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Military supply without the military? Supplying the Spanish Army in the 18th century

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Abstract: Great progress has been made over the last decade in knowledge of the various systems of military supply used by the different European states in the 18th century. There is thus a clear institutional differentiation between the model of relations with the private market established by the British parliamentary monarchy or the Dutch republic and the model characteristic of absolute monarchies, such as those in France or Spain. This article undertakes an initial assessment of the Spanish trend of *asiento general* as the priority formula of procurement, clearly connected to the French case. Below, without ruling out the influence of political organization, we aim to refine the institutional approach, endeavouring to locate other factors of an economic, administrative or social nature which likewise appear to be determinants on choosing the model of military supply. These arguments are related to the encouragement of national industry and the administrative modernization of the state, which can end up leading to the desire to separate the military organization from this type of business.

Keywords: Provision business; army and navy; contractor state; national economies; economic growth; public finances; private market; Economic History; Europe Pre-1913.

Subject classification codes: JEL Codes: **N230** Economic History: Financial Markets and Institutions: Europe: Pre-1913.

Introduction

Following the Glorious Revolution of 1688, England began to design a parliamentary system which would allow it to give way to a centralized treasury capable of guaranteeing public debt as an essential condition to ensure economic growth.¹ From then on, it managed to establish direct and smooth relations between a purchasing state and a market

¹ Peter G.M. Dickson, *The financial revolution in England: A Study in the Development of Public Credit, 1688-1756* (London: MacMillan, 1967); John Brewer, *The Sinews of Power: War, Money and the English State, 1688-1783* (Cambridge: Harvard University Press, 1989).

capable of meeting the need to supply the royal army and navy.² The Dutch republic, using a different institutional channel, likewise succeeded in reaching similar levels of connectivity.³ Meanwhile, absolute monarchies, like France and Spain, appeared to encounter persistent difficulties to organize a similar model, forcing them to seek alternative formulae to guarantee the inexcusable relations with the supply market. The majority of the solutions involved negotiation with intermediaries (manufacturers, merchants or financiers) capable of directly meeting the demand of the crown or of being responsible for establishing this relationship on its behalf.⁴ Thus, during the Ancien Régime, a growing trend toward the concentration of military supply in the hands of a few selected agents is observed in various states, this contrasting with the apparently natural inclination of the English and Dutch states to seek direct solutions in a diversified

² As a historiographic paradigm, references are often made to the case of the Royal Navy and the management of its supplies. See Richard Harding, *The Emergence of Britain's Global Naval Supremacy. The War of 1739-1748* (Suffolk: Boydell Press, 2010); Roger Knight and Marti Wilcox, *Sustaining the Fleet, 1793-1815. War, the British Navy and the «Contractor State»* (Suffolk: Boydell Press, 2011); and Roger Morris, *The Foundations of British Maritime Ascendancy: Resources, Logistics and the State, 1755-1815* (Cambridge: Cambridge University Press, 2011). However, in recent times this analysis has expanded to the general effect of war on the British economy. See Huw V. Bowen, 'Forum. The «Contractor State», c. 1650-1815', *International Journal of Maritime History*, 25, no. 1 (2013), 239-274; Gordon Bannerman, 'The impact of war: new business network and small-scale contractors in Britain, 1739-1770', *Business History*, 60, no. 1 (2018), 87-104.

³ Pepijn Brandon, *War, Capital, and the Dutch State, 1588-1795* (Leiden: Brill, 2015).

⁴ For the case of France, see John-Francis Boshier, 'Financing the French Navy in the Seven Years War: Beaujon, Goossens et Compagnie in 1759', *Business History*, 28, no. 3 (1986), 115-33; Joël Félix, 'Los historiadores y los financieros de la Francia del Antiguo Régimen', *Mélanges de la Casa de Velázquez. Nouvelle série*, 46, no. 1 (2016), 21-31; David Plouviez, 'The French navy and war entrepreneurs: identity, business relations, conflicts, and cooperation in the eighteenth century', *Business History*, 60, no. 1 (2018), 87-104; Pierrick Pourchasse, 'Military entrepreneurs and the development of the French economy in the eighteenth century', *Business History*, 60, no. 1 (2018), 87-104. For the case of Spain, see Agustín González Enciso, Rafael Torres Sánchez and Sergio Solbes Ferri, 'XVIIIth Century Spain as a Contractor State' *International Journal of Maritime History*, 25, no. 1 (2013), 253-57; Agustín González Enciso, *War, Power and the Economy: Mercantilism and State Formation in XVIIIth Century Europe* (London and New York: Routledge, 2016); Rafael Torres Sánchez, *Military entrepreneurs and the Spanish Contractor State in the Eighteenth Century* (Oxford: Oxford University Press, 2016).

market.⁵ In the case of France, during the stage prior to the revolution, the monarchy maintained permanent negotiation with the so-called *traittans*⁶. In Spain, these big contracts agreed upon with private intermediaries are known as *asientos* and, consequently, we call those who sign them *asentistas*.⁷ Recent studies by the *Contractor State Group*, and by its subsequent extension through the *CSG Imperial Network*, have been able to give an institutional meaning to this connection between models of supply and the political nature of the states.⁸

As a result of the above, it has been possible to detect greater variability in the choice of alternative solutions in the absolute monarchies compared with the greater stability observed in the parliamentary models, as if the former encountered more obstacles to establishing an enduring relationship with their national markets and engaged

⁵ For the comparison of different business models in relation to the war and the state growth see Jan Glete, *War and the State in Early Modern Europe* (London and New York: Routledge, 2002); David Parrott, *The Business of War: Military Enterprise and Military Revolution in Early Modern Europe* (Cambridge: Cambridge University Press, 2012); Jeff Fynn-Paul, Marjolein 't Hart and Griet Vermeesch, 'Entrepreneurs, military supply, and state formation in the late medieval and early modern period: new directions', in *War, Entrepreneurs, and the State in Europe and the Mediterranean*, edited by Jeff Fynn-Paul, (Leiden: Brill, 2014), 1-13; Rafael Torres Sánchez, Pepijn Brandon and Marjolein 't Hart, 'War and Economy. Rediscovering the Eighteenth-Century Military Entrepreneurs', *Business History*, 60, no. 1 (2018), 1-19.

