

## ***Contracting and Accounting: Spanish Army Expenditure in Wardrobe and the General Treasury Accounts in Eighteenth Century***

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The objective of this study is to examine the funds to purchase clothing for the Spanish Army during the eighteenth century and their administration by the General Treasury (from now onward GT) under the authority of the Spanish Royal Finances. We try to establish the relative and absolute importance of the assigned funds under this heading and the diverse means used for contracting, including its legal structure, the payment mechanisms used by the Crown and the accounting control.

The data organization of the national archives forces us to assume certain factors in relation to our study. The data related to the GT expenses is located in the *Archivo General de Simancas, Dirección General del Tesoro, Inventario 16, Guión 24, bundles 1-3* (from now onward AGS, DGT, Invº 16-24, b. 1-3), in a section so-called “*Asientos de lo satisfecho por la Tesorería General a la clase de Menajes y Vestuario (1739-1807)*”. Such *clase* [kind] of equipment and clothing was just one among more than thirty to which the general treasurers distributed the items of their general data during most of the eighteenth century.<sup>1</sup> Unfortunately, this series does not distinguish between the amounts paid for the wardrobe and other items such as artillery, weapons and ammunition. On the other hand, the contracts for the supply of clothing were kept all together in AGS, DGT, Invº 25-1, b. 17 in another section so-called “*Asientos de vestuario y artillería (1740-1790)*”. With this information we can choose select examples which refer exclusively to the purchase of clothing.

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1 The complete information about all the *clases* in Jurado Sánchez (2006: 157-9) and its description in Torres Sánchez (printers: 8-11).

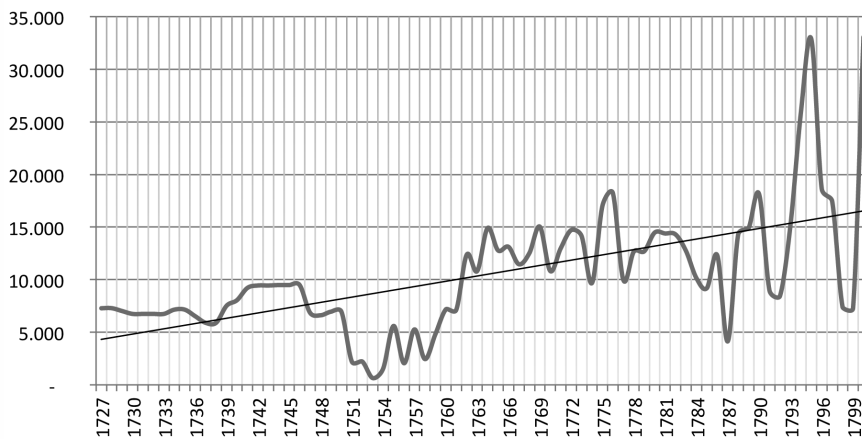
As a result, the first part of our study includes an analysis of the financial importance of wardrobe and artillery together (from now onward W&A). In the second part, we will focus on the study of the contracts for clothing alone, to establish the evolution of its typologies and its relation with the government institutions that financed them.

## 1. Evolution of the Expense Consigned on W&A

### 1.1. Analysis and periodization (absolute terms)

The total amount and the evolution of the funds assigned by the Royal Finances to cover our section appear in *Table 1*. The table shows in absolute terms (in *reales de vellón*) the total assigned from 1727 to the end of the century.<sup>2</sup> The global picture demonstrates a certain uniformity because all the amounts are lie between 5 and 15 million, with an annual average of 10,5 million *reales* for the period under study. We can also see the tendency for a regular increase in value over the period.

**Table 1.** Expenditure in W&A, 1727-1800 (reales de vellón)



Source: Jurado Sánchez (2006: 171) for the period 1727-1739 y AGS, DGT, Invº 16-24, b. 1-3.

<sup>2</sup> The figures for 1727-38 period are taken them from Jurado Sanchez (2006: 171) so we have not detailed about the contracts of this period. We do have the data from 1739 included in our documentary series (AGS, DGT, Invº 16-24, b. 1-3). However, the accounts are

Beginning our series in 1727 is interesting because that is the date in which Great Britain and Spain started a series of military confrontations, mainly related with the control of the American trade which continued until 1748. There was a trivial war between the two nations from 1727 to 1729 which ended with the Treaty of Seville but the situation could only be defined as a “cold war” until 1739 when the conflict broke out again (González Enciso, 2011: 40-45). As we can see in the table, the evolution of the expenses in W&A since 1727 to 1738 was very stable, averaging about 6.8 million per year (below the average of the whole series).

It is also opportune that the detailed documentation begins in 1739, just in the beginning of a decade which saw the renewed Anglo-Spanish conflict, popularly called the War of Jenkins’ Ear, which overlapped in 1742 with the War of Austrian Succession. The money assigned to cover this section of expenses increased its absolute importance during 1739-48 period to an average of 8.6 million per year.

