

*Prize Money and Rising Expectations : Admiral Warren's Personal Fortune **

by Julian GWYN **

Get place and wealth — if possible with
Grace; if not, by any means, get wealth
and place.***

I

The sudden acquisition of great wealth invariably attracts the spontaneous attention of an awestruck and envious world. The popular estimates seem invariably to exaggerate the size of such fortunes, while historians unhappily repeat this gossip, for want of proof, and thus give authority to suggestions which are far from true.¹

Only rarely can a private fortune made before the nineteenth century be studied in detail for lack of evidence. What family keeps forever the bill and cheque books, the bank and letter books, the invoices and receipts, the records of stock transfers, credit advances and property deals upon which alone such studies can be based? The almost inevitable disappearance of such crucial documents has meant that only a few accounts of such private fortunes in the eighteenth century have been written. In England, among the merchants, William Braund's fortune is such an exception.² In the American colonies there are detailed accounts only of the Beekmans of New York, the Dulanys of Maryland, the Nortons of Virginia, the

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*** Alexander POPE (1688-1744), *Epistles and Satires of Horace Imitated*, III, *Hor.* 1, *Ep.* I, To Lord Bolingbroke, l. 103.

¹ The most celebrated example was William Beckford, the only son of Alderman Beckford, who was said to have inherited a fortune to the annual value of £48,000, when in fact it was only £27,000. See Lucy S. SUTHERLAND, "William Beckford", in *The History of Parliament The House of Commons 1754-1790*, edited by L. B. NAMIER and John BROOKE, 3 vols. (London, 1964), II, p. 78. The rumour has most recently been repeated by Boyd ALEXANDER, *England's Wealthiest Son* (London, 1962).

² Lucy S. SUTHERLAND, *A London Merchant 1696-1774* (London, 1933). About Samson Gideon, England's most important financier at mid-century, little more can be said than is found in Lucy S. SUTHERLAND, "Samson Gideon: Eighteenth Century Jewish Financier", *Jewish Historical Society of England Transactions*, XVII (1951-1952), pp. 79-90.

Pepperrells, Browns and Hancocks of New England.³ In the West Indies only the Pinney family of Nevis has received detailed study,⁴ while among the Nabobs the only fortune yet dissected by historians is that belonging to the celebrated Warren Hastings.⁵ For a people as devoted to the accumulation of wealth and as noted for their rapacity as the British and Americans of the eighteenth century, this forms a surprisingly minute residue.⁶

It is in this context, however, that the analysis of another family fortune becomes a matter of more than passing interest. The wealth of Admiral Sir Peter Warren (1703-1752) is of particular concern for the light it casts on the acquisitive spirit of naval officers as a social group. By good luck an impressive collection of Warren's private papers survive, partly in England and partly in America.⁷ Unlike the usual collection of such papers they emphasize not his naval career, which was certainly of considerable interest, but his activities as an entrepreneur. They offer the unique opportunity of analysing a fortune derived largely from prize money, a task hitherto not attempted. What merits attention is not the manner of Warren's accumulating wealth, for that was not exceptional, it is the mere fact that his fortune can be studied, while those of his contemporaries cannot.

³ Philip L. WHITE, *The Beekmans of New York in Politics and Commerce 1647-1877* (New York, 1956); Aubrey C. LAND, *The Dulanys of Maryland*, 2nd edition (Baltimore, 1968); John Norton and Sons, *Merchants of London and Virginia*, edited by Francis Norton MASON (Richmond, 1937); Byron FAIRCHILD, *Messrs. William Pepperrell: Merchants at Piscataqua* (Ithaca, 1954); J. B. HEDGES, *The Browns of Providence Plantations: Colonial Years* (Cambridge, 1952); W. T. BAXTER, *The House of Hancock* (Cambridge, 1945).

⁴ Richard PARES, *A West-India Fortune* (London, 1950).

⁵ P. J. MARSHALL, "The Personal Fortune of Warren Hastings", *The Economic History Review*, 2nd series, XVII (August, 1964), pp. 284-300.

⁶ Very different would the story have been had contemporaries followed the suggestion of Malachy POSTLETHWAYT, *The Universal Dictionary of Trade and Commerce*, 4th edition (London, 1774), to establish a British Mercantile College to train young men in business and to preserve the "accounts of many distinguished and eminent merchants deceased... who trod the Royal Exchange with supreme credit and dignity", thus ensuring for posterity a record of the commercial and financial greatness of the kingdom. See "Mercantile College", in vol. II, no pagination.

⁷ The Warren papers came principally through his grand-daughter, Susannah Maria Skinner, and, after her marriage in 1789 to Henry Gage, through the Gage family. Part of the collection was sold before 1930 to the William L. Clements Library, Ann Arbor, Michigan. The rest has been deposited, between 1958 and 1965, in the Sussex Archaeological Society at Lewes. Several archives in the U.S.A., notably the New York Historical Society and the Massachusetts Historical Society, have acquired Warren manuscripts, which relate especially to Warren's interests in New York and New England.