⁶ Jöel Felix, 'La monarquía francesa y los financieros en el Antiguo Régimen. El ejemplo de los *traittants* durante la Guerra de los Nueve Años, 1689-1697', *Tiempos Modernos*, 30, no. 1 (2015), 1-27.

⁷ Rafael Torres Sánchez, 'Administración o asiento. La política estatal de suministros militares en la Monarquía española del siglo XVIII', *Studia Histórica. Historia Moderna*, no. 35 (2013), 159-99; Sergio Solbes Ferri, 'Secretarías, asentistas y militares. Política y negocio en la provisión del ejército español del siglo XVIII', in *Comercio, guerra y finanzas en una época en transición (siglos XVII-XVIII)*, ed. by Antonio Rodríguez Hernández, Julio Arroyo Vozmediano and Juan Sánchez Belén (Valladolid: Castilla Ediciones, 2017), 159-94.

⁸ Stephen Conway and Rafael Torres Sánchez, eds., *The Spending of the States. Military expenditure during the long Eighteenth Century: patterns, organization and consequences, 1650-1815* (Saarbrücken: VDM Verlag, 2012); Richard Harding and Sergio Solbes Ferri, eds., *The «Contractor State» and its implications, 1659-1815* (Las Palmas de GC: MICHN-ULPGC, 2012); Iván Valdéz-Bubnov, Sergio Solbes Ferri and Pepijn Brandon, eds, *Redes empresariales y administración estatal: movilización de recursos y producción de materiales estratégicos en el mundo hispánico durante el largo siglo XVIII* (Mexico: Universidad Nacional Autónoma de México, forthcoming).

in constantly changing the rules of the game.⁹ Institutional circumstances undoubtedly influenced this situation since, for absolute monarchies, the option of altering a defined formula of management simply entailed convincing the king of the advisability and benefit of the change: the rest was taken for granted. Therefore, any change of reign, replacement of government teams or participation in armed conflict could, and indeed did, lead to transformations in the dominant systems of military supply.¹⁰ Having said this, it was not usually easy to convince the king or a governing team of the advisability of making these changes and, anyway, it is also necessary to take into account the influence that the market or the main suppliers may have exerted on the supply conditions.¹¹ Production costs, the quality of the finished product, the speed of distribution and the general efficiency of the service obviously influenced the choice of supplier but, even so, in the end it would appear to be a political decision influenced by vested interests and a certain contextual favouritism. However, real and not illusory arguments were needed in order to impose a change, and this moreover had to be feasible, regardless of how many interests were at stake and how absolute the monarchy was. Even in these cases it was not therefore a question of a royal whim: the monarch tended to take into consideration the well-being of their subjects, support for the national economy, the options really offered by the market and the fight against corruption.¹² Behind the apparent volatility of the policies chosen by the particular case of the Spanish state, there was a rational basis which arose from the same problems facing rival states. As we will see in this work, although it is true that there were management alternatives which allow

⁹ Rafael Torres Sánchez, 'Cuando las reglas de juego cambian. Mercados y privilegio en el abastecimiento del ejército español en el siglo XVIII', *Revista de Historia Moderna*, 20 (2002), 487-512.

¹⁰ This relationship can be observed in Sergio Solbes Ferri, 'The Spanish monarchy as a contractor state in the eighteenth century: Interaction of political power with the market', *Business History*, 60, no.1 (2018), 72-86.

¹¹ Rafael Torres Sánchez, Pepijn Brandon and Marjolein 't Hart, 'War and Economy', 12. A combination of resource reservation and market weakness tends to favour a tendency toward monopoly as the only available way of dealing with this.

¹² Anne Dubet, 'Entre razón y ciencia de la Hacienda: la conflictiva construcción de un modelo de buen gobierno de la Real Hacienda en España en la primera mitad del siglo XVIII', *Espacio, Tiempo y Forma*, 28 (2015), 187-209; Anne Dubet, *La Hacienda Real de la Nueva Planta (1713-1726), entre fraude y buen gobierno. El caso Verdes Montenegro y las reformas de la Hacienda* (Madrid: Fondo de Cultura Económica, 2015).

identical goals to be reached, the fact is that it is not possible to categorically state that one was better than the other. It all depended on the political priority that it was decided to establish, whether this be regional development close to the location of the armies, imposing civil over military administrative control, or the most efficient production and delivery of the supplies. In short, many variables had to be taken into account on making the decision. Even if only in these cases, the choice of supply model in the case of absolute monarchies arose from the voluntarism of the crown, which is more difficult to detect in parliamentary regimes.

On this basis, in this study we intend to go beyond a mere institutional approach which justifies the complicated relations that the Spanish monarchy maintained with its national market during the 18th century and the constant changes in the supply models that consequently occurred. We will also endeavour to find and analyze other arguments of an economic, administrative and even social nature which could have been considered by the governments to justify resorting to different alternative military supply systems in each historical situation. After an initial part in which we address this diversity of alternatives, all of our ideas and hypotheses will be contrasted in the second part, analyzing the specific conditions to supply wardrobe to the armies. Together with food provision and weapons, this is one of their main headings, and it has recently received significant historiographical attention. We thus believe that it can play a paradigmatic role for the verification of our hypotheses.

1. The *asiento general* as the dominant formula in military supply

Supplies for the Spanish army and navy in the 18th century do indeed appear to show a decisive trend toward the adoption of progressively concentrated forms of management.¹³ This dynamics entails the establishment of a series of *de facto* monopolies which tend to be placed in the hands of national private companies using the characteristic formula of the aforementioned *asiento general*.¹⁴ The state then intervenes to dictate the basic conditions to meet the demand and to immediately grant the companies chosen complete management development freedom. They can and indeed have to negotiate the procurement of the supplies in the market, organizing the entire supply, manufacture and

¹³ Torres Sánchez, *Military entrepreneurs*, 96-111 and 210-229.

