²³ John Skinner, “Guano,” *The American Farmer*, 316–17, December 24, 1824. Skinner had the sample analyzed by a professor of agricultural chemistry. The professor reported the sample possessed carbon, nitrogen, and phosphorus, all of which are important for plant growth. He also reported the sample “has a saline taste, and a slight castoreum odor. Exposed to the fire, it blackens and emits strong ammoniacal fumes, as observed by Sir H. Davy” (emphasis ours). Overall, the professor concluded it to be “a powerful manure,” so long as farmers could bear its “strong ammoniacal smell, which . . . would cause those unaccustomed to its neighborhood to be incessantly sneezing.”

The guano trade picked up in 1844, and the American agricultural press developed a mania for the product.²⁴ Pages were filled with testimonials of guano's "magical" properties in producing crops on "worn-out land, long considered worthless [...] where not a return for the seed sown could have been expected before."²⁵ Lands that produced 3 to 5 bushels of wheat per acre now promised 20 to 25 bushels; similar results were found with corn and tobacco.²⁶ Urban legends also spread: Cucumber seeds fertilized with guano grew so fast that their vines almost killed a farmer, "fast curling about him, like a serpent"; a farm boy fell asleep on some bags of guano stored in a barn and woke up "a giant eight feet tall"; and cockroaches aboard a ship carrying guano "became so large that they could get up sail on the brig."²⁷

Guano quickly became an important import within the United States.²⁸ Southern farmers accepted testimonials of Peruvian guano's fertilizing properties as "gospel" and pushed the agricultural press for further information concerning its price, availability, and proper use.²⁹ Demand spread from ports along the Atlantic to the Gulf, from tobacco farmers in Virginia to cotton plantation owners in Louisiana.³⁰ Precise data on demand are not available because the Department of the Treasury did not track imports of guano until 1847. However, available data suggest guano was being used more widely each succeeding year. The total amount of guano imported into the United States rose from 66,000 tons throughout the 1840s to one million tons in the 1850s.³¹

²⁴ Jordan, "The Peruvian Guano Gospel in the Old South," 216.

²⁵ For example, *The American Farmer* made 76 references to Guano in 1845 and 85 in 1851. See Skaggs, *The Great Guano Rush*, 8.

²⁶ A. Davis, "History and Uses of Guano – Its Management, and How far Applicable to the South," *DeBow's Review*, 1852, 628; Solon Robinson, *Guano: A Treatise of Practical Information for Farmers: Containing Plain Directions How to Apply Peruvian Guano to the Various Crops and Soils of America* (New York: Messrs. F. Barreda & Brother, 1853). Similar examples are detailed in Jordan, "The Peruvian Guano Gospel in the Old South."

²⁷ *The American Magazine*, vol. 1, no. 2, November 1851, 113; *Daily Alabama Journal* (Montgomery), April 9, 1853 cited in Jordan, "The Peruvian Guano Gospel in the Old South," 221. "Astonishing Effects of Guano," *The Southern Cultivator*, May 1857.

²⁸ Gray and Thompson, *History of Agriculture in the Southern United States to 1860*, 701.

²⁹ Taylor, "Fertilizers and Farming in the Southeast, 1840–1950: Part I: 1840–1900," 307–9; Jordan, "The Peruvian Guano Gospel in the Old South," 216.

³⁰ Direct importation of guano occurred at ports in Baltimore, New York, Boston, Philadelphia, Charleston, New Orleans, Passamaquoddy, New Bedford, New London, Fairfield, Washington, DC, Richmond, Alexandria, Plymouth, and Mobile. Guano was not as widely used in the lower south as in Maryland and Virginia. See Gray and Thompson, *History of Agriculture in the Southern United States to 1860*, 805; "Statistics of the Guano Trade," *Hunt's Merchant Magazine and Commercial Review*, April 1856, 450; Davis, "History and Uses of Guano – Its Management, and How far Applicable to the South"; Jordan, "The Peruvian Guano Gospel in the Old South."

³¹ Frank Roy Rutter, *South American Trade of Baltimore* (Baltimore, MD: Johns Hopkins Press, 1897), 43; "Statistics of the Guano Trade," 450.

Much of this came from Peru. Annual imports of Peruvian guano tripled in less than a decade.³²

Yet, the surge in guano imports could not keep pace with demand. Guano was an extractive commodity: The supply was finite and limited geographically to arid, barren islands.³³ Moreover, the Peruvian government had a monopoly on production, tightly controlling its exports of guano to profit from its extraction over the long term.³⁴ Peru also faced production delays. For example, there was a “want of power of loading at the [Chincha] islands,” causing the demand for guano to exceed the means of export.³⁵ Farmers besieged their representatives in Washington with complaints – about inadequate supply, irregular deliveries, and high prices – asking the government to help them reduce the cost of guano.³⁶

Guano mania is important for our argument because it drove prices sky high but did not in itself create a drive for expansion. The price of guano rose sharply, as explained in more detail in the next section. This provided the impetus for American entrepreneurs to travel abroad. Yet, this was not a state-led expansion. The initial US response was trade, not territorial expansion. This focus on imports was underscored by President Fillmore in the State of the Union when he promised “to employ all the means” in his power to have guano “imported into the country at a reasonable price.”³⁷ By this, he meant convincing Peru to speed the export of guano to the United States.

2.3 RISING PRICES AND EXPANSION

The rise in guano prices stimulated entrepreneurs – not the US government – to begin looking abroad for islands to mine guano. The last chapter describes this as the price mechanism. When prices rise for commodities that cannot be grown

³² Rutter, *South American Trade of Baltimore*, 43; “Statistics of Agriculture,” *Hunt’s Merchant Magazine and Commercial Review*, 1859, 645.

³³ D. J. Browne “Guano, Its History, Sources, Qualities, and Applications”, U.S. Congress, Senate Executive Documents 42, 33rd Congress, 2d Session, 1855, 90–102. Skaggs, *The Great Guano Rush*, 4.

³⁴ Cushman, *Guano and the Opening of the Pacific World*, 59.

³⁵ W. M. Mathew, *The House of Gibbs and the Peruvian Guano Monopoly* (London: Royal Historical Society, 1981), 249–53. One account suggests American demand for guano was four times as much as what was commercially available in the United States. Rutter, *South American Trade of Baltimore*, 44.