II

It must be remembered that in the eighteenth century the Admiralty could not compel its officers to serve. What then induced men to hazard their lives at sea? Their salaries (at ten shillings a day for the captain of a frigate) were hardly a sufficient inducement. Social position, which officer's rank conferred, hardly suffices as an explanation, for those entering the navy and destined for the quarter-deck were usually of gentle birth. Patriotic duty, which so many naval historians have employed in explaining officers' motives, has clearly been over-worked and reflects more twentieth century notions than those of the eighteenth century. For anyone who has studied naval papers of the eighteenth century in depth, it is clear that the "chief attraction of the naval service"⁸ was prize money, though there were other profitable sidelines. Of these the two most important were trade (carried on despite Admiralty orders against it, and with the connivance though sometimes over the objections of the mercantile community), and freight money (one or two per cent of the gross value of bullion carried in a warship for public or private interests).

Prize money was particularly valued only from 1708, when a new Act of Parliament declared the total proceeds of prize actions should thereafter be divided only among the captors.⁹ Before this the captors had shared only one-third of the proceeds, the rest being divided between the crown and the Admiralty. It was not until the 1739-1748 war that the serving officers first reaped the full benefit of this improvement. Such was the system of dividing the spoils among the captors that senior officers were greatly favored. Three-eighths went to captains, who had to convey one of these eighths if serving under a commodore or admiral. A captain in an active theatre of war had to be very unlucky not to share in a few prizes, while an admiral, from 1739 onwards, was almost certain of making a modest fortune.¹⁰

⁸ Daniel A. BAUCH, *British Naval Administration in the Age of Walpole* (Princeton, 1965), p. 112.

⁹ See 6 Anne c. 13. Prize money, in contrast to prize law, has been neglected by historians. Only two brief studies, which hardly more than introduce the subject, are worth mentioning: Vice-Admiral Charles JOHNSTONE, "Naval Prize in War", *The United Service Magazine*, New Series, L (1914-1915), pp. 335-351, 447-463; LI (1915-1916), pp. 12-20; and Lieut.-Commander Peter KEMP, *Prize Money, a Survey of the History and Distribution of the Naval Prize Fund* (Aldershot, 1946), 33 pp.

¹⁰ There were exceptions; and Admiral George Clinton was one. He gave up the Mediterranean command, reckoned to be the most lucrative, in the midst of war in 1741,

Let a few illustrations suffice to show how large these windfalls could be. In 1744 Captain George Anson returned to England from a four-year voyage around the world bringing captured prize property valued at more than £ 1¼ million.¹¹ The Louisbourg prizes in 1745 probably exceeded £ 428,000.¹² The net value of the French ships taken by Anson and Warren off Cape Ortegale in May 1747 was £ 755,896.¹³ The Seven Years' War proved no less profitable. For instance, when Havana was taken in 1762 the prize money distributed to the naval and military forces amounted to more than £ 737,000, and Admiral Pocock's share alone was £ 121,989.¹⁴ Later wars brought lucky officers equally handsome rewards, while many an officer involved in less lucrative actions did well enough. Collingwood, for instance, left a fortune of £ 163,743, though he never considered himself lucky in matters of prize money.¹⁵

III

Admiral Sir Peter Warren was no less enthusiastic about prize money than his fellow officers, and far luckier than most. For him war was the natural blending of duty and profit.¹⁶ The prospect of doing the enemy

for the governorship of New York in the belief that he could repair his fortune more rapidly from the emoluments of colonial office than from prize money. See Stanley Nider KATZ, *Newcastle's New York, Anglo-American Politics, 1732-1753* (Cambridge, 1968), pp. 33-35, 242n.

¹¹ JOHNSTONE, *op. cit.*, p. 592.

¹² This figure is arrived at by multiplying by a factor of 8 the minimum estimate of Warren's one-eighth share of £ 53,500.

¹³ BAUGH, *op. cit.*, p. 112.

¹⁴ *The Siege and Capture of Havana 1762*, edited by David SYRETT, *Publications of the Navy Records Society*, vol. 114 (London, 1970), pp. 305-313 for details of final prize distribution. Syrett notes: "The Keppels, having received a commander-in-chief's share, a second-in-command's share, and a major-general's share, were probably the only men satisfied with the division of the Havana prize money, for the family's fortune was made by the campaign" (p. xxxiv).

¹⁵ Oliver WARNER, *The Life and Letters of Vice-Admiral Lord Collingwood* (London, 1968), p. 247. Admiral Viscount Keith, a contemporary of Collingwood's, "must have been one of the richest naval officers in the kingdom on his retirement". *The Keith Papers*, vol. II, edited by Christopher LLOYD, *Publications of the Navy Records Society*, vol. 90 (London, 1950), p. x. John Jervis (later Lord St. Vincent) rose from poverty to great wealth through prize money; see Evelyn BERCHMAN, *Nelson's Dear Lord, A Portrait of St. Vincent* (London, 1962), pp. 188-194, for a detailed dispute between Jervis and Nelson over prize money. The case of Nelson is of interest for his biographers emphasize his naval feats at sea, his vanity and charm, his sense of patriotic duty, but rarely a word about his desire for gain or the fluctuations in his personal fortune. For a typical account, see Captain A. T. MAHAN, *The Life of Nelson. The Embodiment of the Sea Power of Great Britain*, 2nd revised edition (Boston, 1899).

¹⁶ In 1744 when Warren learned that French south sea and East India ships were at Louisbourg awaiting convoy home to France, Warren hoped to attack them, but was unable to gather the necessary force. He bemoaned his missed opportunity "of Serving my Country and making my fortune". Warren to Thomas Corbett (Secretary to the Admiralty), 27 Sept. 1744, *Adm 1/2654*, Public Record Office, London.

harm while enriching himself made him impatient with the weather, deserting seamen, ill-sailing ships and officers less energetic than himself. It also led him to take risks and to plague the Admiralty with constant demands for good ships and adequate supplies to keep them at sea.¹⁷ When the Admiralty's reaction was too slow, he commissioned the best of his prizes on his own initiative obliging the Navy Board to pay the cost.