¹⁴ As an example, see Sergio Solbes Ferri, 'El *asiento general* en la provisión del vestuario militar. La compañía de Bacardí, Mestres y Sierra (1763-1784)', in *Redes empresariales*, 181-217.

distribution of goods process. This solution, in force throughout the century, experienced a stage of maximum splendour during the reign of Charles III (1759-1788), which does not imply that it was imposed systematically or that it would last beyond this reign.¹⁵ Indeed, as we will see, the arrival of the Banco Nacional de San Carlos in the military supply business starting from 1783 altered the principles which justified its predominance.¹⁶

The alternative solution to the *asiento general*, aside from the details of the legal form of the contracts, consists of replacing these private agents in order to use the military units' own structures to carry out their duties. Indeed, both the official units and some specific units (Swiss mercenaries, infantry royal guards, *guardias de corps* and halberdiers) maintained at all times the option of being supplied *from their own account* with funds specifically allocated by the king for that matter, therefore being outside the activity of the *general asentistas*. In relation to uniforms, there was a specific alternative solution to cover the entire troop, using a formula known as the *gran masa*. This solution entailed incorporating a supplement into the monthly payments of the *prest y paga* of the troops calculated to obtain the money necessary to fund the replacement of clothing at the appropriate time. In these cases, an officer responsible (*habilitado*) tended to be appointed among the minor officials in order to be in charge of managing the funds and subsequently procuring the supply.¹⁷ Military supply then took on a distinct bias, since the military did not tend to resort to intermediaries to manage relations with the market which they could take on perfectly well in a direct manner. The *habilitado* was then placed under the authority of the Secretary of War or of the Navy.

Between these two extremes, there were endless mixed procurement formulae commonly used to manage specific chapters of supply, such as the belts of a company, the sabres of a regiment or the boots of an army corps. The panorama was extremely broad, but all these businesses tended to be carried out through what the documentation calls *contracts*, covering the same concept as what historiography has called *micro-*

¹⁵ These periodical changes are analyzed in Solbes Ferri, 'The Spanish monarchy', 82-83.

¹⁶ Solbes Ferri, 'The Spanish monarchy', 84-85.

¹⁷ It is possible to speak of 'regimental agents' as a provision formula commonly used in much of Europe. Torres, Brandon and Hart, 'War and economy', 9.

asientos.¹⁸ Whatever the term chosen, their fundamental characteristic is that they consisted of a signed agreement to meet a specific and timely supply request: a certain product on just one occasion, with a due date and a payment date. The contractual relationship between the crown and the supplier ended with the delivery of the goods within the deadline and the payment of the amount stipulated. If necessary to renew it, a new contract would have to be signed. In short, they were contracts with the private sector which did not reach the category of *asientos* due to the small productive and organizational capacity of the companies or individuals which signed them, meaning that in many cases it was necessary to have the support of the military units, mainly for distribution tasks. That is why we talk about a mixed solution.

There were therefore three fundamental alternatives for military supply: resorting completely and permanently to private intermediaries, the alternative use of the military structures or a merger of both models involving small contracts. High levels of military self-management had been inherited from the previous century, but the desire to place the supply of the army and navy under the direct control of the king meant that, in the 18th century, there was a clear trend toward the *asiento general* signed with large private companies for the main sections of military supply. Notwithstanding this, the alternative systems did not ever disappear, because there was a constant give and take between the state and the main contractors related to real problems of technological capacity, the number of potential (sub)contractors which could be used, the availability of own capital or the dependence on state transfers for the funding.¹⁹

We are interested in knowing all these processes in some detail, since they are closely related to the hypotheses that we will subsequently consider. We therefore need to analyze the relationship created between the crown and the market at least in relation to the supply of food, weapons and military wardrobe.²⁰

¹⁸ Eduard Martí Fraga, 'Detrás del asentista. Los contratistas militares de Felipe V en Cataluña (1715-1720)', in *Redes empresariales*, 106-138.

¹⁹ Torres Sánchez, Brandon and Hart, 'War and Economy', 14.

²⁰ This is based on the classification defined within the General Treasury of the Spanish monarchy studied by Anne Dubet and Sergio Solbes Ferri, *El rey, el ministro y el tesorero. El gobierno de la Real Hacienda en el siglo XVIII español* (Madrid: Marcial Pons, 2019), 402, 436-445.

– *Food provisions for the army.*²¹ From the end of the War of the Spanish Succession, their supply was concentrated in the hands of the powerful finance houses of Goyeneche and Valdeolmos, but they experienced important changes and variations in the following decades. The main change may have been Patiño's commitment to the direct management of the business through a *Contaduría General de Víveres*, created in 1730, to be coordinated by the military intendants in the territories where the armies resided. When they returned to the *asiento general* model, in 1744, he appointed Francisco Mendinueta from Navarre, who also had to act between 1753 and 1754 as director general for direct administration. Mendinueta lost the contract shortly after the arrival of the Marquis of Esquilache at the Treasury Secretariat, in 1763, opening up a transition period with the French company of the Dugues (supported by Partearroyo and Larralde, financiers of the court), until, in 1768, the government decided to transfer the contract to the Five Major Guilds (*Cinco Gremios Mayores*) of Madrid.²² This corporation knew the business very well, since it had managed the *excusado* ecclesiastic tax since 1752, it had freedom of internal transit rights and, since 1758, it had managed the supply of food to the court and royal residences. In 1783, the Banco Nacional de San Carlos claimed and obtained a business estimated at 24 million *reales de vellón* per year. The trend toward the concentration and formation of an *asiento general* is clear in this case, as are the continuous changes in its ownership.

– *Household goods, military clothing and artillery.* The General Treasury tends to group together under this item the rest of the businesses of the Royal Treasury, in which *asentistas* tend to end up intervening preferentially. The specific item of household goods tends to be managed through small contracts for the provision of beds, tents, sails, etc.; here, *microasientos* are the norm.²³ The *asiento general* formula again became dominant for the provision of the different types of weapon, in particular for the manufacture of

²¹ Rafael Torres Sánchez, 'Los navarros en la provisión de víveres a la Armada española durante el siglo XVIII', in *Volver a la hora navarra. La contribución navarra a la construcción de la monarquía española en el siglo XVIII*, ed. by Rafael Torres Sánchez, (Pamplona: Eunsa, 2010), 213-62.