³⁶ U.S. Senate, *Report of the Secretary of State in Answer to a Resolution of the Senate, Respecting the Trade in Guano*, 31st Cong., 1st Sess., 1850, S. Exec. Doc. No. 59, Serial 561; U.S. House of Representatives, *President Transmitting a Report on Negotiations with Peru for Removal of Restrictions on Exportation of Guano*, 33rd Cong., 1st Sess., 1853, H.R. Exec. Doc. No. 70, Serial 723. Also see Shewmaker, “Untaught Diplomacy,” 323; Skaggs, *The Great Guano Rush*, 11; Taylor, “Fertilizers and Farming in the Southeast, 1840–1950: Part I: 1840–1900,” 308.

³⁷ Millard Fillmore, “First State of the Union Address,” 2 Dec. 1950. The American Presidency Project, www.presidency.ucs.edu/documents/first-annual-message-7.

or mined in US territories, entrepreneurs look for islands on which to locate operations abroad. This section examines broad patterns of land acquisition to show that price increases led to the claiming of territory.

The primary period of US acquisitions of guano claims occurred between 1856 and 1869 (see Figure 2.1). During this time, the price of guano per ton went through two major cycles, rising to \$65 on the eve of the Civil War, falling during the war, and then rising to \$70 after the war ended.³⁸ American entrepreneurs saw an opportunity to profit off this “white gold” and began to scour the world for guano, importing bird droppings from Africa, the Atlantic islands off the coast of Spain, Central America, the Caribbean, and, more importantly, the Pacific Ocean.³⁹

To demonstrate that the rise in price stimulated entrepreneurship in the Pacific, we examine the timing of Pacific claims by American entrepreneurs. If our theory is correct, the number of claims made by American entrepreneurs should correlate with price. To evaluate this argument, we use Skagg’s inventory of guano island claims and subtract two from the claim year (e.g., we presume a claim from 1858 was initiated in 1856). We do so because most claims took several years to process and were often preceded by voyages to the islands. Our argument is tied to when entrepreneurs invested time and resources in the islands – which preceded recognition of the claim – and thus presuming a brief lag is important. To measure prices, we use data from the London market because of limits to the US price time series, which did not regularly collect guano prices.⁴⁰

Consistent with our expectations, as guano prices increased, the number of acquisitions also increased. Figure 2.1 shows how guano prices and acquisitions unfolded. Recall that most guano acquisitions occurred in the 1850s and steadily declined until the end of the century. The period where most Pacific acquisitions occurred, 1856 to 1869, is shaded gray. This was also the time of rising guano prices; the price of guano was above the median for the nineteenth century. Conversely, acquisitions became infrequent once guano prices began to decline in 1869. The rise of artificial fertilizers decreased demand for guano, causing entrepreneurs to lose interest in the commodity. Moreover, almost all sources of guano in the Pacific had been discovered by the 1870s. The Guano Act did remain law, and some entrepreneurs still filed claims. Nonetheless, claims were much less frequent after 1869 than those before 1869. The rate of acquisition dramatically declined as prices fell. The 1850s – the period of the

³⁸ Some farmers began to use less guano per acre because of the high price. However, the decrease in use put no downward pressure on the price, because the number of farmers using guano continued to increase each year. William Bollinger, “Textiles, Guano and Railroads: The Role of the United States in the Early Development Failures of Peru, 1818–1876” (UCLA, 2012), 375.

³⁹ D. J. Browne, “Guano, Its History, Sources, Qualities, and Applications,” U.S. Congress, Senate Executive Documents 42, 33rd Congress, 2d Session, 1855, 91.

⁴⁰ *Ibid.*

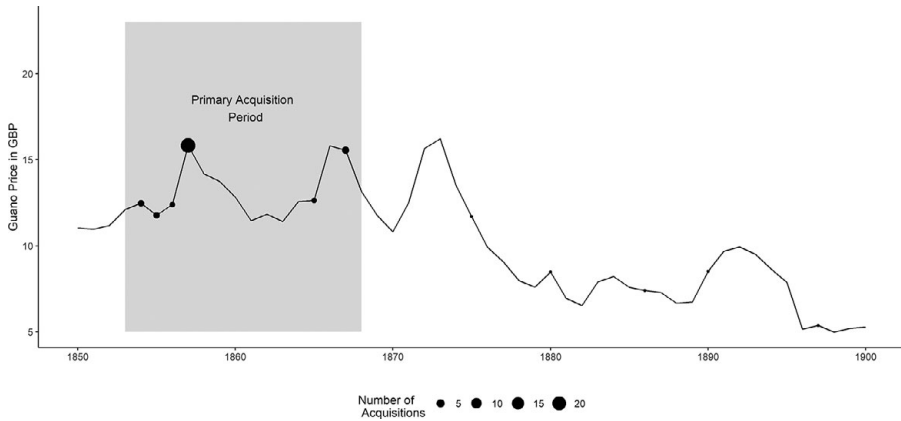


FIGURE 2.1 Guano price and acquisitions over time.⁴¹

sharpest price increase – saw a growth in acquisitions, which was larger than that during later periods by 1,000 to 2,000 percent.

Second, we find that the relationship between guano prices and entrepreneurship is not geographically confined to the Pacific. As we described in Chapter 1, some scholars have attributed Pacific imperialism to factors specific to the Pacific Ocean, such as naval power or Chinese markets. These theories would expect entrepreneurial interest in the Pacific guano islands to be conditional on these factors. If entrepreneurial interest was conditional on these factors, then we should expect the relationship between guano prices and claims to be specific to the Pacific during this period.⁴² Yet an inspection of islands in other regions, such as the Atlantic, Gulf of Mexico, and the Caribbean shows the same relationship between guano prices and acquisitions. Table 2.1 shows the same trend as in Map 2.1 and Figure 2.1. The pace of expansion outside the Pacific in the 1850s – when prices were higher – is much faster than that in subsequent decades. This is powerful evidence that alternative explanations have limited explanatory power for the US guano empire.

The guano islands render an excellent opportunity to study the price mechanism directly. They are the only instance in which American entrepreneurs had to register claims abroad in the middle of the nineteenth century. Evidence for the period shows that entrepreneurs reacted to guano mania by starting

⁴¹ Price data from Giovanni Federico and Antonio Tena-Junguito, “World Trade, 1800–1938: A New Synthesis,” *Revista de Historia Económica – Journal of Iberian and Latin American Economic History* 37, no. 1 (2019): 9–41. Acquisition data from Skaggs, *The Great Guano Rush*.