The war of 1739-1748 saw him emerge from obscurity to become (with Anson and Hawke to be sure) the most successful, most honored and wealthiest naval figure in the kingdom. Prize money accounted for not less than £ 126,000 of his £ 155,000 estate at the time of his death in 1752.¹⁸ Of this, some £ 53,000 came from the Louisbourg prizes and £ 48,000 in 1747, when he served in the Western Squadron.

Not all of Warren's wealth came from prize money. Though he inherited nothing from his parents,¹⁹ it was through his mother's family that he had entered the navy: for him the path to wealth. His maternal uncle was Admiral Matthew Aylmer,²⁰ Commander-in-Chief; and Aylmer's son-in-law, Admiral Sir John Norris, made Warren a post-captain at the early age of 24.²¹ By living well within his income, Warren was able within three years of this promotion to purchase what remained of his

¹⁷ For an example of one such letter, see Warren to Corbett, 9 Apr. 1744, *Adm* 1/2654, P.R.O.

¹⁸ For details, see Julian Gwyn, "The Personal Fortune of Admiral Sir Peter Warren" (unpublished D.Phil. thesis, University of Oxford, 1971), p. 32. Anson was certainly richer and Hawke poorer than Warren. Hawke is often held up as a rare example of an officer of that day who "conceived of duty as something to be kept distinct from politics or the hope of monetary reward. This is not to argue that Hawke was uninterested in prize money; but he set an example in showing that such personal considerations were to be subordinated to patriotic duty." Ruddock Mackay, *Admiral Hawke* (Oxford, 1965), p. 59. In 1747, one of Warren's nephews, Captain Warren Johnson, thought him "one of the Richest men in England... worth three or four Hundred Thousand Pound Sterling". To his brother, William Johnson, 13 Sept. 1747, *The Papers of Sir William Johnson*, vol. I, edited by James Sullivan (Albany, 1921). Though the Admiral probably never knew the exact extent of his fortune, he knew better and in 1750 confided to his brother-in-law, Oliver DeLancey, that his wealth was "not near so much as the World Imagine nor More than the Necessary Parade here Obliges me to Live up to". 11 Aug. 1750, *Warren Papers* 37, New York Historical Society.

¹⁹ His father's will left him nothing, while his mother's only £3 for a mourning ring, Gwyn, *op. cit.* p. 2.

²⁰ For Aylmer's career, see Sir Fenton Aylmer, *The Aylmers of Ireland* (London, 1931), pp. 168-195.

²¹ For Norris, see D. D. Aldridge, "Admiral Sir John Norris...", *The Mariner's Mirror*, LI (May, 1965), pp. 173-183. Warren was made captain of the *Grafton* in 1727. It had been Edward Vernon's ship, and became vacant when Vernon was sent with an address of loyalty from the Baltic fleet upon the accession of George II.

family's estate in Ireland.²² With a small income independent of naval wages and the status of Irish landowner, Warren concluded a lucrative marriage alliance in 1731, with a New York merchant family, the DeLanceys.²³ The DeLancey connection was of lasting importance to him. In monetary terms the alliance was worth in time at least £17,500 New York currency, £9,000 as part of the marriage contract and the balance from inheritances in the 1740s. This resulted in Warren investing in landed property, money lending and in trade in America. By employing the DeLanceys as his agents Warren had at his disposal an outstanding source of business experience and acumen. This trans-Atlantic association, continued by his heirs, lasted for more than sixty years.

IV

What use did Warren make of his fortune? He invested it in America, Ireland and England. He bought land, loaned money, invested in the London stock market and occasionally dabbled in trade. He had one opportunity of investing in industry, when his wife inherited land upon which iron works had been established, but he sold her interest almost at once.

In America his land purchases were largely in the province of New York. His principal purchase took place in 1736 when he bought a 14,000-acre tract on the Mohawk where he attempted to establish a permanent settlement.²⁴ The scheme was a failure until after 1760 largely because of the threat to the New York frontier occasioned by the French in Canada and their Indian allies.²⁵ To superintend the estate Warren brought out from Ireland his nephew, William Johnson, a man of rare

²² Purchased from his one surviving brother 19 Feb. 1729/30, Memorial 42,633, *Deed Book LXIII*, Register of Deeds, Dublin. The cost was £500. In 1726, Warren had received freight money for carrying bullion for the South Sea Company from Jamaica to London. *Admiralty; Board Minutes*, 26 April 1726, *Adm 3/35*, P.R.O.; D. Wescomb to the Admiralty, South Sea House, 26 April 1726, *South Sea Company Papers*, Add. Mss. 25560, fol. 46, British Museum, London.

²³ The marriage contract, dated 20 July 1731, is in the *John E. Stillwell Collection*, New York Historical Society. For the DeLanceys, see Thomas JONES, *History of New York during the Revolutionary War . . .*, edited by Edward Floyd DELANCEY, 2 vols. (New York, 1879), I, pp. 649-655.

²⁴ The property was called Warrensburg and was situated opposite the modern town of Amsterdam, N.Y. The initial purchase of 13,000 acres cost Warren only £130. GWYN, *op. cit.*, pp. 129-130.