Both periods could be really be examined together as one, characterized by war or the threat of it, which led to regular increase of expenses from about 6 to 10 million *reales* per year. The Treaty of Aquisgran, signed in October 1748, ended the War of the Austrian Succession and eventually also ended the conflict with Great Britain. King Felipe V had died in 1746, which brought to an end the vexed Italian question, which had been an obsession for him, but was of much less concern to his successor Fernando VI (see Gonzalez Enciso, 2003).

Although everything remained unchanged in Americas and the Italian solution did not live up to Spanish expectations, the new king Fernando VI, with the support of his government, concentrated in the Marquis de la Ensenada hands as a Secretary of Exchequer, War, Navy and Indias, considered it was the time end the era of conflict. A policy of peace and neutrality was imposed, which allowed the beginning an important programme of domestic reforms.

*Table 1* shows that the equipment of the army was not one of the new monarch’s priorities. The Horcasitas account (general treasurer in 1749-50, still biennial) shows signs of the new political circumstances, but the radical transformation came with Nicolas de Francia’s account (general treasurer in 1751-52). It shows a huge contraction of expenditure in W&A continuing after the fall of Ensenada in 1754, the beginning

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not yearly until 1753, so we apportion the monthly amounts for 1739-1752 period. After issuing the *Real Decreto 08/05/1753* to order the GT, the amounts are yearly, compact and homogeneous offering detailed and systematized information.

of the *Seven Years' War* in 1756 (in which Spain is not involved until 1762) and the death of the king Fernando VI. All the budgets from 1749 to 1761 kept under 5 million per year and, in fact, averaged 3 million for the period as a whole. The period of peace and armed neutrality in Spain had an obvious effect on our series.

Only after Carlos III became king in 1759, did the numbers slightly increase and only reached the pre-1748 level when the peaceful period abruptly ended. In August 1761, Carlos III signed the Third Family Compact with France and in January 1762, Great Britain and Spain declared the war each other. Expenditure increased quickly, reaching 10-15 million per year, a level that remained until 1785 as the Spanish Monarchy became involved in the Seven Years' War (1762-1763), the African wars in 1774-75 and the American War of Independence (1779-83). The average expenditure between 1762 and 1785 was 12.5 million; a noteworthy different from the two previous periods.

From 1786 the effects of an economic crisis and continuing warfare, with the Spanish involvement in the War of the Roussillon or War of the French Convention (1793-95) and later against Great Britain (1796-1802), began to be felt. Our series shows irregularity, but peaking at the highest figure for the series at 16 million per year. The financing of army equipment was sometimes under 10 million and, on other occasions, over 15 million, reaching 30 million at critical moments. These fluctuations probably represent a clash between a political will to reduce the expenses and the persistent reality of an intermittent war which forced essential and improvised financial decisions.

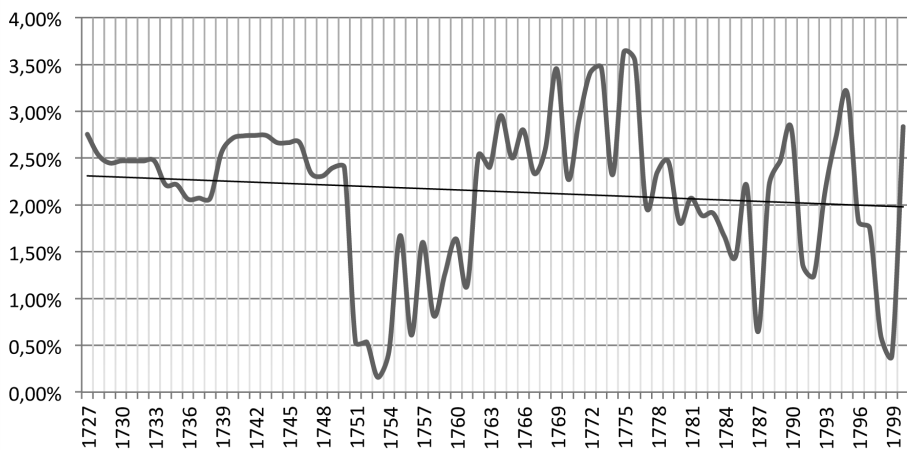
In conclusion, we are able to differentiate four periods in our table. A first one from 1727-48 was a time of war, with expenses ranging between 5-10 million reales per year. A second period, the peaceful one from 1749-61, with amounts under 5 million. A third period, from 1762-86, in which expenses are very regular, but with an evident rising trend of consignments up to 10-15 million per annum. Finally, the last period from 1787 to 1800, in which the series shows a clear irregular tendency, but going over 15 million.

From this we may conclude that there were quite different choices in the distribution of expenses in the reigns of Felipe V, Fernando VI, Carlos III and Carlos IV. However, the figures discussed above are absolute values at current prices. We have not considered the inflation in Spain during the century, which was quite low between 1748 and 1786, but particularly intense thereafter. Nor have we considered the tax burden nor the tax receipts and, consequently, the wealth availability of the Royal Finances. This is what we must now turn towards.

