

Small Business, the U.S. Navy, and the War of 1812

By Michael J. Crawford



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- Dr. Michael J. Crawford is Senior Historian at the Naval History and Heritage Command
- The views expressed in this presentation are his own and do not represent those of his command or of the Navy



Small business and the War of 1812: Influenced each other

- The War of 1812 stimulated domestic manufacture
- Small business supplied the Navy with expertise, material, and labor
- Small business provided naval warfare innovations
- Small business waged war directly through privateering



The War's Influence on the Economy

- Early United States was agricultural
- Embargo of 1807-1809 stimulated U.S. manufacturing
- During the War of 1812, the British blockade boosted U.S. industrialization
- Postwar Act for the Gradual Increase of the Navy provided secure foundation for continued domestic manufacture

U.S. Navy's Wartime Demands for Goods and Services

- Rapid expansion of the fleet
- Warships need timber, cables, rigging, sails, guns
- Sailors need food, clothing, medicines
- Navy looked to private enterprise



Statement of Expenditures at the Navy Yard at Philadelphia ... 1811 and 1812

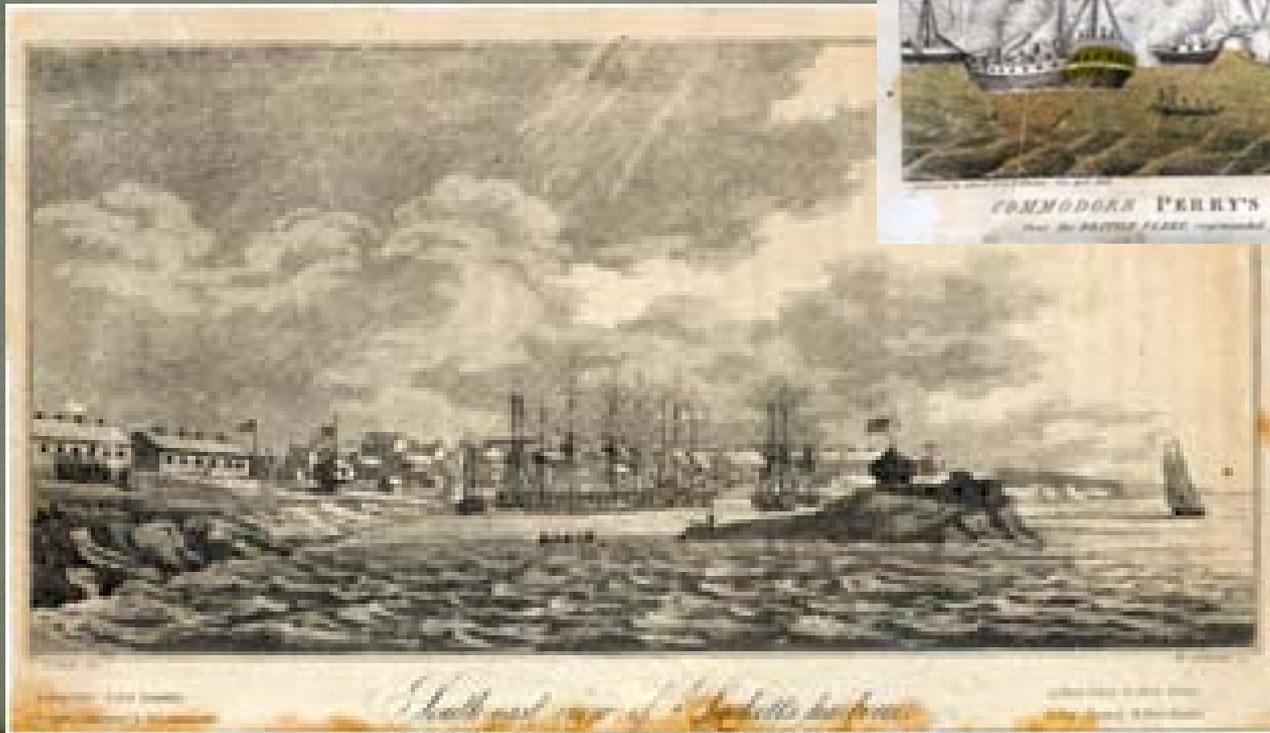
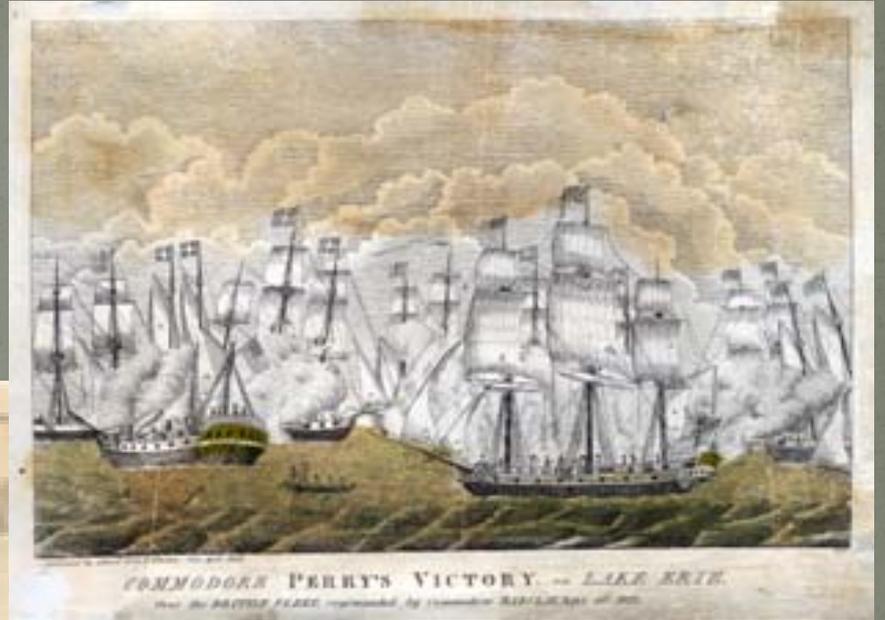
Date.	To whom paid.	The particular species of supplies, and repairs paid for, per vouchers furnished.	Amount of repairs for brig Argus.	Amount of repairs made to 19 gunboats.	Amount of expenses for accommodations provided, & taxes paid at Navy Yard.	Amount of repairs for the frigate Essex.	Amount of repairs for the ship Wasp.	Remarks.
1811. Apr.	Baker and Wayne,	For nails, screws, &c.	\$20 84					Purchased and paid for at the lowest cash price.
"	David Ware,	Paints, tar, oil, &c.	49 00	\$21 72				
May.	Sam. Smith, jun.	Taxes, (poor) 1803 to 1810,	- -	- -	\$ 601 00			"
June.	Benj. Phillips,	Calking,	- -	42 41				"