²² Rafael Torres Sánchez, 'Los Cinco Gremios Mayores y el abastecimiento de víveres al Ejército Español en el siglo XVIII', *Studia Historica. Historia Moderna*, no. 34 (2012), 407-32.

²³ Dubet and Solbes, *El rey, el ministro*, 436-445.

cannons, small arms and their subsequent transport along the Ebro to the Mediterranean.²⁴ In the first case, the involvement of the state was so intense that it even took over the ownership of the factories, ruling out other alternatives probably due to the scarce efficiency shown. Indeed, the Cantabrian factories of Liérganes and La Cavada were assigned by *asiento* from 1738 to the Marquis of Villacastel, but the crown intervened in 1763 in order to take over their direct management, the process culminating with their expropriation in 1769. The manufacture of small arms (pistols, rifles and muskets) was concentrated in the Gipuzkoa valleys of Plasencia, Éibar and Vergara, in addition to some areas of Catalonia, where the *asentistas* could play a beneficial role as intermediaries with the corporations. For the main *asiento*, the crown resorted to the Real Compañía Guipuzcoana de Caracas, which held the contract from 1735 until its transformation into Compañía de Filipinas in 1785. For his part, in 1737 the aforementioned Francisco Mendinueta incorporated into his business the transfer of weapons and munition along the Ebro, while managing the Navarran factory of Eugui in what can be understood as the *asiento general* for munitions. In 1765, the contract for river transportation was transferred to Martín de Michelena, an *asentista* previously involved in the provision of food.

The main heading within this section, estimated at almost 7 million *reales de vellón* per year, refers to the wardrobe of the soldiers.²⁵ This sector perfectly sums up the previously indicated supply difficulties and alternatives, since there were always differentiated corps when it came to preparing uniforms which were necessarily different: ground troops of Spain, troops of the Indies, of the navy, royal companies, employees of royal houses, exiles from the prisons of Africa (whose uniforms were paid for with funds from the Bull of the Crusade), provincial militias (which, since 1766, were financed with the tax on salt).²⁶ The consequence is that all known supply formulae can be found simultaneously combined. However, in all cases, the state imposed support for national industry as an essential prior condition, compulsorily resorting to raw materials from the royal factories (cloth, linen, twill and serge), and with the obligation that the subsequent

²⁴ Agustín González Enciso, 'War contracting and artillery production in Spain', *Business History*, 60, no. 1 (2018), 87-104.

²⁵ Solbes Ferri, 'El asiento general', 187-188.

²⁶ For more details, see Solbes Ferri, 'The Spanish monarchy', 82-83.

tailoring should be carried out in the national market, using tailors from professional associations or from the domestic industry.²⁷ From then on, the ups and downs were related both to the desire of the state and to the actual capacity of the market to meet the supply.

From the end of the War of the Spanish Succession, a certain concentration of the manufacture of uniforms is observed in Madrid and Barcelona. In the first case this was due to the permanent presence of elite troops and employees of royal houses; in the second, to the military units of occupation combined with the different armies concentrated for the expeditions in Italy.²⁸ No single procurement formula succeeded in imposing itself, and no trend is observed toward concentration or dispersion of the manufacturing. *Asentistas* were resorted to in the 1720s, but contact was maintained with the *micro-asentistas*.²⁹ In the 1730s, the Cinco Gremios managed a specific contract to supply the entire army.³⁰ With the Duke of Montemar in War and the creation of the Admiralty for the Navy in 1737, both Secretariats managed to contract directly, breaking the dynamics of concentration of these procedures in that of the Treasury.³¹ Subsequently, Campillo and Ensenada again resorted to general *asentistas* to clothe the armies for the expeditions in Italy.³² In short, it was necessary to await the death of Philip V, at the end of the military confrontation and at the beginning of Ensenada's military reform, to apply a solution which would introduce a certain homogeneity. In 1749, all of the contracts with *asentistas* were suspended in order to resort in general to the *gran masa* which, we should recall, placed the solution adopted in each case for the supply of uniforms in the hands of

²⁷ For a general comparison, see David J. Smith, 'Army Clothing Contractors and the Textile Industries in the Eighteenth Century', *Textile History*, 14, no. 2 (1983), 153-164.

²⁸ Pere Molas Ribalta and M^a Adela Farga, 'Gremios y asentistas del ejército de Cataluña del siglo XVIII', in *La ilustración en Cataluña. La obra de los ingenieros militares*, ed. by Juan Carrillo de Albornoz y Galbeño, Carlos Díaz i Capmany, and Mariela Fargas Peñarrocha (Barcelona: Ministerio de Defensa, 2010).

²⁹ Eduard Martí Fraga, 'Cataluña y la movilización de recursos militares para la expedición a Sicilia, 1718', *Cuadernos de Historia Moderna*, 44, no. 1 (2019), 129; Martí Fraga, 'Detrás del asentista', 106.

³⁰ Archivo Histórico Nacional (AHN), Diversos-Colecciones, 160, n^o 22.

³¹ Dubet and Solbes, *El rey, el ministro*, 171-183.

³² Sergio Solbes Ferri, 'Campillo y Ensenada: el suministro de vestuarios para el ejército durante las campañas de Italia (1741-1748)', *Studia Histórica. Historia Moderna*, no. 35 (2013), 201-34.

the different military corps.³³ The management of the business by the military did not last long either. Ensenada's successor in the Treasury Secretariat, the Marquis of Valparaíso, began to authorize the individual return to procurement by *asiento* for the uniforms of certain corps which had declared this intention.³⁴ Finally, the Marquis of Esquilache came onto the scene, in this case ordering, on conclusion of the Portuguese campaign of 1762 developed in the general context of the Seven Years' War, the complete suspension of the *gran masa*, the withdrawal of the military and the formation of an *asiento general* for the joint supply of all the troops of the Spanish army.³⁵ The company chosen –initially known as *Bacardí, Mestres y Sierra* and, later, as *Sierra y compañía*– managed the aforementioned contract for 22 years, specifically between 1763 and 1784.