### 1.2. Analysis and periodization (relative terms)

We will now try to establish the relative importance of the funds given in W&A compared to the rest of expenses approved by the GT. Of course, it is not possible to talk about a “National Budget” until nineteenth century, but the information from the GT is quite close to the total expenditure of the Royal Finances during the eighteenth century (see Dubet, 2010a: 95-132 and Dubet, 2012). We obtained the total figures from the report of Jurado Sanchez (2006: 155-156) to calculate the percentage representing the data in the previous table.<sup>3</sup> The result is shown in *Table 2*.

**Table 2.** Expenditure in W&A based on the GT data, 1727-1800 (percentages)



Source: Jurado Sánchez (2006: 155-6) and figures from Table 1.

The expenditure of W&A as a percentage of global GT expenditure averages at 2.2 per cent per year. Although it oscillates, there is also certain regularity in the numbers in that, except in very special occasions, they never go lower than 0.5 per cent nor go over 3.5 per cent. We can assume therefore that there were always, to a greater or lesser degree, contracts in force to supply the army, but also that none of the Spanish

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Monarchy Governments made them a priority. We could talk about it being medium-high level concern under Felipe V, low level with Fernando VI, high level with Carlos III and irregular with Carlos IV. But the most important difference between *Table 1* and *Table 2* is that the tendency line is slightly decreasing in this second case. In fact, the wealth designed to clothing supplies tends to reduce during the course of the eighteenth century. If we put together the information in *Table 2* with the periods before mentioned in *Table 1* we can see similar characteristics in the first two periods. However, the third period shows now a progressive decrease and the fourth one lowers its relative importance substantially.

From 1727 to 1748, the percentage of the assigned expense to W&A remained between 2-3 per cent of the total: during the conflict years (1739-1748) it was closer to 3 per cent and during the “cold war” closer to 2 per cent, but the average of the period is clearly 2.5 per cent. However, during the 1730s and 1740s the funds managed by the GT increased progressively because of improvements in tax collection; this fact allowed increasing the expenditure from 260 to 360 million reales. Our *clase* of W&A was constantly adapting to availability of funds from the GT.

The second period, the peaceful one, is, similarly, not difficult to analyse. The funds assigned to the W&A were under 1 per cent of the total, well under the average for the complete period. The funds available to the Royal Finances during this period did not decrease, but actually increased. This was mainly because of the recovery in commercial activity with Indies, so the revenues rose to 400 million reales per year. However, clothing and arming the army were not on the Crown's list of priorities.

The percentages allocated under this heading rose to over 2 per cent again from 1762 and, during the early 1770s, reached the maximum of our series, going over 3 per cent for the first time in a period without military conflicts. So, the period in which the most money was assigned to cloth and arm the Spanish army was one of international stability rather than warfare.

Also, the percentages no longer mirror the absolute figures. The average for the period 1762-78 is 2.8 per cent per year, but from 1779-85 it decreased to 1.9 per cent. The beginning of the American War of Independence increased the absolute figures, but decreased the relative proportion of the money assigned. The explanation is clear: the Crown asked its subjects for a new fiscal effort. There was a renewed collection effort, which affected all kind of income. There was a new negotiation of vouchers and bills, which increased the available income for the Monarchy. The budget of the Crown kept growing regularly to go over 400 million and, in the late 1780s, to over

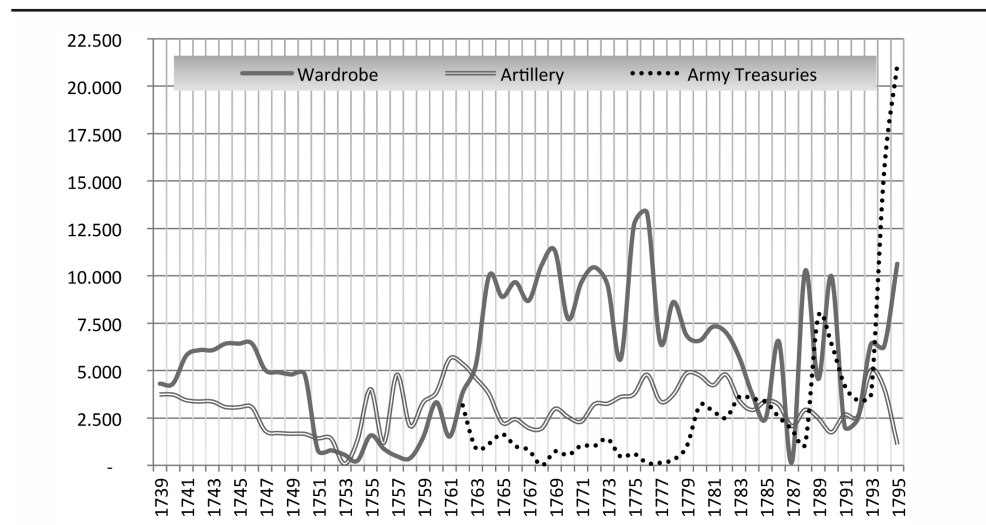
500 million. So, while the funds assigned to W&A remained fairly constant, its relative importance went down.

