
Forum

The Contractor State, c. 1650-1815

H.V. Bowen, *et al.*

“Introduction,” H.V. Bowen

Over the last two decades or so, naval historians have taken their place among the large number of scholars seeking to explore and explain the relationship between war and the development of the state from the sixteenth through to the nineteenth century. In particular, much attention has been focused on the reasons that underpinned Britain’s long-term success which saw it eventually emerge as the world’s unrivalled leading power by 1820, and many comparisons and contrasts have been made between the British “way in war” and the ways in war that were pursued by rival European powers and others. As this has happened, much consideration – indeed, perhaps too much consideration – has been devoted to the administrative, bureaucratic and economic factors that influenced the military performance of states, and it has been acknowledged that the British state was able to adapt its internal government systems and structures so that they could cope at least reasonably well with the heavy demands imposed by recurrent and increasingly global warfare. This is not to say that historians have advanced arguments in favour of some crude form of British “exceptionalism.” Rather, they have identified elements of state formation that were evident across Europe but perhaps most sharply and effectively formed in Britain.

At the heart of the debate has been a discussion of the emergence of what is known as the “fiscal-military state” in Europe. Although much excellent work on British taxation, fiscal policy and government borrowing had already been done, most notably by P.G.M. Dickson,¹ it was the publication in 1989 of John Brewer’s *The Sinews of Power: War, Money, and the English State, 1688-1783* (London, 1989) that gave renewed vigour to the debate about the characteristics and form of European states and their performance during times of war. Brewer’s book exploded several myths as it explored the British case in a wide-ranging manner, but at its core was a focus on the state’s ability to raise money by taxation and, especially, through public loans; and it exam-

¹P.G.M. Dickson, *The Financial Revolution in England: A Study in the Development of Public Credit, 1688-1756* (London, 1967).

ined the emergence of a reasonably efficient bureaucratic apparatus that functioned routinely with little direct interference from the Crown. The ability to raise money in support of an increasingly large and sophisticated machine was seen to be a key to Britain's success in war, and this invited comparison with how other European states performed in this vital area.²

With the mobilizing of financial resources emerging as a key area for discussion, the scope of debate extended beyond money as attempts were made to examine how states also raised men, equipment and the supplies that were needed to keep armies in the field and fleets on the seas. As part of this process, a group of scholars from across Europe began to come together in 2004 with a view to exploring how the European states of the long eighteenth century actually worked as they attempted to raise and mobilize the resources that were necessary for them to wage war. This group, which has been extended over the years, adopted an explicitly comparative approach in an attempt to identify common practices and methods that were either state- or time-specific. By 2012, the group had published a large body of work which examined the fiscal-military state in all its manifestations, and the scope of comparison had been extended to include Japan and the fledgling United States.³

Yet as the work of what was originally known as the "Resources for War" network progressed and developed, it gradually became evident that there was a considerable unevenness or imbalance in our understanding of how states actually worked. A great deal of attention had been focused on how governments across Europe raised money, but comparatively little was known about how, and with what effect, that money was then spent. Consequently, attention began to be focused on the ways in which states organized the spending of money and the procurement and deployment of supplies, equipment and foodstuffs that were necessary for the conduct of war. As this happened, the network changed its name to the "Contractor State Group."

Historians of Britain were well placed to consider these issues because over several decades a distinguished body of work had examined the work of government contractors who supplied both the army and navy.⁴ As a result, it has been acknowledged, if not always explicitly, that the private sector was

²See, for example, Christopher Storrs (ed.), *The Fiscal-Military State in Eighteenth-Century Europe* (London, 2008).

³For the background to, and development of, what is now known as the Contractor State Group, see <http://www.unav.es/centro/contractorstate/>. Also on the website is a full listing of the group's books, edited collections and working papers.

⁴See, for example, David Syrett, *Shipping and the American War, 1775-83: A Study of British Transport Organization* (London, 1970); and Norman Baker, *Government and Contractors: The British Treasury and War Supplies, 1775-1783* (London, 1971).

important in animating and then sustaining Britain's war machine. Indeed, some historians were prepared to identify a "contractor state," a state which is not seen as offering an alternative model to the fiscal-military state but instead co-existed alongside it in the manner of a Siamese twin. This notion of a contractor state may well have modern-day applications beyond the world of academic history, but the concept was almost certainly first invoked in an historical context by Professor Sarah Palmer at a workshop at the Greenwich Maritime Institute at the University of Greenwich in 2008. Since then it has been much discussed by the Contractor State Group of historians, and it has recently been utilized very effectively by Roger Knight and Martin Wilcox, who have published a richly detailed and nuanced study of the contractor state at work in their forensic examination of how the Victualling Board sustained the British fleet across the oceans during the tumultuous wars of 1793 to 1815.⁵ Knight and Wilcox depict a British state whose boundaries "were very tightly drawn and heavily depended upon the private contractors to deliver many services, both military and civilian."⁶ They conclude that government departments such as the Victualling Board proved able to spend money wisely, usually to good effect. These departments and offices displayed "administrative acumen and their effective engagement and management of countless contractors gave Great Britain the decisive edge in the Great Wars with France."⁷