⁴² A similar argument is suggested by Roy Franklin Nichols, *Advance Agents of American Destiny* (Philadelphia, PA: University of Pennsylvania Press, 1956), 175.

TABLE 2.1 *Number of Pacific and non-Pacific guano acquisitions, by decade.*⁴³

Decade	Non-Pacific	Pacific
1850s	10	31
1860s	5	6
1870s	2	1
1880s	2	2
1890s	0	1
1900s	1	0

enterprises abroad and requesting the United States to claim the territory on their behalf. These incentives drove empire.

In the rest of the chapter, we step back a few decades in time. Statistical evidence presented so far comes from data collected *after* the Guano Act of 1856. While this evidence clearly demonstrates the price mechanism, qualitative evidence is necessary to explain how the Guano Act came into being, that is, why were guano miners interested in US protection and how did they secure protection in the form of imperialism. In other words, the economic threat and lobbying mechanisms require a different approach, focusing on the period *before* 1856, when there was no policy protecting guano miners' investments.

2.4 CREATING A GUANO LOBBY

The previous section described a growing guano mania in the United States that drove prices higher in the 1850s and early 1860s and how this sparked entrepreneurial interest in seizing territory abroad. This account explained the price mechanism of our argument. We now turn to the threat mechanism. Specifically, we ask why guano miners turned from entrepreneurs to imperialists when they felt their profits were threatened. In doing so, we concentrate on the origins of the Guano Act of 1856, which provided the protection entrepreneurs were seeking. This section uses a qualitative approach, following the most important entrepreneur of the period – Alfred Benson – as he seized on guano and faced threats to his mining operations. We first briefly return to the price mechanism as it related specifically to Benson's operations, before turning to an analysis of the economic threats to his claims and how that motivated interest in imperialism.

2.4.1 Benson and Guano Mania

In the last section, we showed that price changes in 1856 to 1900 mattered for guano acquisitions. We now shift our focus to a few years earlier to understand

⁴³ Acquisition data provided in footnote 42.

the origins of the Guano Act. In the early 1850s, entrepreneurs mining guano expected little protection from the United States and certainly did not expect US acquisition of the territories where they hoped to work. Creating this policy required entrepreneurs. In this section, we examine the interests of Alfred Benson. His firm accounted for 85 percent of all guano island claims in the region before the start of the Civil War.⁴⁴ As we detail in the next section, when Benson's claims were threatened, he became instrumental in lobbying for guano imperialism. This section examines his background and shows how high prices led him to invest in two projects.

From the standpoint of our theory, Benson was the archetypical entrepreneur. He was a prominent American shipping merchant "with several enterprises of value in New York and Brooklyn" and an eye for opportunities to make a quick buck.⁴⁵ He pursued several projects throughout the California Gold Rush, including a secret offer to purchase the entire Hawaiian kingdom to profit off trade with San Francisco.⁴⁶ He was also a crook. Benson had a history of defrauding the government on projects that never materialized and filing damage claims for large sums of money; at one point, he attempted to evade arrest for making false claims with the New York Police Department.⁴⁷

Benson's involvement in the guano trade fits with our expectations. He first became interested in guano around 1850, when prices began to rise in the United States. At the time, newspapers were advertising guano as "equal to gold in value, because it will bring gold in market."⁴⁸ Benson wanted to get in on the rush and began searching for guano in the Pacific Ocean.⁴⁹ His search resulted in two moves to secure guano abroad.

Benson's first move to secure guano in the Pacific Ocean was in the Lobos Islands off the coast of Peru in 1851. Benson "obtained information that heavy

⁴⁴ Skaggs, *The Great Guano Rush*, 71, 76. In a recommendation to President Lincoln for the position of Naval Officer of the Port of New York, Benson was "credited with being more responsible than any single individual by the United States of region, California, and the Guano Islands of the Pacific Ocean." This is detailed in Benson's son's obituary. "Obituary: Arthur Benson," *The Spice Mill* 34, no. 11 (1911): 924–25.

⁴⁵ "Obituary: Mr. Alfred G. Benson," *The New York Times*, April 20, 1878, sec. Other Deaths, *New York Times* Article Archive.

⁴⁶ Skaggs, *The Great Guano Rush*, 55; Bob Dye, *Merchant Prince of the Sandalwood Mountains: Afong and the Chinese in Hawai'i* (Honolulu, HI: University of Hawai'i Press, 1997), 46–47. For information on his role in America's westward expansion, see Will Bagley, "Every Thing Is Favourable! And God Is on Our Side": Samuel Brannan and the Conquest of California," *Journal of Mormon History* 23, no. 2 (1997): 185–209.

⁴⁷ Skaggs, *The Great Guano Rush*, 18–19; Nichols, *Advance Agents of American Destiny*, 166. On the arrest, see "Singular Circumstance," *New York Herald*, April 14, 1855, The Library of Congress, *Chronicling America: Historic American Newspapers*.

⁴⁸ *New Haven Daily Palladium*, 16 August 1852 cited in Shewmaker, "Untaught Diplomacy," 323.

⁴⁹ Cushman, *Guano and the Opening of the Pacific World*, 81; Skaggs, *The Great Guano Rush*, 24.

deposits of excellent guano existed on the uninhabited Islands of Lobos de Afuera, lying some forty miles off the coast of Peru.”⁵⁰ He enlisted a ship captain, James Jewett, to inspect the islands. Jewett found them potentially profitable, and Benson saw the chance to make his “eternal fortune.”⁵¹ He quickly laid plans to import 200,000 tons of guano at \$35 per ton, or about 40 percent below market price; at that rate, Benson anticipated \$3 million in profits.⁵² To accomplish this, he chartered ships and procured equipment to be sent to the Lobos to remove the guano. He also dispatched one ship to the islands outfitted “with houses, tools, provisions, men, boats, water, and everything needed for the occupation and settlement of Lobos de Afuera, for the purpose of loading his vessels as they should arrive.”⁵³ Benson raised the idea of imperialism in the Lobos Islands, as we will show, but his plan failed. Peru blocked the ships from mining the islands, and President Fillmore, unwilling to ignite a war over guano, refused to defend Benson’s ships.