In the year 1786 an era begins in which the expenditure in absolute terms was at its highest level of our series, but not in relative terms. During the war years, the budget assigned to W&A was close to 3 per cent and in peaceful years that followed it went down to the 0.5 per cent, but these 16 million per year are only 1.8 per cent of the total expenditure and thus are under the period average.

In conclusion, the funds over the average from the first period 1727-48 gains relative importance, which is also the case in the period 1749-61. The third period 1762-85, must be divided in two parts, separated in the year 1779. The earlier period gaining relative significance, and falling in the second part. This continued into the last period (1786-1800). The difference between the relative and the absolute terms is a consequence of the progressive increase in the tax yield in the eighteenth century Spain, combined with the inflation suffered, especially from the 1780s. However, it is very interesting to emphasize that there was not always a direct relation between war and the importance of our expenses in the budget. The 40s and the 70s are in the top—a time of war and a time of peace—. There are moments of war with efficient financing in clothing and artillery and other moments, also in war and specially at the end of the century, in which this kind of expense was not the state's top priority. Our kind of expenditure is absolutely determined by the strategic options adopted by different governments and, ultimately, the decision of the monarch himself (Torres Sánchez, 2002a: 487-512).

### *1.3. A distinction between funds for wardrobe and funds for arms*

Now we will proceed to analyse the basic characteristics of the contracts agreed with the merchants just for supplying clothing to the Spanish army. We need to separate the clothing from arms inside the *clase* of W&A. We do it in *Table 3*.

**Table 3.** Composition of expense in the W&A, 1739-1796 (reales de vellón)

Source: AGS, DGT, Invº 16-24, b.1-3.

The main conclusion from this table is that the amount for clothing is double of that for arms, albeit with temporary variations. We also can observe that the funds assigned to arms are more regular than the ones for clothing. The third line of the table that appears in 1762 refers to the payments made by the Army Treasuries following the orders and instructions of the general treasurer (Solbes Ferri, 2007a: 187-211 & 2007b: 357-84).

Below we have a brief comment relating to the contracts for arms. There was a third part of the funds which were assigned to a contract signed by the *Compañía Guipuzcoana de Caracas* to supply the army with the arms made in Plasencia; that contract was in force until 1786, when the Guipuzcoana was changed for the *Compañía de Filipinas*. Together with this contract are another two others related to ammunition from Santander (Liérganes and La Cavada factories) on behalf of the Marques de Villacastel, and ammunition from Navarre (Eugui factory) signed by Francisco de Mendingueta.<sup>4</sup> In 1768 a new contract for ammunition and transport was signed in favour of Juan de

4 We have checked this information with Merino Navarro (1987: 103-142) and Pieper (1992: 219-20). Anyway, we prefer the Jurado Sánchez's calculations because he marks the difference between the precedent and the successive treasurer.



Michelena (Villacastel and Mendinueta were then out of business) and, finally, Michelena was replaced in 1786 by his nephew Leguia in contract for the transport of ammunition. Budgets adjustments barely affect the arm expenditure during our time of study because at least two or these three settlements are in force.

Just in a paragraph we have analysed the different ways for contracting arms and ammunition. We wanted to include this information to point out the contrast with the wardrobe, completely different, may be because there were not enough blacksmiths and the ones are only working for the Crown. Next, we will try to concentrate on the contracts that the Spanish Crown had with the wardrobe supplies to the royal army.

## **2. Wardrobe supplies for the Royal Army**

### *2.1. Contracting Models and Accounting Control*

The contract auctions followed a very precise pattern under the Bourbons throughout the century.

Each contract started with the presentation of *Pliego de Condiciones* [Conditions Form] signed by the merchant or company applying for the contract. It included the number of years that they committed to supply the clothing with fixed prices. In each contract all the conditions were perfectly detailed, sometimes even to the level of the colours, quality of the fabrics, insignias and accessories. The documents included the guilds working for the supplier and also the conditions, deadlines and delivery places. Normally, the suppliers bore the charge of the delivery, which was usually between three and six months after the order was placed to places like Madrid, Barcelona, Valencia, Cartagena or Cádiz. From there the Royal Finances covered the additional transport to their final destinations. The exemptions and privileges of the suppliers during the settlement period were also detailed. The most important of these related to the exemption of customs rights for their raw materials in transit.

The *pliego* were finally approved by *Real Orden*. The Finances Council was informed by the Secretary of the Exchequer. The *contador de valores* signed a copy of the contract to keep in the *Contaduría General de Valores*. The contract came into force from that moment.

The production process really began with the *Real Orden de Formalización de Encargo* [Royal Order to Make the Settlement Official] communicated by the Secretary of the Exchequer himself or a Quartermaster (as his representative) to the supplier. That

order included all the details of the job, including delivery dates. Every year there were a large number of orders for the equipment for each troop and section. The Secretary of Exchequer designated a General Inspector of each section who sent an official to monitor the deliveries to royal warehouses. Meanwhile, the Quartermaster of each military department chose another official to check the quality of the product. Both had to sign and give the supplier the appropriate *Recibo de Entrega* [Delivery Receipt] and *Certificado de Aprobación del Género* [Approval Form] necessary before he could receive payment for the goods.