²⁵ For a useful revision of this aspect of New York's land question in the colonial era, see Sung Bok KIM, "A New Look at the Great Landlords of Eighteenth-Century New York", *The William and Mary Quarterly*, 3rd series, XXVII (October, 1970), pp. 581-614.

business talents, in whom Warren invested almost £ 8,000 New York currency.²⁶ Besides this important Mohawk property Warren acquired land elsewhere in New York. Several parcels were on Manhattan Island, the most important a 300-acre farm at Greenwich Village, a farm at Turtle Bay with facilities for careening warships, which he let to the navy, also in New York City proper especially along Broadway and Cortlandt street.²⁷ Furthermore, by direct purchase and by his wife's inheritance, Warren held a large stake in the DeLancey family's share of Cortlandt Manor astride the Croton river. Further afield he speculated in land in the neighborhood of Fort Edward, on the upper Hudson; but no permanent settlement flourished there until after the defeat of the French in Canada.

Warren's American land interests were not confined to New York. In the 1730s, when he was stationed at Charleston, he received grants of land totalling 2,000 acres.²⁸ He also bought land on a small scale on the New Jersey shore of the Hudson river opposite his Greenwich estate. Moreover, his heirs acquired a large farm near Boston, for which Warren had held the mortgage as security on a loan which was not recovered.²⁹

Warren's activities as a money lender in America began in 1731. His marriage contract specified that £ 6,000 New York currency should be invested in mortgages, bonds and similar securities.³⁰ The capital sum rose to a peak of almost £ 18,000 New York currency in 1752-1753 as Warren invested part of his prize earnings and as his wife inherited similar securities from her father and brother. In New York, as was his custom wherever he made loans, Warren strictly adhered to the laws governing the rate of interest.³¹ His debtors were either New York or

²⁶ Warren's relations with Johnson are considered in detail, GWYN, *op. cit.*, Chapter III. For a useful earlier treatment of the matter, see Edith M. FOX, "William Johnson's Early Career as a Frontier Landlord and Trader" (unpublished M.A. essay, Cornell University, 1945). For two excellent chapters on Johnson's skill as an entrepreneur, see Charles Roscoe CANEDY, III, "An Entrepreneurial History of the New York Frontier 1739-1776" (unpublished Ph.D. dissertation, Case Western Reserve University, 1967).

²⁷ See GWYN, *op. cit.*, Chapter II.

²⁸ *Ibid.*, Chapter VI. The South Carolina property was made over in 1751 to another of Warren's nephews, Captain (later Rear Admiral) Richard Tyrrell.

²⁹ The farm amounted to 862 acres and was situated at Framingham, on the Boston-Worcester road.

³⁰ An analysis of Warren's New York money lending activities will appear elsewhere. *William and Mary Quarterly*.

³¹ The ceiling on the rate of interest in New York was reduced in 1737 from 8 to 7 per cent. *The Colonial Laws of New York from the Year 1664 to the Revolution*, 5 vols. (New York, 1894), I, pp. 1004-1005.

New Jersey businessmen or his own tenants. Most debts were secured only by a bond, by which the debtor promised to repay the principal at a specified interest rate within an interval of a year. In fact such bonds were usually allowed to continue unredeemed for many years, though the number of bad debts was small in the long run. Warren rarely took mortgages as security on loans, though in two instances unredeemed mortgages resulted in Warren's acquiring important landed property. In Boston in 1746 Warren made loans amounting to £ 6,470, the capital coming from the Louisbourg prizes of the year before.³² His debtors there were men whom he had served with at Louisbourg or had met in the summer of 1746 when he was in Boston planning, with Governor William Shirley, the assault on Canada. There, too, he favored the bond rather than the mortgage as an adequate instrument to secure his capital, practically all of which was recovered though some of it not until the 1760s. Unlike his practice at New York, Warren in New England insisted in being repaid not in the provincial currency, which was then suffering rapid depreciation, but in sterling. Warren also loaned money in South Carolina in the early 1730s, but his time at that station was so short and his capital then so limited that his activities there never amounted to much if compared with New York and Boston.³³

In Ireland, Warren's first aim was the recovery of the family estate, called Warrenstown in County Meath. It had been forfeited under Cromwell, recovered in 1663, forfeited again in 1689 and yet again recovered under the terms of the Treaty of Limerick in 1691.³⁴ Half the estate

³² The legal ceiling on interest in Massachusetts was 6 per cent, *The Acts and Resolves, Public and Private of the Province of the Massachusetts Bay* . . . , 17 vols. (Boston, 1869-1910), I, p. 111, in force since May 1693. For an account of Warren's money lending in New England, see my article in *The New England Quarterly*, XLIV (March, 1971), pp. 117-134.

³³ When Warren left Charleston in 1732, his affairs were partly in the hands of his friend Captain George (later Admiral Lord) Anson.

