



## Lake Pontchartrain Basin Maritime History Briefs

Charles Morgan- The “father of integrated shipping.”

### Part B- Activities and Accomplishments, c. 1850- 1860

As early as 1852, two years after his sole acquisition of the T. F. Secor Company located in New York City, Morgan’s ship engine business was flourishing and his fleet of steamships were considered to dominate the Havana, New Orleans, Galveston, Port Lavaca, Brazos, Mexican, and Nicaraguan trades. Charles Morgan continued to manage operations from New York but frequently travelled to the ports in his system. Principally managing operations in New Orleans was one of Morgan’s sons-in-law, Israel C. Harris of New Orleans who married Morgan’s oldest daughter Emily Jane in 1847. Subsequently, Harris and Morgan’s youngest sons Henry formed the partnership Harris and Morgan that assumed responsibility for all the Morgan ships. The Morgan-New Orleans connection was strengthened when Morgan’s youngest son Henry married Laura Mallard of New Orleans in 1854.

This period in Morgan’s life is characterized by continued efforts to expand the reach and scope of his transportation system and steam engine business through individual action and partnerships. Of note during this period are his on again-off again partnerships with Commodore Cornelius Vanderbilt. It’s safe to say that they had a complicated relationship, sometimes as partners, sometimes as competitors and sometimes as adversaries. It should be said that this brief is inadequate to fully document Morgan’s business activities and accomplishments in the field of transportation during this period. At best, this brief highlights the most notable transportation-related activities and contributions of Morgan during the period, 1850-1860.

In the late 1840’s and stretching into the early 1850’s, Morgan’s attention was directed at providing the most cost competitive and efficient transportation for prospectors to the newly discovered gold deposits in California. Three routes were viable: New York to San Francisco around Cape Horn of 14,149 nautical miles (nm); New Orleans to San Francisco around Cape Horn of 14,314 nm; and a hybrid route that involved a land-based crossing of the Isthmus of Panama, only a 4,992 nm distance between New York and San Francisco. It should also be noted that in addition to passengers, the transportation of freight and mail were important factors and sources of revenue during this period. Mail contracts with the US Government were particularly lucrative and competitive. To give you a sense of dynamic forces that came into play with the discovery of gold in California in January 1848, ninety vessels cleared Atlantic ports for California in early 1849 and at least seventy more advertised departures.

Late in 1848, in concert with J. Howard and Son of New York, Morgan formed the Empire City Line and opened direct steamship service between New York and Chagres, Panama. While having no assurance of the needed Pacific Ocean service at the time, he guaranteed passengers that such service would be available. Morgan then went about taking actions to back up his promise. In addition to the steamship *Crescent City* (1,291 tons), Morgan purchased *Empire City* (1,751 tons). Together, these ships represented the Empire City Line's New York to Chagres system. Keeping his promise, Morgan and Howard then purchased *Sarah*



*Sands* (1,500 tons), a British auxiliary screw-steamship (shown here), *New Orleans*, (1,500 tons) and *Northerner* (1,193 tons). The *Sarah Sands* was designed to travel primarily under sail. Thus, by late 1850, the Empire City Line had two vessels operating on the Atlantic and three on the Pacific- connecting via Panama. However, an intense rivalry among the mail carrying companies (Pacific Mail Company and