But, as Knight and Wilcox remind us, at the time contractors received an almost universally bad press. They were widely condemned for making large profits during times of national distress when the country was at war and government required the urgent supply of goods and services. Like the similarly much-maligned "monied interest" of financiers, bankers and speculators, who were once described as being "pests to human society,"⁸ contractors were seen to be corrupt, exerting undue influence over government and its management of the war effort. It was believed that they aggressively and ruthlessly advanced their own profit-driven interests ahead of the wider national interest, and their activities were often seen to be wasteful and expensive. But the recent work of Knight and Wilcox, together with that of Gordon Bannerman on

⁵Roger Knight and Martin Wilcox, *Sustaining the Fleet: War, the British Navy and the Contractor State* (Woodbridge, 2010).

⁶*Ibid.*, 210.

⁷*Ibid.*, 214.

⁸See H.V. Bowen, "'The Pests of Human Society': Stockbrokers, Jobbers, and Speculators in Mid-Eighteenth-Century Britain," *History*, LXXVIII, No. 1 (1993), 38-53.

the mid-eighteenth-century army,⁹ provides a powerful corrective to crude contemporary caricatures of contractors as blood-sucking parasites feeding upon the state. Although much more still needs to be done, this new work suggests that – cases of bribery and corruption notwithstanding – British government contracting during the long eighteenth century was generally efficient, sometimes remarkably so.

The extensive use of contractors by successive British governments points to the emergence of a close and mutually beneficial relationship between the state and the private sector which shaped long-term developments and left a legacy which survives until today. On the other hand, recent work indicates different models emerging in France and Spain, where regimes opted for greater levels of direct control over procurement and supply. But we need to know more about this and about different forms of war-related contractor operations across Europe and indeed the wider world. This forum facilitates consideration of such matters by enabling perspectives to be offered by historians of different types of state. It will enable the “contractor state” to be placed in comparative context, but it will also help to open up other important lines of enquiry. For example, were all states, *de facto*, contractor states, albeit to a lesser or greater degree? How effective and efficient were the contractor states? How can their success be measured? Who exactly were the contractors (small as well as large), and what different types of relationship did they establish with the governments of the states in which they were located? To what extent, if at all, did contractor states rely upon merchants and agents who operated across national boundaries? Finally, how do we use the concept of the contractor state alongside that of the “fiscal-military state” which has a much longer lineage and is now deeply embedded in the historiography of the European states in particular? Are they necessarily two sides of the same coin, or does some other form of relationship exist?

In what follows, historians of different European states offer perspectives on the concept of the contractor state as it might apply to their area of expertise. Then Roger Knight and Martin Wilcox reflect on the forum as a whole and consider once more the ways in which the concept of “the contractor state” is a useful analytical tool for helping us to understand the ways in which the major European states organized themselves for war during the period under review.

“The Dutch Republic as a Contractor State,” Pepijn Brandon

If one were to rank early modern states according to their reliance on market forces in areas such as provisioning, military production and state finance,

⁹Gordon Bannerman, *Merchants and the Military in Eighteenth-Century Britain: British Army Contracts and Domestic Supply, 1739-1763* (London, 2008).

clearly the Dutch Republic and Britain would be at one end of the scale. From the outset, there is little doubt that the Dutch Republic was a contractor state. Its exceptional position within the emerging international state system has been approached from many different, often complementary angles, alternately centring on its role as a hegemon within the first truly global capitalist world-system,¹⁰ its distinctive path of urban-driven, capital intensive state formation,¹¹ or the particularly localized form of interest aggregation underpinning its central institutions.¹² All these approaches somehow revolve around the close interaction between capitalist-oriented economic elites on the one hand, and on the other hand a state that was highly sensitive to their interests. Military and naval contracting provides an excellent opportunity to observe this interaction, so to speak, “at work.”

As is true for other states, to date most research on the Dutch Republic has been done in the fields of finance and taxation.¹³ Urban institutions for raising taxes and loans from the economic elites, already strong in the late medieval period, were transposed to the provincial and later supra-provincial level in the course of the Dutch Revolt. As Marjolein 't Hart has shown, growing trust in the state's ability to repay its loans, as well as political confidence that state revenues would be spent in ways beneficial to the economic elites, fostered the wide availability of long-term credit as well as low interest rates on state loans. At the same time, the economic success of the Dutch Republic allowed the state to raise the level of indirect taxation which fell disproportionately on the lower and middle classes. Behind the States General stood the financial strength of the province of Holland which alone took care of about

¹⁰Immanuel Wallerstein, *The Modern World-System, Volume 1: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century* (New York, 1974); Wallerstein, *The Modern World-System, Volume 2: Mercantilism and the Consolidation of the European World-Economy, 1600-1750* (New York, 1980); and Giovanni Arrighi, *The Long Twentieth Century: Money, Power, and the Origins of Our Times* (London, 1994).