Finally, it can be stated that military supply in Spain throughout the 18th century demonstrated a persistent tendency to use the *asiento general* as a priority resource, but that these dynamics could be interrupted by any circumstance. We have also been able to observe the permanent hesitation between monarchs and ministers when it came to backing a firm and long-lasting solution, since all the sectors analyzed experienced alternative procurement situations which were not justified by a possible saving of costs. The *asiento general* imposed itself as the solution, but always in the midst of a constant opposition which exercised its influence at the least opportunity. Micro-procurement, for example, could in many cases become a cheap and desirable solution for the supply of certain goods, but only if there were strong networks of subcontractors capable of executing these contracts and there were no delays in payment by the state (the latter being a factor which guaranteed its success in England and Holland).³⁶ In many cases, the use of the military structures could also offer satisfactory solutions related to the promotion of territorial production and the proximity of the suppliers.³⁷ It is clear that various means existed to achieve the same goal.

³³ Solbes Ferri, 'The Spanish monarchy', 80-81.

³⁴ Sergio Solbes Ferri, 'Mecanismos financieros para el control de la provisión del vestuario de Guardias de Corps y Alabarderos (1716-1785)', in *Comercio y cultura en la Edad Moderna*, ed. by Juan José Iglesias, R. M. Pérez and M. F. Fernández (Sevilla: Universidad, 2015), 447-60.

³⁵ Royal Order of 9 January 1763; see Solbes Ferri, 'The Spanish Monarchy', 80.

³⁶ This theory is supported by Bannerman, 'The impact of war', 23-24. For this reason, war supply was well-integrated with, and drew upon, many different sectors of the British economy.

³⁷ Torres Sánchez, Brandon and Hart, 'War and Economy', 4.

The ease with which the system was changed could be attributed, as we have already mentioned, to factors of an institutional nature related to the essence of the absolute monarchy. We do, however, need to discuss those other circumstances in greater depth, those related to both the state and the market, which could possibly push the monarchy to resort to one solution or another.

2. Determinants of military supply

In our opinion, there are three aspects which always determined the procurement of military supplies. The first is related to the market and the promotion of industrial production. The second concerns the state and the monarchy's support for administrative modernization. Finally, the third refers to whether or not the military organization was incorporated into the supply business. The arguments developed in this section apply preferentially to the uniform supply sector, but it should be possible to apply the exercise without too much effort to food, household items or weapons.

2.1. Support for production in the national market: concentration or territorial distribution?

The choice between the dispersion of manufacturing tasks throughout the territory of the Spanish monarchy and the concentration of production processes in a series of especially suitable locations was directly related to the supply formula adopted. When relying on the regiments or on mixed contracts, territorial dispersion tended to be promoted, in accordance with the location of the armies. As the studies of Martí Fraga show, the *micro-asantista* supported local work where they resided, collaborated with the local authorities and normally came into contact with the military through the army intendants.³⁸ On the contrary, the *asantista general* tended to organize their production network in the most suitable locations for the case, seeking efficiency and cost saving. In our case, the supply of uniforms tended to be concentrated in Barcelona, with the alternative of Madrid and the occasional secondary offshoot in Valencia, Zaragoza and Pamplona. The rest of the territory was totally excluded from the economic stimulus involved in meeting military demand. Solbes Ferri has shown how management of the *asiento general* for clothing was organized between 1763 and 1784 around a general warehouse in Barcelona, which collected the raw materials necessary to prepare the uniforms, cut the fabrics and

³⁸ Martí Fraga, 'Detrás del asentista', 112.

distributed them to a regional level for their tailoring. Subsequently, in this same physical space, the finished clothing was collected, the piecework was paid and the process began for its distribution and delivery to the military corps.³⁹ Therefore, the arguments in favour of territorial dispersion tend to talk about reducing transport costs and better adjustment of the soldiers' uniforms. Indeed, in 1767, it was necessary to renegotiate the contract with the *asiento* company because it had undertaken to present the uniforms exclusively in its own premises located in the five cities mentioned. A new land and sea distribution contract, then accepted, began to invoice the distribution costs separately, estimated *grosso modo* on a third of the value of the uniforms.⁴⁰

It is very difficult to conclude whether or not the production concentrated in Barcelona offset the higher distribution costs. In any case, it is of interest to highlight the importance of producers from Catalonia and Madrid, in favour of the *asiento general*, compared with the producers from Cantabria or Andalusia, and maybe also from Valencia or Navarre, which could undoubtedly aspire to a larger market share with the management of small contracts or the territorial distribution of the business. Even some areas of the interior of Castile could receive economic stimulation from the supply of local regiments, at least the provincial militia, provided that they were responsible for self-managing their clothing. The government's decision does not appear to be easy but was, however, transcendent. The crown could divert the demand of the military sector toward different artisanal and commercial communities within a monarchy such as the Spanish one in which, as early as the 18th century, there were significant territorial differences. The pressure of the elites and of local agents was undoubtedly permanent and military supply, apart from being an economic matter, even became a territorial issue.

2.2. New administrative channels for the state: the General Treasury and the control of expenditure

Recent publications allow us to indicate that one of the key moments in the administrative and financial reorganization of the Spanish monarchy coincided with the publication, in 1753, of the new instruction for the organization of crown expenditure through the General Treasury.⁴¹ This body was then able to defend its important role as a crucial element in the chain of payments formed by the king, the minister of finance and the

³⁹ Solbes Ferri, 'El asiento general', 195-197.

⁴⁰ Real Orden 12/02/1767. Solbes Ferri, 'El asiento general', 190 and 196.