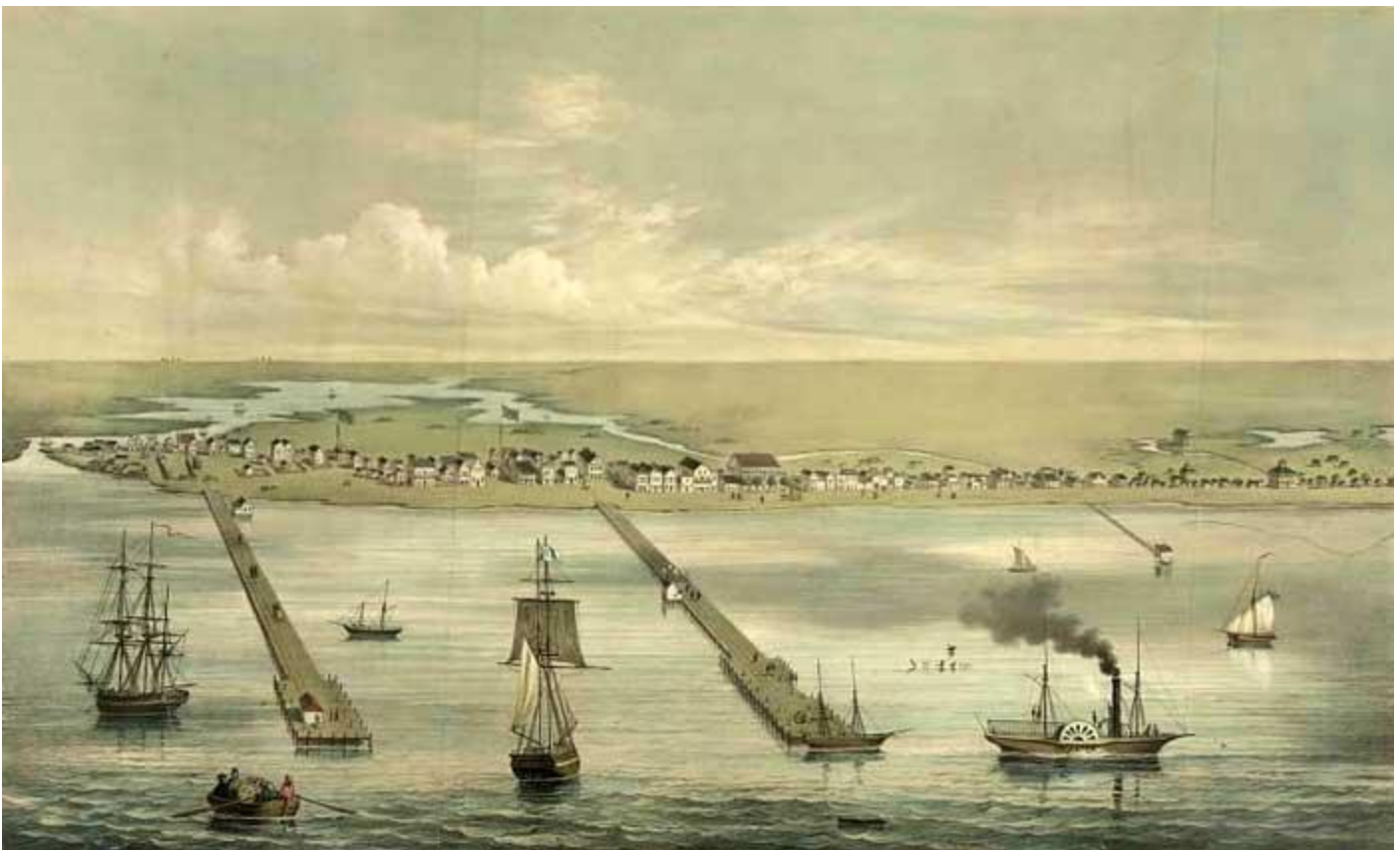
U.S. Mail Steamship Company) on this route caused Morgan and Howard to abandon this route and to sell their interests in the vessels used on the Atlantic-Panama-San Francisco route. This consequence prompted Morgan to pursue an optional route to the Pacific through Nicaragua in collaboration Cornelius Vanderbilt. The potential to navigate the Rio San Juan and Nicaragua and Managua Lakes would shorten the New York to San Francisco route by some 500 miles. Thus, initiated another chapter in Morgan's transportation career.

In advance of Morgan's collaboration with Vanderbilt on the Nicaraguan venture, Vanderbilt had organized the American Atlantic and Pacific Ship-Canal Company that, in association with a number of other individuals, had reached an agreement with the government of Nicaragua to construct an interoceanic canal in that country. In seeking investors for his plan, Vanderbilt found a willing ally in Morgan. At some point, the transit operations of the Company were separated from those related to the canal and managed through the newly established Accessory Transit Company. During this period, which extended until September 1865, Morgan was engaged off and on again with Vanderbilt and others in the New York to San Francisco route via Nicaragua. The complexities and difficulties of the business transactions that took place during Morgan's "Nicaraguan venture", while interesting, are judged to be outside the objective of this brief. Not neglected during this period, however, was Morgan's shipping interests in the Gulf of Mexico. In fact, it might be judged to be the most active period for expansion of the Morgan lines serving the Gulf.

Given the deterioration of his vessels serving Texas and Mexico through the 1840's, Morgan embarked on a much-needed vessel construction plan during the period, 1850-1852. Specifically, five new vessels were launched, all built by shipyards in New York and equipped with engines from Morgan Iron Works: *Louisiana* (1,056 tons); *Perseverance* (827 tons);

*Mexico* (1,043 tons); *Meteor* (542 tons); and *Texas* (1,151 tons). In addition, Morgan purchased two additional vessels to round out his Gulf fleet: *Jerry Smith* (159 tons) and *Cincinnati* (276 tons). The positive impact of the new additions to Morgan's Gulf fleet was somewhat offset by accidents involving four existing and new vessels. These accidents and their consequences demonstrated the difficult and sometimes dangerous sailing conditions of the northern Gulf Coast. One accident was the fault of pilots from one of the Texas ports motivating Morgan to rely upon pilots that he personally employed. Not to be deterred and given his ample resources, Morgan had four new vessels built and placed into service during the period 1853-54. They were the *Charles Morgan* (1,215 tons); the *Nautilus* (898 tons); the *Tennessee* (1,149 tons); and the *Orizaba* (732 tons).

In early 1853, Morgan entered into an agreement with the Pacific Mail Steamship Company to provide mail service on the New Orleans- Vera Cruz route. That route became one of the mainstays of Morgan's Mexican transit service. In 1850, Morgan had secured a four-year contract with the U.S. Government to provide mail service between New Orleans and the Texas ports at Indianola and Galveston, the former located on Matagorda Bay. Now a ghost town but from its founding in 1846 to the hurricane of 1875, Indianola was second only to Galveston as Texas's primary port. The town was rebuilt but suffered another devastating storm in 1886 that caused it to be largely abandoned as a town and as a port. The lithograph depicted below is attributed to Helmuth Holtz, September 1860. Noted in the lithograph are both sailing vessels and a steamship in the harbor.