³⁴ Warren's grandfather, Oliver Warren, who had inherited Warrenstown from his father, John, in 1638, had suffered almost total forfeiture between 1654 and 1663. Rev. Thomas WARREN, *A History and Genealogy of the Warren Family* (London, 1902), p. 187. When in 1662 a court was created to hear claims of those who had suffered confiscation under Cromwell, both Oliver Warren and his mother appeared before the tribunal and were restored to all the lands that had been forfeited. 7 Mar. and 4 May 1663, *Appendix to the 19th Report of the Deputy Keeper of the Public Records of Ireland* (Dublin, 1887), pp. 46, 52. Peter Warren's father, Michael, was an officer in the army of James II, and thereby forfeited his estates. By surrendering under the terms of the Treaty of Limerick (1691), he was offered the alternative of going to France and forsaking his estates, or of remaining in Ireland, submitting to William III, and being restored to his property. He chose to stay in Ireland. 1 July 1692, Trinity College, Dublin, MS., N.1.3.; published in "Irish Jacobite Lists", edited by J. G. SIMMS, *Anelecta Hibernica*, XXII (Dublin, 1960), p. 104.

was sold by Warren's eldest brother to pay off part of a large mortgage which their father had been obliged to give to sustain his declining years.³⁵ In 1730, Warren purchased the remaining half of the estate for a nominal sum of £ 500,³⁶ but was unable to recover the alienated portion until prize money began to accumulate in his hands in the 1740s. In fact it was only in 1750 that he received a clear title to it, whereupon he established his nephew, John Johnson, as his principal tenant and agent.³⁷ Before his death he had bought other estates in County Meath and County Dublin; and was in Ireland negotiating further purchases in 1752 when he died. His patronage of the Irish Johnsons, who unlike the American Johnsons remained Catholic, laid the basis of their later prosperity and rise in social status from tenant farmers to landowners of middling size.

It was only in 1747, after Warren had established a stake in America and Ireland, that he invested in England on any scale. In the five years before his death he paid almost £ 15,000 for six farms in Hampshire.³⁸ Comprising some 1,100 acres they lay together in the upper Meon valley north of Portsmouth. Only his early death prevented him from adding substantially to this investment. The wealth thus brought to the English land market, though made from prizes at sea, was in essence no different from that of a City magnate, west India merchant or returning Nabob. His desire to acquire land in England had little to do with serious investment. He paid a high price for the properties and they were cultivated by the Warrens at a loss until 1755.³⁹ Thereafter they were let to tenant farmers. Even then it never returned more than two per cent net, considerably less than was earned from investments in the stock market or in private money lending. "It was", as Professor Habakkuk has remarked, "the fee he paid for admission into the charmed circle of English landed society."⁴⁰ By confining himself to a group of small properties in one

³⁵ The estate was sold for £ 2,100, which left a debt of £ 400. 31 May/1 June 1723, memorial 23,564, Book 35, p. 525, Register of Deeds, Dublin. The eldest brother Lieutenant Oliver Warren, R.N., died unmarried in August 1724 while on half-pay in Ireland.

³⁶ 19-20 Feb. 1729/30, memorial 42,633, Book 63, p. 55, Register of Deeds, Dublin.

³⁷ John Johnson was William Johnson's youngest brother. In 1806 his son purchased Warrenstown and other Warren property for £ 18,000. *Gage Papers*, G/Ir/2 (52), Sussex Archaeological Society, Lewes.

³⁸ See GWYN, *op. cit.*, Chapter VIII. There is a plan of the house and gardens of the main property called Westbury in *Gage Papers*, G/Ha/42.

³⁹ A farm account book for the years 1753-1762 is found in *Gage Papers, Additional*, 728.

⁴⁰ H. J. HABAKKUK, "The England Land Market in the Eighteenth Century", in *Britain and the Netherlands*, edited by J. S. BROMLEY & E. H. KOSSMANN (Oxford, 1960), p. 171.

district and by retaining large investments in other forms, Warren was typical of many men of his generation, and very different from those of the seventeenth century, for whom wealth meant land and little else. Having no male heir, Warren was not tempted to erect a grand house, as so many of his contemporaries were.⁴¹ Instead he bought a comparatively new house, which never was an extravagant drain on his resources. Unlike the fictional Horatio Hornblower who felt completely ill at ease in the role of country gentleman and longed for the life at sea, Warren took easily to his new life on his Hampshire estates, entertaining, hunting, shooting, fishing, playing golf and cricket.

Another important aspect of Warren's fortune related to his money lending activities. Warren was in Ireland and England as enthusiastic a money lender as in America. Throughout his career at sea from his first months as a post captain Warren loaned money to both his fellow officers and seamen. He acted as his seamen's banker by purchasing their pay tickets at a discount and cashing them in when several months (and sometimes years) later the ship was paid off. During the siege of Louisbourg in 1745, for instance, in order to encourage men to transfer to a French warship, *Vigilant*, newly-captured, Warren advanced cash to many a seaman in this manner, and received his return only in 1751 when the *Vigilant* was paid off.⁴² Warren also loaned money to seamen and naval officers on the security of their anticipated prize money. Several of those who served with him at Louisbourg profited in this manner: Captain John Brett, £ 300; Lieutenant William Holbourne, £ 1,000; Captain Warwick Calmady, £ 700. In Ireland, as in America, Warren was also a source of credit to his relations, principally his brother-in-law, Christopher Johnson, and his nephew, Captain (later Rear Admiral) Richard Tyrrell.⁴³

⁴¹ Admiral Boscawen used part of his prize money to buy a property and build a new house at Hatchlands near Guildford. *Admiral's Wife being the Life and Letters of the Hon. Mrs. Edward Boscawen from 1719-1761*, edited by Cecil ASPINAL-OGLANDER (London, 1940), pp. 145, 247-8. Captain (later Lord) Rodney was in the same financial league as Boscawen; and by 1750 his prize money was "transmuted into farms and copy-holdings in Hampshire 'where he built himself a house'". David SPINNEY, *Rodney* (London, 1969), p. 87. Rodney's fortune is only naval officer's hitherto to have received more than passing notice from historians. Yet even in his case much has been omitted by his biographer.

