"The skill of our naval architects and the capital of our merchants is as fully employed against the enemy as ever..."

- The Niles Weekly Register

John McKim, Jr.

View of Baltimore from Federal Hill

Baltimore investors like McKim knew privateering wasn't as simple as getting a ship, hiring a captain and sending them out cruising for prizes. Patriotism and support of the war effort was important, but foremost, privateering was a business. It offered the potential for huge profits, but there were significant risks. As a government sanctioned business, privateering also had specific requirements, regulations, and fees. Here are some of the key components:

The Syndicate: Investors bought shares in the venture to provide the capital to buy and outfit the ship, post the bond required by the government, and pay other fees

"... a subscription paper was opened at Merchants' Coffee House for equipping a Letter of Marque to the extent of \$20,000 in shares."

involved. They shared the profits from the cruise based on the number of shares they held, and spread the risk of losing their total investment if the privateer was lost at sea or captured. *Securing and outfitting a vessel:* The syndicate may have formed with a specific ship in mind, with a plan to buy and convert an existing ship or to build a new one. They needed to outfit the ship with all the gear, guns and supplies required for the length of the cruise. To build and outfit an average privateer (about 200 tons and 100' long) cost about \$25,000. Shipbuilders and other suppliers often took shares in the vessel as full or partial payment. "Letter of Marque and Reprisal":

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	ARTICLES, OF AGREEMENT	
	Made and concluded upon this strengly second day of deplin hed in the year of our Lord one	
	thousand eight hundred and tyche, between Captain dennial front commander of	
3	the private vessel of was called the self fles now lying in the Port of Bullimore, of the one part; and the typears, Seamen, Mariners and others composing the crew of the said Michaelli	
	of the other part, Witness;	
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	THAT the said Captain for Emself, and in tehalfs selves by displays of courage and bravery, during of the owners of the said o	
	shall put on board the said vessel the necessary pro- visions, gans, powder, shot, and all other warlike and officers to those of the crew who, in their and g-	
	unmunition necessary for the saids easel in her in lent, shall be most deserving thereof	
	tended cruize; and that the nett proceeds of all pri- zes that may be taken during the said cruize shall be command do develve on the next Officer, and so on	F
	thyided; one half of which shall be taken for the ac- count of, and belong to the owners, and the other on the loss of the Officers, they are to be replaced	
	half to be the property of the said vessel's company, and of the Ship's Gompany, according to their gal- to be divided in the proportions and according to land behaviour, as the Captain shall appoint.	
	the rates set against and affixed to the names hereto Nisviux.—Thatwhoever deserts the said de here-	
	severally subscribed: Secondar That for preserving order and deco- beyon after limited, shall forfeit his prize money to	
	rum on board the said private vessel of war, no man the Owners and Company, to enable them to pro- is to quit or go out of her on board of any other ves-	
	set, or reacts or on shore, without leave obtained of Taxrma All and every one on board do cove-	
	of such punishment, as shall be esteemed proper by Wightles . You have for the term of ninety	E
	the captain and officers. THE THAT THE CAPTAIN Shall have liberty to ELEVENTHEN—That if any of the Ship's Company	
	cruize where he shall think the most beneficial for the shall be killed in the time of action or in the Ship's interest of the owners and the ship's company; un	
	less he shall receive particular directions from the owners as to the place of cruizing. On all Prizes that may be taken during the said.	
	Authorities that it any persons be found a ring. Cheste, in the same manner as it he had be rived till	Ė
	leader of mation, or causing a disturbance on board, the expiration thereof. refuse to obey the command of the captain or of Twarrany.—That all nonics and other advances	ŀ
	of action, he've they shall forfeit his or their share, the description has not been been bed	
S	to be divided amongst the rest of the said ship's com- ducted out of their duares of the first prizes that	
	Firmus That all articles found on board of pri-	
	of the vessel of crew, to be taken by the captain form to sale by such regalations and	
1	Sixtex. That if any person shall secrete, em future laws of the United States, relative to the con-	E
	bearle, or convert to his use, any part of the prize duct and government of Privateers. or prizes, or be found piffering any money or goods, IN WITNESS whereof, the said parties to	
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Wiles Alexander and Reprisur

When the ship was ready, the owner applied to the local customs agent for a Letter of Marque and Reprisal. The certificate identified the ship, her size, port of origin, her officers and owner. The owner posted a bond with the government, \$5,000 or \$10,000, based on the size of the crew to ensure that they did not stray outside the law.

Some ships were defined as "letter of marque traders". Their primary mission was to carry cargo, but they could, if the opportunity presented capture an enemy ship.

Manning the vessel: Investors chose a captain based on his prior record of success and personal reputation, and they defined a share of the profits as his pay. The ecruiting the crew. The "Articles

captain was responsible for recruiting the crew. The "Articles of Agreement" defined the terms for the crew - their position assignments and the shares allotted to them. The Articles also recorded any advance pay they received, and the disposition of their shares if they were killed. Shares were paid out when the cruise ended, based on the profits from the sale of the captured prizes and cargoes that were successfully returned to port. For the crew of a privateer, the rule was: "No prizes, no pay."

Next: Prizes, Profits and Risks