When the suppliers had enough receipts and approval forms, normally every three months, their representatives went before the main *contador* of the GT to present the formal *Ajustamiento* [Adjustment] of the delivered goods to the troops. They presented the receipts and certificates with very detailed accounts of clothing, contract prices, transport costs and so on until they reached a final sum for the account. The total amount was the one the suppliers received from the GT, which also gave them the *Recibo de Libramiento* [Order of Payment] to which was added the proper certificate from the GT notary. If the suppliers did not receive their money on time, they could stop further deliveries. However, this did not mean that the suppliers received all their money in that point. Among the entries in the adjustment, the supplier included the money received in advance, payments on account or sums received from other treasuries. So, the day of the adjustment was just the GT making officially noting the documentation in the process.

When the fiscal year ended all these official documents were sent to the *Tesorería de Cesación*. The GT is occupied by two treasures in alternative years (in fact since 1753) because the first obligation of the outgoing general treasurer is compiled all the information about payments in a report and present it to the Contaduría to get the appropriate *Decreto de Aprobación de Cuentas* [passing decree]; then, the treasurer is ready for recuperate his task in the follow year. In his account, he had to differentiate the types of expenditure and create separate accounts for every *clase*. Every document related to each kind of expense consisted of a number of items which recorded the money paid for the approved contracts, the royal orders and their receipts, including the originals. Every expense item was related to only one supplier or contract, but all of them included every adjustment of the year. The document finished with the amount of money paid during a year and the amount made accepted by the treasurer.

## *2.2. Evolution*

a) Before 1739: The Habsburgs clearly left the production and distribution of the industrial goods for military use in private hands (see Sanz Ayanz, 1989). Consequently, the Bourbons inherited a very small military industry. They solved the army's problems and covered its necessities by using foreign suppliers. Such situation, together with the reorganisation of the army introduced by Philip V, brought in an excess of French war materials during the Succession War as French ministers saw the business for suppliers and merchants exploited the opportunity (Kamen, 1974: 75-83). For example, in November 1713, a contract was signed with Pedro de Leleu, a merchant from Paris, to make and deliver in Madrid 2,015 sets of clothing before March 1714. In April 1714, the supplier delivered the consignment and he had received 3.6 million *reales*, meanwhile it was being managing the payment of the rest 1.4 million.<sup>5</sup>

During Alberoni's ministry the Crown turned to direct production. This was the beginning of government intervention in industrial matters and the establishment of the Royal factories. The strategic purpose was to assure quality and price and favoured Spanish rather than foreign merchants. A document lists all the clothing and arms bought between 1718-20 for forty-nine regiment troops of Infantry (with 650 men in each) in Catalonia, Mallorca, Valencia, Murcia, Aragón, Navarra and Guipúzcoa. This totalled about 31,850 complete uniforms all of which were manufactured in Zaragoza, Barcelona and Madrid.<sup>6</sup>

In 1730s the relationship between the Crown and the suppliers was reconsidered, because of growing concern about abuses from the rent lessors and the suppliers.<sup>7</sup> Patiño wanted to move to the direct management with control resting with the Quartermasters who would become the local supplies managers. They would pay with the funds managed by the army treasurers, always under the GT's control.<sup>8</sup> We do not know what happened with this project but it disappeared after Patiño died in 1736, the successive suspension of payments began in March 1739 (Fernández Albadaejo, 1977: 51-81) and a new war against England broke out that autumn. In

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5 See González Enciso in the present book; references for Mendinueta in Torres Sánchez (2002b).

6 AGS, Guerra, Suplemento, leg. 543.

7 AGS, Guerra, leg. 5352.

8 See Pérez Fernández Turégano (2006). For the introduction of direct administration in the tobacco rent see Solbes Ferri (2008: 122-73).

this situation, the Crown had no option but to begin contracting again with private merchants to supply the army. In fact, until the end of June 1738, Matias de Valparda was the supplier in charge of the clothing for fifteen battalions and whatever else was needed by the different regiments.<sup>9</sup> This was the return to the solution of the first decades of the century; the Crown dealing with private intermediaries in order to coordinate production and distribution.

b) Times of war (1739-48): The suppliers' contracts are now the principal solution for clothing, as we explain, but we will study at least five alternative options in this matter.

- *General Suppliers Contracts*: This section is completely consistent with legal rules outlined in part 2.2. The general supplier in 1739-40 was Miguel de Arizcun, Marques de Iturbietta, whose heirs were not interested in this contract after his death in 1741. Iturbietta received almost half of the 8 million budget assigned to clothing. In 1741-43 there was a budget of 17 million for clothing and Matias de Valparda, from Barcelona was the supplier in charge. He received a third of the total amount. In 1744-46 the budget had risen to 20 million and Valparda was still the general supplier, but now only receiving a quarter of the total. A new supplier, Vicente Puyol, also from Barcelona, was in charge of the clothing supplies to the army in Italy, receiving 11.6 million. Finally, in 1747-48 Vicente Puyol was the only supplier receiving 7 million for the contract out of the 9.5 clothing budget. In conclusion, the Crown progressively strengthened a general supplier during this decade to make sure of its control over him. On this occasion the Catalan suppliers had control of the contracts because production was particularly concentrated in their Principado.