Benson moved again to secure guano in the Pacific Ocean in 1855. He learned from an American whaler of two uninhabited islands – Baker and Jarvis – with the “most remarkable kind of soil, the dust of which so enveloped and choked the men that they were compelled to abandon the place first attempted, and choose another nearer the shore, where it was not so dry.”⁵⁴ Benson knew this strange soil to be guano; he estimated the islands contained “more than two hundred million tons of ammoniated guano” and would net \$2.4 million in profits in the first year of sales alone.⁵⁵ Seizing the opportunity, Benson hired an attorney to purchase the “discoverer’s rights” from the whaler. He also solicited investors to form the American Guano Company and took measures to reinforce the company’s rights, dispatching a ship to Baker and Jarvis islands for the purpose of establishing proof of occupation.⁵⁶ Meanwhile,

⁵⁰ Alfred G. Benson, “Memorial of Alfred G. Benson Concerning Claim of Peru to Sovereignty of Lobos Islands” [Hereafter “Memorial of Alfred Benson”] (Committee on Claims: 34th United States Congress, January 8, 1855): 3.

⁵¹ “The Latest News,” *The New York Herald*, August 15, 1856, Morning Edition.

⁵² *Memorial of Alfred Benson*, 27.

⁵³ *Memorial of Alfred Benson*, 7. Benson clearly understood that occupation was a stronger legal claim than discovery. One observer noted the ship included “a number of articles which, strictly speaking cannot be classed with those made use of in taking guano at the Chincha islands.” Clay to Everett, January 24, 1853, in U.S. Senate, *Report of the Committee of Claims on the Memorial of Alfred G. Benson*, 34th Cong., 3rd Sess., 1850, S. Exec. Doc. No. 397, Serial 891, pp. 182–183.

⁵⁴ “Captain Michael Baker – Baker’s Island Jan 19 1861 – Death,” *Sunbury American*, January 19, 1861; E. S. Rogers, *The Sovereignty of Islands Claimed under the Guano Act and of the Northwest Hawaiian Islands Midway and Wake*, vol. 3 (Washington, DC: Department of State Legal Advisor’s Office, 1932), 100, 131.

⁵⁵ *Prospectus of the American Guano Company* (New York: John F. Trow Printer, 1855), 3–4.

⁵⁶ Rogers, *The Sovereignty of Islands Claimed under the Guano Act and of the Northwest Hawaiian Islands Midway and Wake*, 3:100–105, 131–41; Skaggs, *The Great Guano Rush*, 54; Nichols, *Advance Agents of American Destiny*, 176.

Benson proceeded to Washington to press for annexation.⁵⁷ His efforts, as we will show, resulted in the Guano Act.

Benson's operations provide robust evidence for the price mechanism. He entered the trade at a time when guano was approaching peak importation and prices were steadily increasing, and he continued to chase rising commodity prices. The next section turns to the economic threats that led him to form an imperial lobby.

2.4.2 The Specter of Foreign Competition

After entrepreneurs relocate abroad, we expect them to lobby for protection when they face threats to their profits. In the previous chapter, we described this as the threat mechanism. For extractive commodities, we expect these economic threats to be immediate for two reasons. First, the selection of sites is limited. In the case of guano, there are only so many islands abundant in guano, and each therefore holds value. Entrepreneurs want to claim this territory before other empires' agents can claim it. This is augmented by the capital-intense requirements for extraction. In the case of guano, the costs of purchasing mining equipment, securing labor, and paying for transport meant one wanted protection before making the initial investment. These threats, we posit, turn entrepreneurs into lobbyists, and in the case of extraction do so almost immediately (see Chapter 1).

Benson's interest in the Lobos Islands demonstrates the threat to profits mechanism. He faced two threats on the Lobos Islands. The first threat to profits came from other entrepreneurs. This was not an idle worry. When Jewett returned from his inspection of the islands, American and English newspapers reported that English entrepreneurs had also taken an interest in the islands.⁵⁸ Benson sensed he needed to "be early in the field" and get ahead of these entrepreneurs, outracing them into an area untapped by US authority or business.⁵⁹ The second threat came from the Peruvian government. Peru claimed to have dominion over the islands as part of its independence from Spain, which had discovered and taken possession of the islands in 1526. However, the Lobos Islands were far from the Peruvian coast and unoccupied. Benson felt this left "the question of ownership of said Islands in doubt," but

⁵⁷ *Report to the Stockholders of the American Guano Company* (New York: Jacobs & Brockway Printers, 1857), 4.

⁵⁸ One such entrepreneur, Wentworth Butler, wrote the English Foreign Office about guano on the Lobos islands. He believed the islands to be unclaimed and requested naval protection to load guano off the islands. The request was denied. Butler proceeded to petition Parliament for action, aided by the powerful shipowner's association. See Butler to Palmerston, April 18, 1851, Stanley to Butler, May 10, 1851, in *British and Foreign State Papers, 1854–1855*, vol. XLV, London: Foreign Office, 1865, 1178–1180; Rankin to Earl of Derby, April 21, 1852, *Ibid.*, 1193–1194.

⁵⁹ *Memorial of Alfred Benson*, 3–4.

nonetheless, he wanted assurances of protection from the US government before proceeding to the islands.⁶⁰

The same kinds of threats present in the Lobos case also were present in the Baker and Jarvis islands. Benson feared rival entrepreneurs might try to claim the guano before he could get to the islands. After the Lobos crisis, other entrepreneurs began to sniff around for unclaimed guano islands in the Caribbean.⁶¹ Benson worried they might turn their sights to the Pacific, and he began to “look for protection in their rights of discovery and possession.”⁶² His concerns about British competition were well founded. The British Navy had instructed its ships to search for unclaimed guano islands in the Pacific.⁶³ In light of this situation, Benson recognized he needed protection from the US government to “enforce these rights as against other nations.”⁶⁴

Threats to Benson’s profits were the key factor that shifted Benson from an entrepreneur to a lobbyist. He believed that only by securing US protection could he work his claims. This, we show in the next section, was the first lobby for the guano islands; it was also the first significant lobby for Pacific imperialism in US history.

2.5 POSITIONAL RESOURCES AND THE GUANO LOBBY

In the last section, we described the origins of the guano lobby. Led by Benson, entrepreneurs wanted to develop mining operations. Threats from foreign competition, however, made them anxious for US protection, turning entrepreneurs into imperialists. This section evaluates whether positional lobbying was effective in the case of guano. The last chapter described a direct pathway to lobbying, where entrepreneurs engage directly with US policymakers. Entrepreneurs, we argued, provided legislators with legislative subsidies, providing information, talking points, or writing legislation for them. Their ability to secure this influence required they have a monopoly on information about the islands. Having a monopoly on information allowed entrepreneurs to frame imperial legislation in ways consistent with legislators’ interests.