July.	David Ware,	Cordage, &c.	108 45					"
"	John Thompson,	Pump and paving taxes, 1802 to 1810,	- -	- -	450 00			"
Sept.	George Hidderly,	A bell,	- -	- -	- -	\$131 20		"
"	Alex. Urquehart,	Health and county taxes, 1802 to 1810,	- -	- -	551 00			"
Nov.	Cornelius Tiers,	Blocks,	7 20					"
1812, Feb.	Robert M'Muller,	Lumber,	2 30					"
Apr.	Nagle and Hanson,	Calking,	- -	8 25				"
"	Thos. M'Huvan,	A bell,	- -	29 95				"
May.	Halberstadt and Haynes,	Lumber,	22 50					"
"	George Dougherty,	A saw,	3 00					"
July.	David Ware,	Tar, oil, varnish, &c.	- -	109 96				"
"	John Claxton,	41 pieces of duck,	- -	656 00				"
"	Benjamin Phillips,	Oakum, calking, &c.	- -	- -			\$270 14	"
"	Rundle and Molier,	Cordage,	- -	- -			686 72	"
"	Jacob Bennet,	Painting,	- -	- -			16 00	"
"	Josiah Hains,	Boats, oars, and sweeps,	- -	- -			222 03	"
"	Garwood and Chambers,	Joiner's work,	- -	- -			80 34	"
"	Josh. Humphries & Son,	Spars,	- -	- -			294 52	"
"	John R. W. Mullan,	Iron and iron work,	- -	- -			122 44	"
Aug.	Samuel Bowers,	Timber and repairs,	- -	1,677 96				"
"	Rundle and Molier,	Cordage, &c.	- -	2,955 00				"
"	Josh. Humphries & Son,	Timber, repairs, &c.	- -	1,232 74				"
"	William Ashbridge,	Caboose,	- -	97 00				"
"	Samuel Grice,	Repairs and timber,	- -	995 20				"
"	James Keen and Co.	Joiner's work,	- -	327 64				"
"	Benjamin Phillips,	Repairing, timber, &c.	- -	2,149 00				"
"	Jas. and Fras. Grice,	Do. do.	- -	1,896 59				"
"	G. and T. Harley,	Copper nails,	- -	- -			3 20	"
"	John Harned,	Lanterns, &c.	- -	- -			19 86	"
"	John Tittermary,	Two coils of rope, &c.	- -	- -			69 50	"
"	Arthur Howell and Son,	Leather,	- -	- -			27 00	"
"	Baker and Wayne,	Screws and Files,	- -	- -			7 42	"
"	Michael Miller,	Digging cellar,	- -	- -	112 28			"
Sept.	Snyder and Myers,	Anchor stocks, &c.	- -	120 16				"
"	William Condon,	Iron work,	- -	416 46				"
"	Jonathan Jenks,	Pitch, varnish, &c.	- -	117 00				"
"	Mall and Hains,	Repairing 20 yawls,	- -	414 00				"