⁴¹ Instrucción 10/12/1753. AGS, SSH, leg. 271. Dubet and Solbes, *El rey, el ministro*', 223-243.

treasurer himself. After a first half of the century in search of an adequate institutional model, the above-mentioned rule managed, among other regulations, to impose an annual alternation of treasurers, the presentation of accounts in the year of planning, the separate management of the debt and the control of the flows arriving from America which traditionally depended on the *Depositaria de Indias* in Cadiz. A much clearer definition was imposed of the functions of the general treasurer over the flows of money controlled and of his monopoly over the issuing of payment orders and receipts. The centralized management of the main payments thus tightened the links between the General Treasury and the manager of the office in the Court, known as the Principal Cashier's Office (*Caja Principal*). Thus, the principal cashier was increasingly important in the relations with the military suppliers. The general treasurer thus always maintained the power, arising from the treasury secretary who, in turn, received it directly from the king, to order payments at any point of its cash network, including that central office, the Treasuries of the Army of the national periphery and the revenue treasuries which kept funds from tax collection distributed nationwide.⁴² Therefore, the decision to concentrate the payment of military supplies in the Court involved the promotion of a sort of direct link between the principal cashier and a small number of big companies, those which met the necessary conditions to participate in this type of business. Thus, certainly involuntarily, the administrative organization foreseen in 1753 led in the medium term to the promotion of the system of *asientos generales* for military supply.

Indeed, the king had to pay the value of the contracts signed in due time and form if he wanted to maintain the prestige and credit of the monarchy, although in any case resorting to renting (*arrendamiento de rentas*) and the sale of trades was maintained throughout the first half of the 18th century as the compensation formula preferred by suppliers and financiers.⁴³ The *asentistas* distrusted the king, and it was therefore necessary to activate administrative reform projects which could offer the suppliers better guarantees. It was always clear for the new Bourbon monarchy that the solution involved

⁴² Dubet and Solbes, *El rey, el ministro*, 367-93; Sergio Solbes Ferri, 'Contracting and Accounting: Spanish Army Expenditure in Wardrobe and the General Treasury Accounts in the Eighteenth Century', *The «Contractor State»*, 273-93.

⁴³ Agustín González Enciso, 'La historiografía y los arrendatarios de impuestos en la España del siglo XVIII', *Mélanges de la Casa de Velázquez*, 46, no. 1 (2016), 65-75. This distinctive feature characterized the 18th-century businessman throughout Europe; see Torres, Brandon and Hart, 'War and economy', 8.

promoting the reserved channel of the Secretaries of State which, since it was originally conceived by Jean Orry, incorporated a General Treasury into the organization which reported directly to the Treasury Secretariat in order to exclusively manage the payments of the crown. It was, however, necessary to resolve two details: who was authorized to issue payment orders to the general treasurer, and how the cashier network was organized, that is to say whether or not the general treasurer was responsible for the activity of the rest of the treasurers of the army and for the income. It was José Campillo, at the beginning of the 1740s, who finally imposed the option of a general treasurer who only received orders from the Treasury Secretariat –not from War and Navy– and it was the Marquis of La Ensenada who later reinforced the functions of the general treasurer as the person responsible for a general account which summarizes the overall activity of the entire network of cashiers, treasuries and deposits.⁴⁴ The consolidation of the process was therefore contemporaneous with the suppression of leases and the generalization of the direct administration of income which concluded successfully in 1749.⁴⁵ From then on, there were no more rents to lease or positions to sell, but there was an institution capable of taking over the direct control of the payments of the crown to limit arbitrariness, corruption and financial scandals.

The *asientos generales* therefore became an ideal formula to consolidate the reform processes that we have just described. The Marquis of Esquilache simply consolidated a prior dynamic which implied the formation of big contracts with important companies of *asentistas* and the concentration of their management in Madrid. It was a question of putting an end, in a premeditated manner, to the former relations of businessmen with the process of leasing rents, but also to their link with the military intendants in the territorial treasuries. The *asiento general* for the supply of clothing took the production to Barcelona, but the intendant of Catalonia, who had maintained constant relations with the previous *micro-asentistas*, was completely separated from the business, only maintaining jurisdiction in the event of a dispute.⁴⁶ The principal cashier, as a counterpart, took over its entire accounting management and that of other principal *asientos*, consequently forcing the different companies to have representatives in the court to negotiate the

⁴⁴ Dubet and Solbes, *El rey, el ministro*, 207-243.

⁴⁵ Agustín González Enciso, 'La supresión de los arrendamientos de impuestos en la España del siglo XVIII', *Tiempos Modernos*, 30, no. 1 (2015), 1-27.

⁴⁶ Solbes Ferri, 'El asiento general', 195.

procurement, the supply requests, the management of the accounting adjustments and the payment of the amounts due.⁴⁷

It can thus be concluded that the administrative modernization of the monarchy, embodied in the new management models characteristic of the Treasury Secretariat and the General Treasury, acted in favour of an increase in the size and volume of the financial resources necessary for the companies which wanted to participate in the military supply sector. The inevitable corollary is the imposition of a model of increasingly big *asientos generales* and a reduction in the use of small contracts.

2.3. The role of the military: the asiento general as a means of exclusion?

The two determinants studied above finally led to the concentration of the production of uniforms in Barcelona and of the administrative management in Madrid, both situations promoting use of the *asiento general* solution. We cannot, however, forget the ultimate recipient of the goods, which did not resign itself to being marginalized and which did not stop applying pressure on the absolute monarchy. For as long as the capacity (or lack of capacity) of the market determined the decisions of the state in one direction or another, and the government team at the head of the state understood that the decision adopted was the best for the crown and for its subjects, the management model remained in force. A simple alternative could never, however, be ruled out: that of placing all the money in the hands of the military which would be responsible for the supply.⁴⁸ In this case, in order to justify a possible change of system from the *asiento general* to the mixed contracts or the *gran masa*, it was always possible to resort, without any artifice, to the argument of support for regional development, a reduction in transport costs or to stimulate the territorial network of the general treasurer. The problem was that, as we have explained, resorting to this solution appears, on the one hand, to be less profitable but, above all, set back the progress made in the programme of consolidation of the financial authority of the Treasury Secretary: the *habilitados*, as part of the military establishment, were answerable to War or the Navy, the duties of the general treasurer were reduced to the simple transfer of funds and the role of the principal cashier simply disappeared.⁴⁹ The advantage of the *asiento general* was that it clearly placed the supply

⁴⁷ Solbes Ferri, 'El asiento general', 202-204.