The benefit of the guano case is that there is clear within-case variation about the effectiveness of guano lobbying.⁶⁵ Benson’s first attempts to secure

⁶⁰ *Memorial of Alfred Benson*, 3–4.

⁶¹ Nichols, *Advance Agents of American Destiny*, 179–82.

⁶² U.S. Senate, *Memorial of the American Guano Company*, Senate Miscellaneous Document No. 60, 34th Congress, 1st Sess., 1856, 44. [Hereafter cited as *Memorial of the American Guano Company*.]

⁶³ Cushman, *Guano and the Opening of the Pacific World*, 81.

⁶⁴ *Memorial of the American Guano Company*, 7.

⁶⁵ To be clear, the purpose of this section is to show that entrepreneur-led imperialism affected state policy. The positional theory of lobbying is a mechanism, linking the spread of entrepreneurs throughout the Pacific to imperial expansion. Guano provides a number of ways to leverage within-case comparisons to showcase the positional theory in a nineteenth-century context.

protection in the Lobos appeared successful, but he was rebuffed in early 1852. We argue this is because exogenous events led the guano lobby to lose its monopoly on information and therefore its positional advantage. In the summer and fall of 1852, however, Benson's position turned, and he gained support for claims in Baker and Jarvis. We show that in this case, the same exogenous events did not intervene, providing an opportunity for entrepreneurs to advance guano imperialism. The success of Baker and Jarvis was the turning point for guano imperialism. At this point, Benson pushed for the Guano Act, which provided the protection that enabled entrepreneurs to continue to spread across the Pacific in pursuit of guano islands.

2.5.1 Lobos Failures

Benson had clear positional advantages in the early stages of lobbying for protection in the Lobos Islands. While he raised the likelihood of imperialism, he ultimately failed to secure US protection. This section reviews Benson's positional assets, showing how he manipulated information to make the United States more likely to acquire the Lobos Islands. However, this asset quickly faded due to the emergence of new agents. It also sets the stage for Benson's successes in Baker and Jarvis described in the next section.

The challenge Benson faced was that he had little influence. He was not well liked in Washington. His history of fraud had made him a pariah in the US government.⁶⁶ He also "had quarreled with the Secretary [of State]." The fight was so bad that the two men had "not spoken with each other for more than a year."⁶⁷ Consequently, Benson felt he needed to hide his involvement or else Webster "would have seen him in a very bad place."⁶⁸

Fortunately, Benson had an important positional advantage. American foreign policy officials had little information about the legal status of the Lobos Islands. Webster acknowledged he did not know much about the islands or to whom they might belong.⁶⁹ The extent of his knowledge came from the memoirs of an American sealer who visited the islands in 1823 and who

⁶⁶ Nichols, *Advance Agents of American Destiny*, 166; Skaggs, *The Great Guano Rush*, 18–19.

⁶⁷ John Addison Thomas, "Mr. Benson, the Evening Post, and Col. Thomas," *The New York Daily Times*, November 8, 1852, *New York Times Article Archive*. The precise details of their fight are unknown. However, circumstantial evidence suggests the fight was over a claim against the Navy Department for breach of contract. Webster served as Benson's lawyer during the case and had grown so tired of it that he wanted to "get [his] fee" and be done with it. See Webster to Caroline, 24 June 1849, Papers of Daniel Webster: Correspondence, Volume 6: 1844–1849.

⁶⁸ Miles to Webster, August 24, 1852 in *The Papers of Daniel Webster: Diplomatic Papers*, vol. 2, 1850–1852. 3. University Press of New England, 770.

⁶⁹ Webster to J. Y. Osma, 21 August 1852, U.S. Senate, Senate Executive Documents to Accompany Senate Report No. 397, 34th Congress, 3d Session, 1857, 90–102.

Webster erroneously believed “to have been their discoverer.”⁷⁰ The State Department also had little capacity to apprise him of Peru’s claim to the islands. The US chargé d’affaires in Peru wrote Webster on several occasions that Peru claimed the Lobos Islands.⁷¹ However, his dispatches on the subject never reached Webster’s desk because the State Department was in “shameful condition” at the time.⁷² Consequently, Webster was never given accurate information on the Lobos Islands. In situations like this, we expect entrepreneurs to have significant influence in lobbying for imperialism.

Benson realized he could exploit this lack of information in Washington as part of a positional strategy for lobbying the United States. Benson selected Jewett, the captain who visited the islands, to lobby on his behalf.⁷³ Their strategy was to minimize the diplomatic costs of acquiring the Lobos Islands while highlighting the commercial advantages. Benson knew Peru claimed the islands.⁷⁴ Yet, he had Jewett assure Webster that he was “informed that no Government has any rightful claim to these Islands.” Benson’s agent also highlighted the potential commercial gains by describing the “valuable deposits,” which “may be rightfully taken by a citizen of the United States, as citizens or subjects of any country.”⁷⁵

Benson initially was effective in providing legislative subsidies to Webster, supplying information on the costs and benefits of empire. Webster relied on

⁷⁰ Webster to Jewett, 5 June 1852, in *Memorial of Alfred Benson*, 3. Also see Benjamin Morrell, *A Narrative of Four Voyages: To the South Sea, North and South Pacific Ocean, Chinese Sea, Ethiopic and Southern Atlantic Ocean, Indian and Antarctic Ocean, from the Year 1822 to 1831* (New York: J. & J. Harper, 1832), 118–19. Apparently, Morell did not even write the book and may not have ever visited the Lobos islands. See “Morrell’s Voyages,” *The New York Times*, September 3, 1852.

⁷¹ Clay to Webster, October 20, 1950, June 24, 1852, Despatches from United States Ministers to Peru, 1826–1906, RG59, T52, Roll 8, NARA. Also see Clay to Webster August 7, 1852, U.S. Senate, Executive Documents to Accompany Senate Report No. 397, 34th Congress, 3d Session, 1857, 90–102.