- *Other Suppliers Contracts*: Together with the general contracts we have to remember there were special contracts assigned to special troop equipment. All of had the same legal formalities as the general suppliers' contracts, no matter the amount (Torres Sánchez, 1996, 7). The elite troops, like the *guardias de corps* and Royal Halberdiers contracts were with Jose Cebrian, Jaume Planell or the Marques de la Bondad Real. Other examples are those related to courtisans of the *Reales Sitios*, bedding, contracts for mule transport, prisoners' clothing, gypsies captured in Andalusia and Valencia or, the longest one, that assigned to clothing the African

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9 Torres Sánchez asserts that the system is similar to the British *Victualling Board* (2002: 492).

garrison. The general suppliers do appear to have had some of these contracts, but they were always separate and signed individually. The amounts never represented more than a tenth from the total assigned to clothing.

- *Contracts with producers*: The Crown kept trying to deal directly with the producers, even when the control and supervision could be more difficult. In the 1741–43 accounts there is a reference to a *Real Decreto* of 25<sup>th</sup> September 1739 in which Felipe V ordered that the troops' clothing contracts had to revert to the earlier method.<sup>10</sup> The contract method is interesting but not economically significant as the costs of all these materials were less than 10 per cent of the total amount. The general treasurer had to adjust the contracts with different places and people depending on the *Cinco Gremios Mayores de Madrid* [Five Guilds of Madrid] for the fabric supply and other goods (Gómez Rojo, 2008, 187–214). These wares had to be put in a warehouse in the Cuartel de Guardias de Corps in Madrid, under the care of a lieutenant helped by a measurer assistant and someone in charge of the transports; all of them were paid by the Royal Finances. That was an alternative relationship with the suppliers, centralized in Madrid—against the preponderance of Catalanian general suppliers—, reinforcing the producers close to the Crown, setting the Guilds of Madrid as guarantors of constitutional control. The accounts of the period detailed the amount of cloth acquired in Navas del Marques, Villoslada, Lumbreras, Anguiano, Pedroso, Cabeza del Rey, Olmeda, Nuevo Bazán and Teruel (González Enciso, 1975 and 1984). We can also see the amount paid to several dyers and tailors, the contracts with the chair makers guild, leather craftsmen, esparto workers, shoe makers, and all the other artisans related to the army necessities.
- “*De su cuenta*”: The principal exception from the previous methods was the payments to any company or battalion to acquire its clothing. Whether because of tradition or because of a missed deadline, the Royal Finances could provide cash directly to the troops to supply their own uniforms (Torres Sánchez, 2002: 507). One of the more frequent complaints of the suppliers was that some regiments and military units were allowed to choose between taking their supplies or the money to buy them wherever they chose. This was bad for the suppliers, who lost on the contract when the market prices were low, and they could only recover when the prices

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10 AGS, Guerra, leg. 5353.

were high, which was less beneficial to them. The GT paid the money to the authorised person in the troop and obtained a receipt that included that it included in its general report. We do not know how the regiments acquired the equipment but we suspect that they bought the materials directly from producers. Some companies or battalions retained this privilege throughout the century, in some cases dealing with considerable sums of money. For example, in the accounts for 1739-41 almost 1.4 million was assigned to Navy and Infantry battalions, and a similar amount was paid to the Guilds of Madrid.

- *Payments in Catalonia*: The last type of contract related to clothing made in Catalonia, for Catalonia. The supply assigned to this territory was quite important for most of the century, particularly during the campaigns in Italy. The contract was made with private suppliers (Jose de Florenza y Pons in this case) who delivered the goods directly to the regiments or military warehouses in Barcelona, where he received the proper documents to enclose in his own adjustment. In this it was just like other contracts, but it differed in the method of payment because the suppliers need to go, in the first instance to the Tesoreria del Ejército de Cataluña, where the Quartermaster signed a *Recibo de Buenas Cuentas* [receipt of good accounts], which was then sent to the GT to confirm it and to include it in its general data. During this period, this applied only payments made in Catalonia. However, after 1762, any Army Treasury was allowed by the GT to execute payments in this way and all their Quartermasters were given the authority to manage the contracts in an important decentralize option.

c) Peaceful Time (1749-61): In 1749-50, when the conflict was over, we find Vicente Puyol was still receiving 8.8 million out of 9.5 million assigned to clothing on his account as the general supplier. The concentration of contracting with only one supplier remained. However, in the 1751-52 accounts the general supplier had disappeared and not because someone else had taken his place but because of the reduction in demand. It seems that the clothing purchases simply stopped.