Given the increased demands for service, capital and competition, Morgan incorporated a portion of his Gulf shipping interests that was chartered as the Southern Steamship Company of New Orleans in May 1856. However, this Company did not include control of the ships providing service to Mexico and Nicaragua nor the assets of the Morgan Iron Works.

Concern for competition from interests outside New Orleans, Morgan joined other investors in 1852 to establish the New Orleans, Opelousas, and Great Western Railroad Company. The intention of the Company was to build a railroad from Algiers on the west bank of the Mississippi River through the State to El Paso, TX, and thence to the Pacific Ocean. Despite construction difficulties, the railroad had progressed from Algiers to Berwick's Bay, LA by 1857. However, for a variety of reasons, principally capital, Berwick Bay or, more specifically, Brashear City on the east bank of the River proved to be the end of the line for the railroad. It should be noted that Brashear City was renamed Morgan City in honor of Charles Morgan in 1876 in recognition of Morgan's dredging of the Atchafalaya River Ship Channel to accommodate ocean-going vessels.

With the railroad in place, Morgan established an alternative route to Mexican and Texan ports- New Orleans to Algiers via ferry, Algiers to Brashear via train and Brashear to Mexican and Texan ports via steamship. This route proved to be 160 miles shorter than the Mississippi River route to Galveston and somewhat more reliable. The route is also an example, like the New Orleans to San Francisco via Nicaragua route, of "integrated shipping". That is, linking different modes of transportation to reach a given destination. The new route proved to be popular but did not fully supplant the Mississippi River route.

The competition of 1856 for the US Mail route contracts from New Orleans to Mexican and Texan ports represents another instance in which the competition between Morgan and Vanderbilt flared. The competition was fierce with Vanderbilt seemingly intent not only on winning the mail contract but driving Morgan's Southern Steamship Company out of the Gulf as well; i.e., both the Mississippi River and Atchafalaya River routes. In reality, this effort was part of Vanderbilt's more comprehensive plan to drive Morgan out of the Nicaraguan trade. Vanderbilt had some early successes in the competition but in 1858 Morgan won the mail contracts for Brashear-Galveston and Brashear-Indianola, the latter actually accommodated by Vanderbilt. The details of this accommodation between Morgan and Vanderbilt are unclear but as of early 1858, Morgan had purchased all of Vanderbilt's Gulf steamships and the competition had come to an end.

Free of competition from Vanderbilt, Morgan reorganized his Southern Steamship Company and aggressively promoted the railroad route to the Texas ports as being 24 hours shorter than the Mississippi River route. Its success in this effort is demonstrated by the number of passengers using this route- 16,261 in 1859 and 28,783 in 1860! It is also noted that the railroad route allowed the Southern Steamship Company to avoid the crowded conditions at

the New Orleans wharves as well as some of the property taxes and port fees of the New Orleans port. However, the limited waterfront development at Brashear did require Morgan, at his own expense, to construct adequate waterfront wharf facilities.

The mid-1850's also saw the Southern Steamship Company open a new route in the Gulf, supplanting a previous company that had failed to meet their US Mail contract obligations. That route was New Orleans to Key West with stops in Pensacola, Apalachicola, St. Marks, Cedar Key, Tampa, and Manatee. By 1860, the Company was operating service from New Orleans and Brashear to Mexican (Vera Cruz) and Texan (Brazos St. Iago, Sabine Pass, Galveston, and Indianola) ports and from New Orleans to Key West. The years 1856-57 saw the devastating loss of three of Morgan's vessels and the death of a number of passengers and crew. Always being self-insured, the loss of these vessels was also financially challenging. *Nautilus* was lost near Last Isle during the hurricane of 1856; *Perseverance* burned to the waterline at Indianola in 1856; and *Louisiana* exploded in Galveston Bay in 1857. The latter accident also claimed the lives of 66 passengers and crew. Never one to shirk the needs of his Company, Morgan purchased *Atlantic* (623 tons) and *Calhoun* (508 tons) as replacement vessels. It is also noted that Morgan would charter vessels from time to time as the need arose.

Morgan received preferential treatment at the Galveston port wharves and contributed to the improvement of wharves and ship maintenance and repair facilities at New Orleans. Specifically, the Southern Steamship Company was one of the major incorporators of the Louisiana Dry Dock Company No. 2 that was located in Algiers. This company provided shipyard services to Morgan's vessels at a 10 percent discount.

Whereas the 10 or so years leading up to the Civil War was a period of expansion and success for the Southern Steamship Company, Morgan and his company experienced significant challenges during the Civil War era. This era and the subsequent remaining years of his life will be the focus of the next and final Morgan brief.

## Sources

Charles Morgan and the Development of Southern Transportation, James P. Baughman, Vanderbilt University Press, 1968.