⁷² Miles to Buchanan, July 8, 1853, James Buchanan Papers, cited in Shewmaker, “Untaught Diplomacy,” 338; Miles to Webster, August 24, 1952, Diplomatic Papers, vol. 2, 770. Two individuals handled all correspondence with American diplomats in the whole of Latin America, and they lacked basic knowledge of the region; documents were lost, misread, and slow to be processed. See Graham Henry Stuart, *The Department of State. A History of Its Organization, Procedure, and Personnel, Etc.* (New York: MacMillan Company, 1949), 115–16.

⁷³ Skaggs, *The Great Guano Rush*, 22.

⁷⁴ Benson’s sources included discussions of Peru’s claims. “Guano,” *Greenock Advertiser*, April 20, 1852; “Peruvian Legation,” *Daily News*, April 22, 1852; “The Lobos Islands,” *Dundee Courier*, May 26, 1852; “Lobos Documents: English Documents,” *New York Daily Times*, August 12, 1852; Extract from the “Times” of April 17, 1852, enclosed with Kirk to Furnise, April 20, 1852, in British and Foreign State Papers, 1854–1855, vol. XLV, London: Foreign Office, 1865, 1185–1188. Also see Morrell, *A Narrative of Four Voyages*, 119–21.

⁷⁵ *Memorial of Alfred Benson*, 4–5. Webster later recalled that these statements “had a tendency to mislead” the State Department into believing the legal status of the islands was more certain than it was. Webster to Jewett, 21 August 1852, Diplomatic Papers, vol. 2, 563.

the information in Jewett's letter, rather than inquiring into the status of the islands himself.⁷⁶ He wrote Jewett that "it may be considered the duty of this government to protect citizens of the United States who may visit the Lobos Islands for the purpose of obtaining guano" and proposed that a "vessel-of-war be ordered" to safeguard their right to do so.⁷⁷ Wanting further assurances of protection, Benson instructed Jewett to go to Washington to meet with the Secretary of the Navy.⁷⁸ When Jewett confirmed that orders had been dispatched for full protection, Benson moved fast to occupy the Lobos Islands. He quickly procured equipment, chartered ships, advertised for seamen, and purchased weaponry.⁷⁹ Ship captains were instructed to "take possession of all available loading places" on the Lobos Islands and furnish "the letter from the honorable Secretary of State of the United States" should they encounter a US warship in the Pacific.⁸⁰

However, Benson quickly lost his positional advantage. The information environment shifted against Benson after news outlets reported Webster's decision.⁸¹ Peru dispatched a special envoy to meet with Webster and inform him of Peru's claim. The envoy provided Webster with a mass of information on the discovery, occupation, and legal status of the islands, which proved "in the most incontestable manner, the rights and sovereignty which Peru exercises and always exercised over the aforementioned islands of the Lobos."⁸² Peru was prepared to defend its claim by force, if necessary.⁸³ Then, Webster learned of Benson's involvement in the scheme from a private New York merchant who had traded with Peru. The merchant so despised Benson and "that scoundrel Jewett" that he took it upon himself to write Webster, after having "heard with extreme interest the agitation of the Lobos Islands question" and "that Benson

⁷⁶ He claimed to have read and written his response "in a hurried moment." Webster to Fillmore, September 15, 1852, Diplomatic Papers, vol. 2, 774.

⁷⁷ Webster to Jewett, June 5, 1852, U.S. Senate, Senate Executive Documents to Accompany Senate Report No. 397, 34th Congress, 3d Session, 1857, 2-3. President Fillmore relied heavily on Webster for the formulation of foreign policy. Tellingly, President Fillmore had no recollection of either having reviewed or approved of Webster's letter, despite having initialed his approval on Webster's response. He admitted he gave the letter a "hasty perusal and thought no more of it." Fillmore to Everett, April, 7, 1855 in Shewmaker, "Untaught Diplomacy," 339-40.

⁷⁸ *Memorial of Alfred Benson*, 5-6. ⁷⁹ Cited in Skaggs, *The Great Guano Rush*, 24.

⁸⁰ Jewett to Calebs, July 22, 1852, U.S. Senate, Senate Executive Documents to Accompany Senate Report No. 397, 34th Congress, 3d Session, 1857, 214-216.

⁸¹ Skaggs, *The Great Guano Rush*, 24-25; Shewmaker, "Untaught Diplomacy," 327-28.

⁸² Osma to Webster, August 9, 1852, U.S. Senate, Senate Executive Documents to Accompany Senate Report No. 397, 34th Congress, 3d Session, 1857, 33. Also see Osma to Webster 25 June, 3 *Ibid.*; Osma to Clay, August 3, 1852, *Ibid.*; Clay to Webster, August 7, 1852, *Ibid.*

⁸³ Meeting in secret, the Peruvian Congress authorized the government to send troops and ships-of-war to the Lobos Islands. See Osma to Clay, August 6, 1852, Clay to Webster, August 7, 1852, U.S. Senate, Senate Executive Documents to Accompany Senate Report No. 397, 34th Congress, 3d Session, 1857; "Important Intelligence from Peru: The Lobos Islands Fortified and Garrisoned by Land and Sea," *New York Daily Tribune*, September 15, 1852.

had the government foul.”⁸⁴ Realizing he had been tricked, Webster countermanded the order to the Navy and warned that any resistance to Peruvian authorities would be considered “an act of private war, which can never receive any countenance from this government.”⁸⁵ Peru impounded Benson’s ships and the American press charged Webster with collusion.⁸⁶ The Lobos Islands were never taken.

The Lobos Islands allow us to trace two key elements about the role of entrepreneurs’ positions and the effectiveness of lobbying. First, even within Lobos, there is clear within-case variation. At the beginning stages of the case, Benson was able, through surrogates, to provide legislative subsidies to Weber that made it more likely the United States would acquire the islands, minimizing the diplomatic costs of acquiring the Lobos Islands while advertising commercial gains. However, once this positional advantage was lost, the US government abandoned the project. In itself, this provides an excellent opportunity to understand what advantages entrepreneurs had in pursuing imperial agendas. Second, Lobos also sets up a useful contrast to the Baker and Jarvis islands, discussed next. Whereas Benson ultimately failed to win support for the Lobos Islands, he was successful later that year using a similar positional strategy.

2.5.2 Baker and Jarvis Islands Successes

Thus far, we have shown that American entrepreneurs – motivated by rising guano prices – searched for Pacific Islands. Threatened by foreign competition, they became an early lobby for imperialism. However, in the case of the Lobos Islands, they failed to secure imperialism. The reason, we showed, was that entrepreneurs were unable to effectively preserve a monopoly on information about the islands for American decision-makers. In this section, we describe the conditions that led to the lobby’s first successes over Baker and Jarvis islands and how this sparked guano imperialism across the Pacific.