All the other ways of contracting mentioned on the previous paragraphs remained but with much less significance. There was direct purchasing from the royal factories. A few payments were made to regiments and to the contracts managed by the Treasury of Catalonia. On the other hand, in 1752 a new and large contract was signed with Felix Basiana (soon with his widow Manuela Sapena) to cloth the soldiers in Africa garrisons. The 1753 account was finally only half million *reales* for clothing: the Africa

garrison got half and the other half was manufactured in Catalonia by Benito Gusta. During the following years only the African contract continued, renewed in 1758 with Leopoldo Pons. In 1759 there was a new contract to make uniforms for the *guardias de corps*, the Halberdiers and the royal stables staff, with Manuel de Iruegas. The clothing expenditure didn't exceed 2.5 million reales this year.

What happened to the general suppliers who worked for the Crown during the war? Simply, they just disappear for us. It's clear that the king can create or modify the rulers for the military expenses. It all depends on the royal wishes. The tendency for concentrating the public demand in one monopolistic method, presided by the general supplier, is broken again. The new king Carlos III will need to begin again.

d) Sierra, Bacardi & Mestres Co. (1762-85): With the Spanish intervention in the Seven Years' War, Benito Gusta from Catalonia became the paper of general supplier. The budget for clothing changed abruptly from 1-2 to 9 million and Gusta's payments increased from under 1 million in 1762 to 3 million in 1763. But it seems that he could cover the complete demand from the army. The Monarchy's provisional solution is to make a number of small contracts with different producers and to create a new contract with the Five Guilds in Madrid.<sup>11</sup>

When the war finished, the minister Marquis de Esquilache completely reformed the supply system for the army. The new policy was clear: going back to a single general supplier and here we come across the most important contract in our series; that signed with the Company of Ramon Sierra's (citizen and attorney of Madrid), Baltasar Bacardi and Esteban Mestres, both from Barcelona. Such merchants assumed the supplying of the contract for the infantry, artillery, navy, invalids, cavalry, dragoons and the troops in Catalonia and Aragon wardrobes. The contract was initially for ten years (1764-74) but successive contracts renewed the terms and enabled them to keep control until 1785. The concentration of power in this contract is obvious. Production was organised in Barcelona and the clothing distributed all over Spain, with another contract of transporting it signed with the same company. The payments of these adjustments are the highest of this period, with 7 or 8 million per year, being 80 per cent of the clothing budget. This monopoly was only shared with Iruegas for the elite troops and with Pons for the African prisons; the other, alternative, ways of contracting were reduced to just some regiments providing the goods themselves.

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11 AGS, DGT, Invº 16-24, leg. 1.

The Crown needed strong suppliers, able to assume big contracts and the suppliers needed the guaranty of a contract and prompt payment. The Royal Finances were now in a few suppliers' hands for clothing and the same was true for the supply of arms. This was not a solution to the supply problem that was chosen by other European nations in our period of study, but, for Spain, the savings and the security of supply were more important than the advantages of dealing directly with the producers.

Looking to the accounting question, there was an administrative innovation in these years related to the appearance in the GT data of the payments by the Army Treasuries. In essence, it is just a way to make easier the accounting and the financing by the Crown, in relation with the phenomenon called by Torres Sanchez '*expenditure militarisation in the Carlos III's Spain*' (Torres Sánchez, 2009). As we know, the Army Quartermasters were authorised to order the supplies and the Army Treasuries allowed to make the payments with their available funds; the accountant of the same treasury taking note of all the process. Even though the payments from those local treasuries were of little importance until 1775, it could possibly become very significant the moment that the troops moved to Andalucía in relation to military needs. Meanwhile, it will appear the Army Treasury of Castilla la Vieja and even, the Treasury of Orán, in the African campaigns context. In 1779, when Spain started entered the American Independence War, the Army Treasury of Andalucía appeared very strongly as the main originator of the contracts to supply the troops destined for America. The payments from that moment and until 1785 amounted to 20 per cent of the total budget —Catalonian Treasury had never worked with so much money— and the expenditure decentralization was further enhanced during the following war.

e) Last period (1786-96): It remains only one decade of analyse but changes are still waiting for us. The most important event was the end of the general suppliers because the Sierra, Bacardi & Mestres contract finished in 1786 and also the Pons one ended in 1788. The rules of the game have changed again and the alternative were diverse once more. These are the new solutions.