Statement of the contracts made by the United States' Navy Department in 1815

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Date of contract.	Names of the contractors.	Articles contracted for.	Price of articles.	When to be delivered.	Where to be delivered.
January 11, 1815,	Joshua Forman,	2,025 32lb. round shot, } 2,306 24lb. do. } 1,600 42lb. do. }	\$145 00 per ton.	One-half to be delivered by April 1, 1815, and the remainder by the 1st of January following.	Sackett's Harbor.
January 14, "	Peter Townsend,	4,050 stand of 32lb. grape shot, } 60 tons of iron ballast, } 500 tons of cannon, or cannon and carronades, with beds for the carronades, complete,	\$175 00 do. \$125 00 do. \$133 33 per ton for cannon, 42lb. carronades, \$200 00 each, 32lb. do. 154 50 " 24lb. do. 117 00 " 18lb. do. 84 50 " 12lb. do. 58 75 " Beds for the carronades, \$6 00 per cwt.	12 tons to be delivered in the first week in July, 1815, and the same quantity in each week thereafter, if desired, until the delivery of the 500 tons shall be completed.	At a public navigable landing on the river Hudson
January 16, "	Joshua Forman,	750 barrels of beef,	\$18 per barrel,	By April 1, 1815,	Sackett's Harbor.
March 15, "	John Clarke and Wm. Wirt,	750 barrels of pork, 175 tons of cannon and carronades,	\$28 do. Cannon, \$133 33 per ton, 12lb. carronades, \$58 75 each. 18lb. do. 84 50 " 24lb. do. 117 00 " 32lb. do. 154 50 " 42lb. do. 200 00 " Beds for carronades, \$6 per cwt.	Do. The delivery to commence in the beginning of March, 1816, and quarterly after that time; the whole to be completed on or before the 10th day of March, 1817.	Do. At a navigable landing on James river.
March 20, "	John E. Dorsey,	175 tons of shot, $\frac{1}{2}$ round, } $\frac{1}{4}$ grape, with stands, } $\frac{1}{4}$ canister, }	\$145 do. \$133 33 per ton,	By 31st of August, 1815,	Philadelphia, New York, and Boston.
April 14, "	Patience Minchin,	300 tons of cannon,	\$1 37 $\frac{1}{2}$ per pair.	In ———	Washington.
June 29, "	James Friend and Co.	2,000 pairs of men's shoes,	\$5 25 per 100 lbs.	In July,	Baltimore.
July 22, "	James Friend and Co.	80,000 lbs. of navy bread,	\$5 25 per 100 lbs.	In August,	Do.
July 26, "	Robinson and Attwood,	50,000 lbs. of navy bread,	\$9,250,	In December,	Navy yard, Washington.
August 26, "	William Vaughan,	For building a timber shed and mould loft,	\$17,000,	In December,	Sackett's Harbor & Store's Harbor.
		For building a house over the two ships on the stocks at Sackett's Harbor and at Store's Harbor,			
November 1, "	James Foyles,	1,200 barrels of beef,	\$17 50 per barrel,	In March, 1816,	Navy yard, Washington.
December 15, 1814,	Henry Eckford, and Adam and Noah Brown,	800 barrels of pork, Two ships of the line and one frigate,	\$21 50 do. \$80 00 per ton,	Do. By the 15th of May, 1815, if possible.	Do. do. Sackett's Harbor.