Benson enjoyed the same positional benefits in Baker and Jarvis islands. The US government knew practically nothing about the islands because they were undiscovered and unclaimed.⁸⁷ The US Pacific Squadron heard of the islands

⁸⁴ Miles to Webster, August 16, 1852 cited in Shewmaker; Miles to Webster, August 24, 1852.

⁸⁵ Skaggs, *The Great Guano Rush*, 29–30; Webster to Jewett, August 16, 1852, *Diplomatic Papers*, vol. 2, 760. Also see Webster to Clay, August 30, 1852, *Diplomatic Papers*, vol. 2, 771–774; Fillmore to Webster, September 19, 1852, *Diplomatic Papers*, vol. 2, 775–777.

⁸⁶ Skaggs, 29–30. We have found no evidence of collusion. Webster denied the allegation up to his death, and Benson attempted to convince the accusers that Webster was not financially involved in the scheme. For examples of these accusations, see “Mr. Webster, and the Evening Post,” *New York Daily Times*, November 5, 1852; “The Lobos Islands,” *New York Herald Tribune*, August 12, 1852. For refutations, see “Mr. Webster, Mr. Benson, and the Evening Post,” *The New York Daily Times*, November 6, 1852, *New York Times Article Archive*; Thomas, “Mr. Benson, the Evening Post, and Col. Thomas.”

⁸⁷ U.S. Congress, *The Congressional Globe* 34th Congress, 1st session, No. 107: 1741.

from American whalers but knew them by another name and never visited.⁸⁸ The US also had limited capacity to learn more about the islands and the magnitude of their guano deposits. Benson kept the location of Baker and Jarvis islands secret, “under seal of the [American Guano Company], until said company shall have full and undisputed possession of said island and the guano thereon.”⁸⁹ Only three individuals within the company knew the “precise locality of the island[s].” This made it difficult for the government to learn of the islands without the company’s assistance.⁹⁰

Benson and his agents used their exclusive knowledge of Baker and Jarvis to lobby for annexation. Benson wrote President Peirce requesting that a vessel of war be sent to the yet unidentified islands to “take possession thereof, under the flag of the United States, as property of the undersigned.” Although he would not yet disclose the locality of the islands, Benson assured Peirce that the diplomatic costs of acquiring the islands were low. The islands were “discovered and taken possession of by an American shipmaster,” who swore under oath that the island “remained unoccupied and uninhabited.” The shipmaster also attested to the commercial gains of acquiring the islands, believing the islands held guano “of the same kind and of equal quality to that of the Chincha Islands.”⁹¹ Benson reminded Peirce of “the immense importance, commercially and agriculturally considered, which must accrue to this country by the importation and the introduction of said guano into the United States at a low price.”⁹²

Peirce was optimistic but reluctant to annex the islands outright. He feared a repeat of the misinformation of the Lobos crisis and dispatched a naval vessel to sail to the islands to verify “the correctness of the information.”⁹³ A company associate with knowledge of the islands was to escort the detachment to the islands. Benson complied but worried that the naval inspection might jeopardize his investments: Once information about the inspection leaked to the press, entrepreneurs in eastern American ports would seek information on the location of this “Guano El Dorado.”⁹⁴

These threats to profits led Benson to favor outright annexation. He directed his counsel to submit a petition to William Seward, who was his senator at the

⁸⁸ Nichols, *Advance Agents of American Destiny*, 175.

⁸⁹ *Memorial of the American Guano Company*, 10.

⁹⁰ *Report to the Stockholders of the American Guano Company*, 6.

⁹¹ *Memorial of the American Guano Company*, 8–9. ⁹² *Ibid.*, 10. ⁹³ *Ibid.*, 12.

⁹⁴ Skaggs, *The Great Guano Rush*, 53. Also see “Money Markets,” *The New York Herald*, April 28, 1856, Morning edition, sec. Financial and Commercial; R. Gerard Ward, *American Activities in the Central Pacific, 1790–1870; a History, Geography, and Ethnography Pertaining to American Involvement and Americans in the Pacific Taken from Contemporary Newspapers Etc.*, vol. 1 (Ridgewood, NJ: Gregg Press, 1966), 182–92; R. Gerard Ward, *American Activities in the Central Pacific, 1790–1870; a History, Geography, and Ethnography Pertaining to American Involvement and Americans in the Pacific Taken from Contemporary Newspapers Etc.*, vol. 3 (Ridgewood, NJ: Gregg Press, 1966), 364–65.

time, that sought “title to certain guano islands lying in the Pacific Ocean, acquired by discovery, purchase, and assignment.” The petition also urged “legislative action by Congress should recognize the acts of discovery and occupation and assert and maintain over the territory in question the jurisdiction of the United States.”⁹⁵ To help accomplish this task, Benson’s counsel also issued a statement to the Committee on Foreign Relations that stressed the commercial benefits of annexing the islands. He wrote that the United States would “secure almost inestimable source of wealth and benefit” and “promote our own commercial and agricultural industry.”⁹⁶ He explained that there were no diplomatic costs to acquiring the islands since American rights to the islands were “in conflict with no other people or nation” and the company had already established occupancy. In situations such as this, the United States had a well-established right under customary international law to “acquire dominion over important and extensive tracts of country, insular or connected with the mainland of the continent.”⁹⁷

The request was well received and provided an important legislative subsidy to the administration and Senate. Seward relied completely on Benson’s information, rather than waiting on the Navy to verify it.⁹⁸ In the Senate, he submitted Benson’s petition to take possession of Jarvis and Baker islands, as well as a bill to simplify the process by which American entrepreneurs secured future guano deposits. The bill, which would become the Guano Act of 1856, vested American citizens with the power of eminent domain to take possession of islands with guano deposits. Seward stressed that acquisition of these territories would not cost the United States. The discoverers would pay the costs of development, and cheaper fertilizer would “bring [gain] to all the people of the United States.”⁹⁹ Moreover, the United States was not required to keep the islands once the guano was depleted. Few senators contemplated the implications of the bill.¹⁰⁰ They agreed with Seward that it was better to pass the bill now rather than wait for the navy inspection and “run the counter-risk of losing the discovery [of Jarvis and Baker islands] altogether.”¹⁰¹ The bill passed with little debate in the Senate and the House of Representatives, quickly becoming law on August 18, 1856.¹⁰²

The Guano Act of 1856 kickstarted guano imperialism. Baker and Jarvis were the first islands to receive protection. But the price mechanism continued to operate over subsequent decades, expanding the extent of imperialism for several years afterward. Benson’s firm discovered and claimed so many

⁹⁵ *Memorial of the American Guano Company*, 1.