⁴² See the *Vigilant's* pay book, Adm 33/393, P.R.O.

⁴³ Tyrrell was the elder son of Warren's sister Mary. Warren had fostered his career, Tyrrell proving himself an excellent officer. In 1751, Tyrrell took temporary leave of the navy to enter the sugar business in Antigua and received financial backing to the amount of £3,800 from Warren. Details in "Warren-Tyrrell accounts, 1751-54", *Gage Papers*, G/Ir/1 (9a).

It was an eighteenth-century piece of wisdom which held that "the man who buys land has principal without interest; he who lays out his fortune in the Funds has interest without principal; but he who lends on mortgage has both principal and interest".⁴⁴ Doubtless Warren would have agreed as forty per cent of his outlay in loans was secured by mortgages, the rest by bonds or notes of hand. Mortgages were taken from his neighbors in Hampshire, from his political allies, principally from the Earl of Egmont who received £ 3,000 at four per cent, and from those whom he met in the course of his business in London and Dublin. He was equally prepared to lend on the security of either English or Irish land, when many other sources of credit, notably London bankers and insurance companies, were reluctant to finance mortgages on Irish property, insisting instead whenever possible on English land as security. In contrast to his money lending activities in America, Warren loaned little money in Ireland and England to the mercantile community. However, there as in America he adhered strictly to the usury laws governing the rate of interest. Temptation to ignore the law could not have been great, for it so happened that much of his money lending activity occurred at a time of unusually low interest rates both in England and Ireland.⁴⁵

Like so many other men of wealth in the eighteenth century, Warren did not confine his investments to land and money lending, but found the stock of the great trading companies, the new insurance companies, and particularly the funded debt of the government in England extremely attractive. This sector had expanded rapidly since the late seventeenth century, and an effective market in securities had developed with it in the City of London.⁴⁶ Warren invested £ 4,565 in South Sea Annuities, paid £ 807 for £ 500 East India Company stock; £ 13,000 in East India Annuities; £ 54,000 in the 1745 3%os; £ 15,000 in the 1748 4%os; £ 5,000 in the 1750 "Million Loan".⁴⁷ Besides the funded debt, Warren invested in the government's floating debt. In April 1748, upon receiving his share of money from prizes taken in the May 1747 victory over the French off

⁴⁴ Ascribed to Lord Mansfield, John HOLLIDAY, *The Life of William Late Earl of Mansfield* (London, 1797), pp. 469-470.

⁴⁵ See L. M. CULLEN, *Anglo-Irish Trade, 1660-1800* (Manchester, 1968), p. 185, and T. S. ASHTON, *Economic Fluctuations in England 1700-1800* (Oxford, 1959), p. 148.

⁴⁶ See P. G. M. DICKSON, *The Financial Revolution in England a study in the development of public credit 1688-1756* (London, 1967).

⁴⁷ Details found in GWYN, *op. cit.*, Chapter X.

Cape Ortegale, Warren bought Navy Board bills to the value of £ 21,140. He invested as well in the shares of the Sun Fire Office, buying fifty shares for £ 1,800 in 1750.⁴⁸ His total holdings had reached a peak of £ 86,500 (nominal value of £ 96,169) in 1749, when he began to diversify his interests by lending money on a large scale in England and Ireland and by making considerable additions to his estates in Ireland and Hampshire. To finance these schemes he used £ 25,000 of the 1745 3%^s, which had risen above par and allowed him to realize a capital gain of £ 8,875. Even with this large sale of stocks Warren still held government funds valued at £ 58,000 at the time of his death, a sum far in excess of that held by other naval officers.⁴⁹ From all this he emerged as a successful, well-organized opportunist, who had the remarkable good luck to make a fortune in prize money at a moment when the government greatly expanded its borrowing, and thus depressed the price of securities.

By his will⁵⁰ Warren ensured the survival of his fortune at least for a further generation. One-third of the income from the estate was left to his widow and two-thirds to his daughters when they came of age.⁵¹ Lady Warren was not inclined to be spendthrift, and lived well within her income adding at least £ 1,000 in capital to her husband's fortune for each of the nineteen years of her widowhood. She sold no land, nor indeed bought any. She continued lending money in New York, though on a reduced scale. She called in all the personal loans her husband had made in New England, South Carolina, Ireland and England, and converted this capital to the Funds. This shift in emphasis is clearly shown in the following Table.

⁴⁸ See P. G. M. DICKSON, *The Sun Insurance Office 1710-1760* (London, 1960). Warren sold the shares a year later for £ 1,900, but then repurchased a further fifty which he retained. See *Sun Fire Office Share Transfer Book*, MS. 12,0123/5, nos. 1295, 1306, Guildhall Library, London.

⁴⁹ Anson had £ 30,000 invested in five prominent stocks examined by Dr. Dickson; and Anson's nearest rivals in turn were: Admirals Isaac Townsend with £ 19,000, Sir Chaloner Ogle £ 14,000, William Rowley £ 11,000, Lord Vere Beauclerk £ 3,200 and George Clinton £ 3,000. See DICKSON, *Financial Revolution*... *loc. cit.*, pp. 295, 297, 331.

⁵⁰ Printed in *The Papers of Sir William Johnson*, vol. XIII, edited by Milton W. HAMILTON (Albany, 1965), pp. 19-22.