The Lakes Theater of the War of 1812

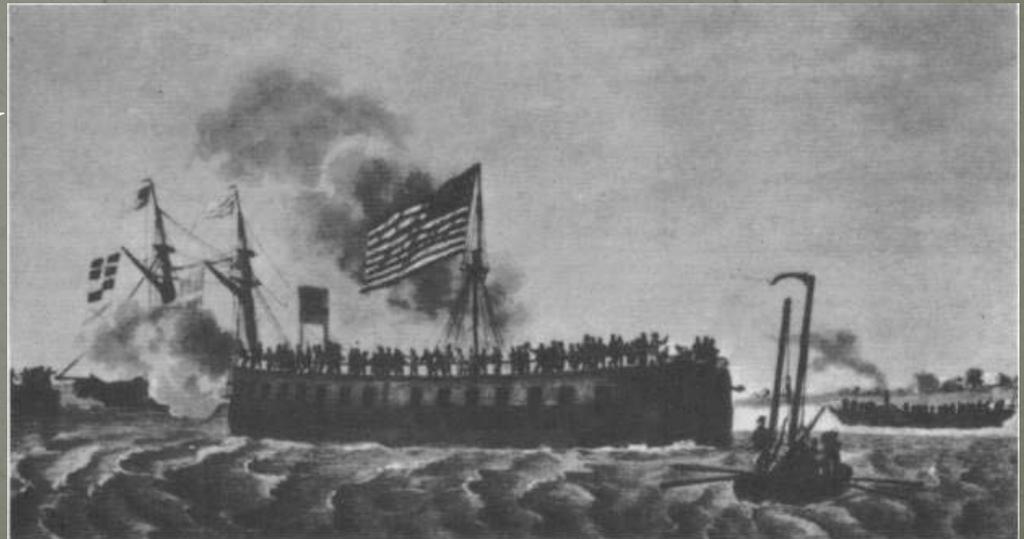


Naval Research and Development

- No internal capability
- Relied on private initiative
- Clark's floating battery

Robert Fulton

- Submerged explosive mines
- Captain John Rodgers foils test
- War of 1812 brings about greater receptivity to innovations
- Captain Stephen Decatur supports idea of submerged cannon
- *Fulton I* steam battery