⁹⁶ *Report to the Stockholders of the American Guano Company*, 46, 48. ⁹⁷ *Ibid.*, 47.

⁹⁸ U.S. Congress, *The Congressional Globe* 34th Congress, 1st session, No. 107: 1740–1741.

⁹⁹ U.S. Congress, *The Congressional Globe* 34th Congress, 1st session, No. 107: 1697–1698.

¹⁰⁰ U.S. Congress, *The Congressional Globe* 34th Congress, 1st session, No. 107: 1740.

¹⁰¹ U.S. Congress, *The Congressional Globe* 34th Congress, 1st session, No. 107: 1698.

¹⁰² Details of the debate are thoroughly documented in Skaggs, *The Great Guano Rush*, ch. 4.

islands that European geographers began to refer to the islands as “American Polynesia.”¹⁰³

Passage of the Guano Act was clearly due to the influence of entrepreneurs. First, no other lobbies were present. The historical record shows little to no role for any early China lobby or Naval lobby. These lobbies formed decades later, closer to the Spanish-American War. Instead, it was entrepreneurs who pushed for the first acquisitions in the Pacific. Fearing foreign empires, they sought American protection. They tabled the issues for legislators, wrote the legislation that would animate guano imperialism, and provided evidence and data to justify it. The flag followed entrepreneurs across the Pacific, securing territory and protecting them from threats to their investments.

2.6 CONCLUSION

America’s first step toward empire in the Pacific was led by entrepreneurs chasing profits. The key finding of this chapter is that guano imperialism had three aspects. First, it was led by entrepreneurs. The state followed their lead. Second, the entrepreneurs turned into an imperial lobby because their profits were threatened. Finally, entrepreneurs were successful because of their positional advantages. They used their unique knowledge of the islands to provide legislative subsidies to lawmakers, drafting the legislation and providing the supporting arguments that were necessary to advance the American imperial project. Benson himself was spectacularly successful. The rest of this book shows that the model first demonstrated by Benson – entrepreneurs chasing profits leading the United States abroad – would drive America’s Pacific policy for the next five decades.

The guano islands were the first significant US imperial project that involved taking and holding land in the Pacific. As might be expected from a newfound Pacific power without extensive experience abroad, the United States adopted a strange amalgam of imperial practices. First, after the United States seized the guano islands, US businesses developed worker colonies on them. They induced foreign labor, mainly Melanesian, Polynesian, and Hawaiian, into signing long and ambiguous contracts. Conditions were miserable: Overseers were abusive, the sun was blazing hot, water and food were scarce, rats ran rampant, and the ammoniac air was practically unbreathable.¹⁰⁴ The rise of alternative fertilizers and depletion of available supplies caused the guano industry to steadily contract beginning in the 1870s until the end of the nineteenth century.

¹⁰³ Skaggs, *The Great Guano Rush*, 74–77.

¹⁰⁴ Skaggs, *The Great Guano Rush*, 163–67; G. Rosenthal, “Life and Labor in a Seabird Colony: Hawai’ian Guano Workers, 1857–70,” *Environmental History* 17, no. 4 (2012): 759. Also see Jennifer C. James, “Buried in Guano’: Race, Labor, and Sustainability,” *American Literary History* 24, no. 1 (2012): 115–42; Tao Leigh Goffe, “‘Guano in Their Destiny’: Race, Geology, and a Philosophy of Indenture,” *Amerasia Journal* 45, no. 1 (2019): 27–49.

However, America's guano empire continued to live on. During World War I, the United States began to consider its Pacific guano islands as a bulwark against a Japanese expansion. This ushered in a second phase of colonization for the islands. The US government needed, under international law, to occupy the islands to claim undisputed sovereignty. It formed teams of boys from Hawaii, sending them to the islands to live, as part of an explicit colonization project described in the introduction to this chapter. After the war began, a third phase started. President Roosevelt established military facilities on the islands. Many, such as Midway, became famous during the Pacific War. Today, nine guano islands continue to be US possessions.

Guano imperialism also paved the legal ground for empire, which is likely its most lasting contribution to American imperialism. An important legacy of this "first step into the path of imperialism" in the Pacific was the distinction between incorporated territories that were on the path to statehood and unincorporated territories that were doomed to remain perpetual territories.¹⁰⁵ The term "appurtenance" originally only covered uninhabited islands, providing the legal basis for several Guano islands to remain US possessions as minor outlying islands in the Pacific. The Supreme Court later extended the legal principle to the new colonies acquired after the Spanish American War through a series of landmark decisions known as the Insular Cases. The court permitted the United States to acquire these territories without extending constitutional liberties to the new American nationals living on them.¹⁰⁶ Their decision to distinguish between the status of territorial inhabitants was based "on fears of other races" and created a kind of legal apartheid, where Pacific Americans became "second-class citizens" relative to those on contiguous American territory.¹⁰⁷ This system remains in force and relevant to struggles for rights in Guantanamo Bay, Puerto Rico, and modern American Samoa.¹⁰⁸

¹⁰⁵ Nichols, *Advance Agents of American Destiny*, 189.

¹⁰⁶ Burnett, "The Edges of Empire and the Limits of Sovereignty," 794.

¹⁰⁷ Rogers M. Smith, "Ch. 6: The Insular Cases, Differentiated Citizenship, and Territorial Statuses in the Twenty-First Century," in *Reconsidering the Insular Cases: The Past and Future of the American Empire*, ed. Gerald L. Neuman and Tomiko Brown-Nagin (Cambridge, MA: Harvard University Press, 2017), 121.

¹⁰⁸ Pedro A. Malavet, "The Inconvenience of a 'Constitution [That] Follows the Flag . . . but Does not Quite Catch up with It': From *Downes v. Bidwell* to *Boumediene v. Bush*," *Mississippi Law Journal*, UF Law Faculty Publications, 801, no. 1 (2010): 181–257; "American Samoa and the Citizenship Clause: A Study in Insular Cases Revisionism," *Harvard Law Review* 130, no. 6 (2017): 1680–1703.