⁴⁸ Something similar took place in Britain; see Bannerman, 'The impact of war', 24.

⁴⁹ The Spanish navy has always enjoyed higher levels of self-management than the army; see Sergio Solbes Ferri, 'El control del gasto de la Marina española en las Secretarías de Estado y del Despacho. Los pagos

business in the hands of the Treasury Secretariat and, at the same time, limited the intervention of the military establishment. In short, it allowed military supply without relying on the military.

In order to be able to ratify, with facts, this last hypothesis, in addition to some previous ones, it is interesting to know, finally, the determinants of the change of criterion which were concealed behind the transfer of the military wardrobe supply business by the company of Ramón Sierra to the Banco Nacional de San Carlos in 1784.⁵⁰

Indeed, following the establishment of the contract in 1763, the company with the *asiento general* began to manufacture its uniforms in Barcelona while managing the demand for supply and adjustments in the Principal Cashier's Office of Madrid. Ramón Sierra began his activity as an agent in the court with the company actually formed by six partners: the other five were Catalans (Bacardí, Mestre, Puyol, Gironella and Lletjós). The supply model, apparently consolidated, was accepted by Miguel de Múzquiz on replacing Esquilache at the Treasury Secretariat in 1766.⁵¹ After more than a decade without any new developments, the cycle of conflicts related to the American Revolutionary War (1775-1783) marked the beginning of a change. The progressive movement of the army to Andalusia then positioned Cádiz as the main port of embarkation for the Spanish troops leaving for America, at the same time as encouraging a certain recovery of the influence of the military. In 1778, an alternative contract was signed for the supply of uniforms to the troops of Andalusia and the Indies with a local *asentista* called Marcos de Andueza. Its circumstances and conditions were similar to those of the *asiento general*, with certain specific characteristics related above all to the raw material used in the preparation of the uniforms (flax instead of wool), special concern for the transport conditions and those of payment, not in America, but rather in Spain with funds from the Indies. However, the case is that this *asiento* broke the monopoly of the productive process concentrated in Barcelona and the administrative control in the capital, because Andueza began to receive his payments not through the

dependientes de la Tesorería General en la primera mitad del XVIII', in *El Estado en guerra. Expediciones navales españolas en el siglo XVIII*, ed. by María Baudot (Madrid: Polifemo, 2014), 147-94.

⁵⁰ We are currently working on a paper on the provision of wardrobe through the National Bank of San Carlos, the provisional conclusions of which are given below.

⁵¹ Solbes Ferri, 'The Spanish Monarchy', 82-83; Solbes Ferri, 'El asiento general', 193-198.

principal cashier, but rather the treasurer of the army of Andalusia, with the direct intervention of the intendant of Seville.⁵²

It is not easy to compare the efficiency of the management of Sierra with that of Andueza, but the truth is that on conclusion of the conflict the possibility of not renewing some of the contracts in force began to be discussed: in fact, the *asiento general* for military wardrobe was cancelled in August 1783. The alternative considered at the time was not to change the *asentista*, but rather to transfer their functions to a private agent who would have to execute them through the direct administrative channel on behalf of the Royal Treasury in exchange, not for the profit arising from the management of the contract, but rather for a predetermined salary or for a guaranteed percentage of the profit. The key to the change lies in the emergence of the Banco Nacional de San Carlos, an eminently financial institution to which the king, in his founding Royal Decree of 2 June 1782, had promised a monopoly of the supply of the Spanish army and navy for a period of no less than 20 years.⁵³ The bank had already begun to deliver the chapter of food provisions for the army at the time when the contract of Sierra and company was cancelled. Its management then intervened to demand the supply of military clothing through direct administration in exchange for a profit estimated at one tenth of the manufacturing and distribution costs. The monarch consented to grant it the business and, after an appropriate period, the new rules for the manufacture of uniforms and the method of presenting the account and justification to the General Treasury were approved in April 1784. The supply of clothing began to be carried out using the system agreed upon at the beginning of 1785.⁵⁴ However, hardly two years had passed when the management of supplies of the Banco de San Carlos informed the king that the business, in accordance with the proposal accepted, was almost unworkable and requested a radical change, resuming the model of *asiento general*, as it had been managed by the company of Sierra.⁵⁵

⁵² Solbes Ferri, 'El asiento general', 202-203.

⁵³ There is an important study for this institution as a whole, Pedro Tedde de Lorca, *El Banco de San Carlos, 1782-1829* (Madrid: Banco de España-Alianza Editorial, 1988). The provision of military clothing was one of the many businesses in which the bank took part.

⁵⁴ Archivo Histórico del Banco de España (AHBE), Actas de la Junta de Dirección (AAJD), book 132, page 253-284.

⁵⁵ AHBE, AAJD, 140, 144-153.

It is therefore interesting to know what these failed conditions were under which the bank had undertaken to manufacture and to submit accounts for the supply of wardrobe, by means of direct administration and with remuneration of one tenth. From the initial request in September 1783, the bank had mentioned its desire to promote national industry and factories, preparing clothing and apparel in the provinces where the army was located, even if this involved a certain increase in costs. Shortly afterwards, the directors mentioned that they were taking into consideration the possibility of permitting the military regiments to participate in the supply. The rules approved in April 1784 ratified these initial considerations. Article 8 stipulated that ‘for the purpose of promoting industry in the provinces, the wardrobe will be made in the towns of the kingdom where the regiments are garrisoned, and to this end the bank will provide them with the necessary goods that are not produced by the factories of these provinces’. In a similar vein, it then added that the bank considered the option of sending ‘to the regiments which wish to be responsible for making their wardrobe, all the goods with which they are made and it will pay them for the work at the usual prices’.⁵⁶ As regards the accounting management, article 12 also indicated that, as administrators, the directors of the supply should prepare, in a commercial manner, the general account with the cost of each article of clothing to present it to the General Treasury and thus be able to calculate the profit representing one tenth, ‘based on the specific characteristics of each commissioner appointed in the provinces and capitals of the kingdom’.⁵⁷