- *Direct Administration*: A new alternative was the National Bank of San Carlos, created in 1782, as clothing supplier for the regiments of local militias all over Spain (Tedde de Lorca, 1988: 154-8). This contract included important innovations. The first was the way they chose to supply these troops, with the resolution of the *Real Decreto* 20/04/1784 by which the Royal Finances took direct administration



of the Spanish Army organization.<sup>12</sup> The second was that such contract payments were charged directly to a tax of two *reales* per salt bushel and not simply charged to the funds managed by the GT. The accounting process was a payment letter from the treasurer of salt rent based on an order made by the *Inspector General de Milicias*, Juan Jose de Vertiz, in favour of the directors of the Bank. Such a letter was then communicated to the general treasurer to be included in his general data who, in turn, sent a payment letter to the salt taxes collection. The third innovation was that the Bank itself had a credit of 45.5 million for the supplies. These innovations explain the movement to direct administration. According to the legal form of settlement, the general suppliers could stop delivery if they did not receive payments punctually. At this time, the first economic difficulties were appearing for the Royal Finances and recourse to a finance institution with its own credit was an attractive solution, easing the pressure on royal credit. The contract with this institution was a temporal solution just for 1785-90 and finished in the latter year. From then on, the clothing for the regiments of local militias was managed directly by the Inspector General Vertiz, using the money collected from the salt taxes. There was no private contract for clothing.

- *Five Guild of Madrid*: According to the *Real Orden* 11/09/1788, this company got the contract for the *guardias de corps* and all servants of the Royal Household for the next ten years (1789-99). It was the traditional way, but using a semi-official organization in the place of the suppliers. We do not know if it was an action against the private suppliers or the way of getting more control over the production. The first seems more probable, given the financial situation of the moment, but it is not a definitive answer.
- *Improve the role of Army Treasuries*: Since 1789 there was a major quantitative change related to the Army Treasuries. In this year the Andalusia treasurer managed 4.3 million; more than the 3.5 of the National Bank. This was because following an order from the Quartermaster of the Andalusia Army, the provincial treasurer contracted with Marcos de Andueza for the supply of clothing of the American troops. Such supplier has a similar duty as the general suppliers but, in this case,

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12 The period accounts detailed the amount of fabrics acquired in Navas del Marques, Villoslada, Lumbreras, Anguiano, Pedroso, Cabeza del Rey, Olmeda, Nuevo Bazán and Teruel. We can also see the amount paid to several dyers and tailors, the contracted by the chair makers guild, leather craftsmen, esparto workers, shoe makers, and all the artisans related to the army goods making.

he received the payments directly from the Andalusia Treasury —Bacardi and Mestres never had had that possibility—.

In a similar way, the payments made by the rest of the army treasuries were also increasing, especially on the head of giving companies funds to supply their own clothing. With the beginning of the War of Roussillon, the general budget assigned to clothing rose to 25 million in 1794 and 30 million in 1795. The charges on the Catalanian Treasury rose from 10 and 15 million respectively as a consequence of the *Real Orden* 31/07/1794. According to this, the king Carlos IV assigned that the army clothing contracts to be made either by the current Quartermasters or their commissioners. Therefore, the Catalonia Treasury made payments of the clothing contracts managed by the troops themselves. There was no longer any recourse to private contractors.

In conclusion, at this time the militias made their own contracts. The traditional contract was signed by the Five Guilds of Madrid, the only supplier (Andueza) was working with the Andalusia Treasury and the Army Treasury of Catalonia used the largest part of the clothing budget. During this decade the Crown tried to dress the troops without recourse to private contractors: why? Was it the royal wish or was it the impossibility of finding private contractors willing to cooperate with the Crown on clothing supplies?

In 1797, after the war with France had ended, the Royal Finances were exhausted, and in an attempt to resolve the supply problem in a time of terrible financial difficulties, it was suddenly decided to go back to a traditional contracting method —direct agreements with private producers if they could be found—. The GT accounts show once again show a large number of entries related to completely unknown merchants.

### 3. Conclusions

In the first part of our study we have observed that the funds assigned to our *clase* of spending increases in absolute terms but decreases in relative ones. Furthermore, we found a direct relation between the different reigns, and different government funding for clothing and arms. The second part confirmed that the politics of Felipe V, Fernando VI, Carlos III and Carlos IV in that matter are not the same. When the funds assigned for clothing increased relatively (Felipe V and Carlos III) the tendency was always to concentrate the demand in the hands of a monopolistic private supplier, such as the company of Vicente Puyol or Sierra, Bacardi & Mestres. But this solution

could be changed at any moment by the king, as happened with policies of Fernando VI and the financial difficulties of Carlos IV.

These financial difficulties of the Bourbon Monarchy in mobilizing the means to supply the Spanish army were obvious throughout the eighteenth century. This was the necessary consequence of absolute military priorities within the current administrative system. It kept private groups specialized in collecting rents and managing of the king's needs, giving them large amounts of power and influence (Torres Sánchez, 1999: 289). This solution appeared very clearly during the Habsburgs Dynasty but it was the same during the Bourbons period. The contracts signed with private merchants continued throughout century, but in several different forms, which are reflected in this study. Whether it was impossible to replace them or because the business was good for both parties, the Spanish army's supply of clothing kept to these traditional methods.

Accepting the situation, the Crown tried to increase the accounting control of the General Treasury over these contracts. Our study has shown the complexity of this system. Their evolution and changes tends probably to concentrate the control in Madrid but at the same time encourage the decentralisation of the executive system in favour of the Army Treasuries across Spain. At least this circumstance may be considerate a clear sign of accounting modernization and financial efficiency.

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