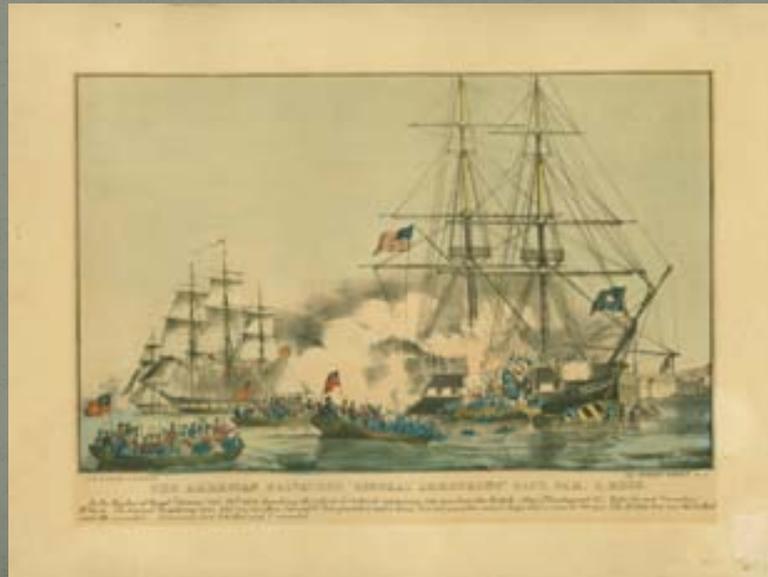
Pursers: The Navy's Small Businessmen

- Pursers' responsibilities
 - Pay the officers and men
 - Store and issue provisions
 - Sell clothing and small stores to ship's crew
- Profits from dealing in small stores
 - Profiteers?
 - Or just recompense for financial risk?



Privateers as Small Businessmen

- Privateers: Privately owned armed vessels licensed to capture enemy property at sea
 - Bound by international law
 - Letter of marque traders-principal purpose was trade
 - Privateers-principal purpose was commerce raiding



Cost of Privateering

- Letter of marque trader cost about \$25,000 to send to sea
- Privateering commerce cruiser cost about \$40,000 to send to sea
- One share in a privateer cost between \$1,000 and \$4,000, a substantial investment
 - For cost of one share, you could start a small business
 - For cost of six or seven share, you could build a large factory

Legal Procedures

- Make seizure
- Send prize into port
- Court hearing and condemnation
- Federal marshal auctions prize and cargo
- Proceeds of sale
 - Pay court and auction costs, commissions, and customs duties
 - Balance distributed to investors and crew

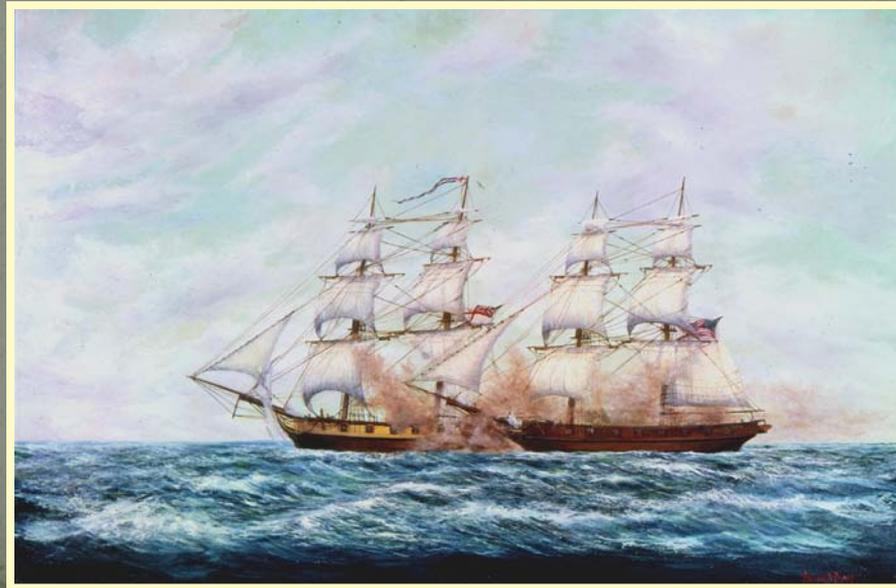
Profitability of Privateering

- To be profitable, a privateer had to clear \$50,000
- About half of Baltimore's privateering ventures made a profit
- Safest to spread risk among several privateers
- Many privateers came to bad ends
 - Captured
 - Lost at sea
 - Ran aground



Baltimore Privateering's Contributions to the War Effort

- Seized more than 500 enemy merchant ships
- Captured 1,600 prisoners
- Cost British merchants millions in losses
- Forced Royal Navy to convoy merchantmen
- Forced British to protect their ports and islands



Conclusion

- The War of 1812 was the last time America's small businessmen made war directly through privateering
- The U.S. Navy's reliance on small businesses to supply materials, labor, and innovation has remained a constant for two hundred years