At the end of 1786, the bank reported that it had been obliged to come to the rescue of the ‘nascent factories’ after observing notable price and quality differences and that it had discovered that, if it took into consideration exclusively the criteria of an economic nature, it would necessarily have to prefer the goods of Catalonia, when not resorting to foreign goods.⁵⁸ In relation to the obligation to calculate the cost of each uniform, it had been forced to go into detail with all of the expenses caused by the purchase of cloth, serge, linen and other materials, in order to add them to the costs of tailoring, storage, transport, commissions and interest arising from the advance payments. The general treasurer, supported in this case by the new Minister of Finance Pedro de Lerena, the

⁵⁶ AHBE, AAJD, 131. 253-254v (13/09/1783); 131, 257v-259v. (16/09/1783); 132, 255v-256v (29/05/1784).

⁵⁷ AHBE, AAJD, 132, 258-258v (29/05/1784).

⁵⁸ Tedde de Lorca, *El Banco Nacional*, 163.

successor of Múzquiz following his death in January 1785 and an opponent of the bank, obliged them to present invoices justifying the value of all of the purchases and the receipt for any payment made. The adjustments were consequently delayed and the management of the bank began to be discouraged when faced with the prospect of such prolific bureaucracy.⁵⁹

The solution proposed involved returning to the *asiento general* formula used by Sierra, all the advantages of the system which have appeared throughout this work then being mentioned. In June 1787, the bank did indeed present a document with the conditions under which it was intended to take charge of the business. However, Lerena automatically rejected its proposal on considering it to be 11% more expensive than that of Andueza, still in force in Andalusia. The issue behind these negotiations was soon revealed, when it became known that the king had taken the decision to entrust the same army corps with the preparation of its wardrobe, that is to say a return to the *gran masa*.⁶⁰ After considering whether it was worth continuing with the rest of the contracts, at the beginning of 1788 the bank asked to leave the business of supplying any kind of uniform.⁶¹ The clothing of the employees of royal houses was separated from the whole and its supply was entrusted through an *asiento* to the Cinco Gremios Mayores of Madrid, rivals of the bank throughout these years.⁶² The bank's only other function was that of ensuring the recovery of arrears and organizing the delivery of goods and raw materials existing in the warehouses of Madrid, Barcelona, Valencia, Zaragoza and Pamplona. Indeed, the bank had not opened more premises than the heirs of the *asiento* of Sierra.

Conclusions

With this work we aimed to show how the difficult relations of the Spanish monarchy with the market and the constant changes in the solutions adopted for military supply not only responded to a dynamics of an institutionalist nature. Without ruling out in any way the weight and influence of the variable desires of absolute sovereigns in relation to this matter, we understand that excessive weight may have been given to the influence of the

⁵⁹ AHBE, AAJD, 139, *passim* (from 20/12/1786 to 18/08/1787).

⁶⁰ AHBE, AAJD, 140, 144-153 (RD 15/10/1787; 20/10/1787); 140, 211 (10/11/1787).

⁶¹ Only the general inspector of provincial militia protested against the decision taken. AHBE, AAJD, 141, 155 (14/04/1788).

⁶² AHBE, AAJD, LIBRO 142, 270v-272 y 292 (25/10/1788).

forms of government over management procedures which were also determined by many other variables.

We were able to analyze arguments of an economic nature which show a presumed opposition between the concentration of production arising from the *asiento general*, which could well be shown to be the most efficient, and procurement on behalf of the regiments or the *micro-asientos*, which reduced the distribution costs and promoted regional development. We also analyzed the effects of a constant administrative modernization of the Spanish monarchy, which determined the creation of direct business relations between the *asentistas generales* and the principal cashier of the General Treasury, likewise verifying that the maintenance of the old supply systems entailed the cancellation of all of the advantages obtained on using the reserved channel of the Treasury Secretary. We do not know whether as a cause or a consequence of backing the concentration of production and of the administrative management specifically represented by this solution of the *asientos generales*, but the case is that resorting to this system entailed separating the military from the business. The military authorities did not remain impassive in the face of their progressive marginalization and continued to insist on seeking alternative solutions. From this standpoint, we can understand that the option of the Banco de San Carlos failed so soon because it was not able to find an adequate organizational model, but also because it could not please the military, which sought a return to supply systems such as the *gran masa*, which would put control of the business back in their hands. The sum of this accumulation of circumstances and determinants helps to explain better the situation of the constant changes occurring in the supply models at the heart of an absolute monarchy such as the one in Spain.

As recent historiography stresses, however much some of the decisions taken by the Spanish state appear in the end to have failed or been erroneous, there was always a rational basis behind all of them, arising not so much from the fickle will of the monarch as from problems also faced by the French, English and Dutch, despite the fact that the natural tendency of the latter two states was to seek solutions focused on the market. As can be seen in the second part of the work, the private players also influenced the success or failure of the different solutions, since it cannot be stated categorically that one form of procurement was better than another. We likewise believe that we have succeeded in raising a novel aspect of the case, which is the effect on the different forms of military supply of the reforms and the design of a new administrative building for the monarchy. The expenditure of the monarchy cannot be concentrated in a centralized General

Treasury dependent on the Treasury Secretariat without this having consequences for the individual conditions of this business. Finally, in addition to these arguments, we endeavoured to add the situation, always stressed in this case by historiography in all the states of 18th-century Europe, of the constant presence in the background of powerful military authorities which tried to influence the state but also the market.

Our exercise may inevitably have been biased toward the analysis of the military wardrobe supply sector. However, as it was possible to tackle schematically in the first part of the work, but above all by means of the abundant bibliographic references offered, we believe that it can be understood that the path followed in the procurement of uniforms is representative of military procurement in general in the 18th century in the Spanish monarchy as a whole.

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