⁵¹ The eldest daughter, Ann, married Charles Fitzroy (later Lord Southampton) the younger brother of the Duke of Grafton. The next daughter, Susannah, married her cousin, Col. William Skinner. The youngest daughter, Charlotte, married the Earl of Abingdon.

THE WARREN FORTUNE 1752 & 1772

Assets	1752		1772					
	Nominal Value	Income	Nominal Value	Income				
<i>Land :</i>	£	%	£	%	£	%	£	%
New York	12,611	8.3	166	3.1	35,762	16.0	817	12.7
New England	—	0.0	—	0.0	1,000	.05	—	0.0
Ireland	18,663	12.1	1,061	19.9	37,145	18.3	1,380	21.5
England	14,800	9.6	—	0.0	14,300	7.0	362	5.6
		30.0		23.0		31.4		39.8
<i>Loans :</i>								
New York	5,255	3.4	313	5.9	4,375	2.1	284	4.4
New England	6,470	4.2	305	5.7	—	0.0	—	0.0
South Carolina	150	.01	15	.03	—	0.0	—	0.0
England-Ireland	30,494	19.7	1,281	24.1	4,650	2.3	193	3.0
		27.3		35.7		4.4		7.4
<i>Others :</i>								
Stock Market	60,980	39.5	1,891	35.7	110,624	54.2	3,396	52.8
Duke of Bedford	4,800	3.1	300	5.6	—	0.0	—	0.0
Merchant Ships	1,000	.07	—	0.0	—	0.0	—	0.0
		42.7		41.3		54.2		52.8
Total:	155,222	100.0	5,332	100.0	204,856	100.0	6,432	100.0

At the time of his last illness Warren probably had no precise notion of the market value of all his assets, especially for his New York estates, but doubtless he had a clear idea of his income. Yet the subsequent rise in income enjoyed by his heirs during the next two decades, from £ 5,332 to £ 6,432, was, owing to inflation, illusory.⁵² In so far as inflation can be accurately gauged, then it can be said that income from the Warren fortune in real terms actually declined by 1772, as the Table below shows.

ADJUSTED INCOME 1752 & 1772

Date	Nominal Income	Price Index	Real Income
1752	£ 5,332	93	£ 5,733
1772	£ 6,432	117	£ 5,497

Base: 1701 = 100

Source: Elizabeth B. Schumpeter, "English Prices and Public Finances, 1660-1822," *Review of Economic Statistics* XX (1938), p. 35.

⁵² Between 1752 and 1772 inflation was 21.8 per cent. See Elizabeth B. Schumpeter, "English Prices and Public Finances, 1660-1822," *Review of Economic Statistics*, XX (1938), p. 35.

The failure to maintain or advance the level of income between 1752 and 1772 needs some explanation. The principal reason is to be found in the transfer to government securities after 1752 of capital in the form of personal loans. As loans, such capital had earned between 4 and 6 per cent in England, Ireland and New England, 7 and 10 per cent elsewhere in America. Lady Warren's general reluctance to venture capital in loans, except on a reduced scale in New York, and instead to invest in the most conservative offerings of the London stock market meant a safer but relatively lower income. This is particularly true in view of the general decline after 1752 in the rate of interest on government securities. In 1752 Warren still held several stocks which returned more than 3 per cent, while by 1772 no such securities held by Lady Warren exceeded 3 per cent. This loss of income was only partially offset by the rise in income from both the Sun Fire Office and East India stock after 1752, for the amount of capital involved, compared to that in government securities, was small. Even this modest influence was further limited after 1772 for the Warren heirs sold two of the fifty shares in the excellent Sun Fire Office. Finally, the decline in income can be explained in part by the loss upon Warren's death of the 6.3 per cent annuity from the Duke of Bedford, which incidentally also involved the loss of £4,800 capital.⁵³

V

What conclusions can be drawn from this study? First there is the remarkable rise in status. Warren broke away from the declining economic condition of his Catholic parents by conforming to the Established Church and by making a career in a relatively new profession under the patronage of well-placed connections. His naval career opened the path at first to modest affluence, and later with war to great wealth. His status as gentleman-officer and Irish landowner enabled him to make an advantageous marriage in New York, which in turn opened new business opportunities to him. His rise focuses attention on the navy as a means to wealth of unprecedented dimensions.

⁵³ Warren was M.P. for the borough of Westminster. Cf. Edith CRUIKSHANKS, "Sir Peter Warren", in *History of Parliament. The Commons 1715-54*, 2 vols. (London, 1970), I, p. 522. For the arrangement with Bedford, see Bedford to Anson, 20 June 1747, *Anson Papers, Addit. MSS.* 15965, fol. 141, British Museum.

That this meant "big business" caused Warren no concern. Like other naval officers on foreign stations he had traded on a small scale, and spoke with pride of his good relations with the merchants of Boston, New York, Charleston, Jamaica, Antigua and London. His position thus afforded him the opportunity of becoming as familiar with the state of trade as many leading merchants. His peculiar good fortune at Louisbourg, moreover, allowed him to patronize the London house of Samuel & William Baker who held part of the contract to supply the garrison between 1746 and 1749, and ultimately became one of the most important London houses trading with America. At a more general level, Warren's case illustrates mercantilism in action, for the wealth of Spain and France, seized on the high seas, was rerouted into English bond issues, which helped finance the war machine to thwart Spanish and French ambitions. Warren thus may be considered as a "war-entrepreneur" stimulating the process.

What is also of general interest in Warren's case is the international character of his investments. He did not merely plough back the wealth from his prizes into the English economy. Instead he made use of his experience both in America and Ireland; and his investments there ultimately proved more lucrative than those made in England. The impression he makes when thus acting as an international financier is several light years distant from the traditional conception of the younger son eking out a rather grim existence on the meagre wage of a naval officer. Ultimately, it should be noted, the entire Warren fortune was repatriated to England from Ireland and America, and the international character given it by Warren was permanently lost.

Warren evidently had great confidence in the economies of both the American colonies and of his native Ireland, a confidence which was shared by few men living in England outside the circle of London, Bristol and Glasgow merchants. His activities in America draw attention to aspects of both the land market and the money market, which historians have tended to ignore. In particular it is interesting to note the rather slight impact of the American Revolution upon the economic interests of the Warren heirs. The American victory did not result in the confiscation of Warren property, either in the form of debts or land, while the rights of the Warren heirs to these assets were guaranteed both by the

peace treaty of 1783 and the London treaty of 1794. Not only were the loans recoverable, but rental income was received in the 1780s from American tenants, after several years of interruption and as if no political gulf now separated tenants and absentee landowners. Both tenants and debtors were obliged to meet payment by well-to-do New England and New York agents of creditors and landlords who, in the case of the Warren fortune, were all members of the despised English aristocracy. This calls to mind the comment by Lord Halifax, that remarkable seventeenth-century political analyst, "When the People contend for their liberty they seldom get anything by their victory but new masters."⁵⁴ This evidence undoubtedly underlines the conservative nature, in economic terms, of the American War of Independence. It should also be noted that Warren's case shows that, while the yield on American land was less than on Irish or English, incompetent agents, frontier wars and the initial poverty of tenants all reduced this return considerably. The result was that the real return was achieved only when the land was sold; and here the Revolution acted as a catalyst, for despite the excellent economic prospects of the new republic the Warren heirs disposed of their potentially highly profitable American estate in the 1790s.

The situation of the Warren assets in Ireland was somewhat different. Warren's land purchases showed him able to take advantage of the economic plight of both Protestant and Catholic alike. Religion in this context was clearly a matter of indifference to him, so long as the price was right and the prospects of capital appreciation reasonable. These investments not only produced a return higher than similar investments in England, but also, in contrast to his American assets, were sold quite fortuitously at the height of the land market during the Napoleonic war-time inflation at great profit to the Warren heirs. In Ireland he laid the foundation of the family of John Johnson just as in America his interest established William Johnson in a position of great economic strength. Here, too, religion was of less importance than family ties, for the Irish Johnsons were Catholics. Their rise in status clearly shows that, for well-placed Catholic families in Ireland, the opportunities created by the relaxation in laws governing Catholic ownership of land in the late eighteenth century had very tangible benefits. Their rise coincided with a general

⁵⁴ *Halifax: Complete Works*, edited by J. P. KENYON (London, 1969), p. 207.

upswing in the Irish economy before the over-rapid population growth of the first half of the nineteenth century imposed severe strains on Irish society.⁵⁵

Finally, Warren's large interests in the London stock market raise certain general questions about the soundness of this sort of investment. Like so many others of his generation Warren had great faith in governmental credit and an ample willingness (bred of expectations of capital gain) to feed the machine by which Britain was able to fight her wars so successfully. By buying into the stock market at a discount during wartime uncertainties, Warren realized a capital gain, equivalent to a further series of prize moneys, when in the 1750s the Funds recovered and were selling at a level not again achieved in the eighteenth century. In addition Warren also put money into the East India Company and the Sun Fire Office, one the most successful British overseas trading company, and the other the most successful insurance company in the land. Yet after his death, his widow and his heirs largely concentrated their capital in government securities, even selling part of the excellent Sun Fire Office investment. As capital in the form of private loans was called in, it too was transferred to government stock. Yet with the mild price inflation of the second half of the eighteenth century and the depressed price of the Funds after 1755 this form of investment became much less attractive than it had been in Warren's heyday. Inflation ate at the real value of revenue, the long-term fall in stock prices ate at the capital value of their portfolio. Yet Lady Warren and the Warren heirs held on to their investments. In theory (and perhaps this encouraged their policy) these assets were liquid; yet they were not sold. Instead, much less liquid capital in the form of land in America and Ireland, which, despite political turmoil, had greatly appreciated in value and, in the case of America, held great promise of further growth, was sold. This set of decisions illustrates the very impermanence of a fortune such as Warren's: mortality clearly played a crucial part in a non-corporate entrepreneurial situation. Warren was obviously a keen businessman. His wife and heirs, though careful in their financial dealings, were too cautious by half and quite without imagination and daring, the stuff needed for

⁵⁵ See, in particular, L. M. CULLEN, "Problems in the interpretation and revision of eighteenth-century Irish economic history", *Royal Historical Society Transactions*, 5th series, XVII (1967), pp. 1-22.

continued success in this field. Their knowledge of America and Ireland, always very limited, grew less, until, for instance, they had wholly forgotten that they even owned an estate in New England, or where exactly their Irish estates were. Their experience was confined to England, their ambition a 3 per cent return in the stock market and 2 per cent on land. By the end of the eighteenth century, the Warren fortune had more or less fallen asleep.

Note de Recherche

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