¹¹Marjolein 't Hart, “Cities and Statemaking in the Dutch Republic, 1580-1680,” *Theory and Society*, XVIII, No. 5 (1989), 663-687; and Charles Tilly, *Coercion, Capital, and European States, AD 990-1992* (Cambridge, MA, 1992).

¹²Jan Glete, *War and the State in Early Modern Europe: Spain, the Dutch Republic and Sweden as Fiscal-Military States, 1500-1660* (London, 2002).

¹³James D. Tracy, *A Financial Revolution in the Habsburg Netherlands: Renten and Renteniers in the County of Holland, 1515-1565* (Berkeley, 1985); Marjolein C. 't Hart, *The Making of a Bourgeois State: War, Politics and Finance during the Dutch Revolt* (Manchester, 1993); and W. Fritschy, “A ‘Financial Revolution’ Reconsidered: Public Finance in Holland during the Dutch Revolt, 1568-1648,” *Economic History Review*, New ser., LVI, No. 1 (2003), 57-89.

fifty-eight percent of all expenditure on warfare. Aided by the Amsterdam capital market, this province could save state finances from collapsing in an emergency, as in 1672 when large parts of the country were occupied by the French army. Contemporaries considered the extraordinary ability of the Dutch state to raise revenues on short notice and at relatively low cost to be one of the key factors behind its military success.¹⁴ How else could a country with such a weak territorial position and so few inhabitants raise one of the largest armies in Europe, capable of withstanding both the full might of the Habsburg Empire and the persistent assaults of Louis XIV's France?

But this proficiency in raising funds was not confined to the central (or provincial) level. Recent work has drawn attention to the many intermediary forms of credit that were part of the daily practice of organizing warfare.¹⁵ Merchants engaged in supplying the military or the navy often had to wait years before being paid, effectively putting up their own resources to cover for arrears incurred by the state. The same was true for captains who paid and provisioned their troops in advance while waiting for the provincial treasurers to fulfil their obligations. Between the state and these individual officers and merchants, a layer of financial intermediaries emerged called "military solicitors" who provided large amounts of short-term credit that kept the army afloat. Apart from acquiring loans on interest, they provided a whole host of financial functions ranging from literally acting as solicitors for captains with the States General or the provincial treasury handling their financial administration, arranging contracts and payments with suppliers and physically transporting the large quantities of small denomination coins necessary to pay the soldiers. Military solicitors helped to overcome the problem of timing. Even for a state that was able to raise all the money needed to fund its armies, to do so without delays and with the regularity required to keep soldiers from looting or mutinying remained an almost insurmountable problem. The personal financial and commercial contacts of military solicitors formed the conduits through which troop payments could run relatively smoothly.

The engagement of financial middlemen (and occasionally women) in troop payments and military contracting was common; every army in Europe depended on such financial entrepreneurs. What distinguished the Dutch Republic from most other states is that these networks were not centred on a

¹⁴See, for example, William Temple, *Observations upon the United Provinces of the Netherlands* (London, 1673; reprint, Cambridge, 2011), 225.

¹⁵Olaf van Nimwegen, *The Dutch Army and the Military Revolutions, 1588-1688* (Woodbridge, 2010); and Pepijn Brandon, "Finding Solid Ground for Soldiers' Payment: 'Military Soliciting' as Brokerage Practice in the Dutch Republic (c. 1600-1795)," in Stephen Conway and Rafael Torres Sánchez (eds.), *The Spending of States: Military Expenditure during the Long Eighteenth Century – Patterns, Organisation, and Consequences, 1650-1815* (Saarbrücken, 2011), 51-82.

small number of highly privileged financiers under the protection of the Crown but on a relatively broad layer of financial specialists who – because of the developed nature of the capital market – could acquire short-term credit relatively easily at interest rates that were not much higher than four or five percent. An extensive body of regulations secured the terms under which contracts were concluded which generally protected the financial intermediaries from the risks. From the mid-seventeenth century onwards, state officials were barred from this line of business. But the fact that many of them still participated indirectly by putting up large loans to military solicitors undoubtedly helped to sustain their favourable predisposition towards these entrepreneurs. Of course, this also gave rise to allegations of corruption and financial misdemeanour. On the whole, however, the system seems to have run efficiently. Moreover, the number of financiers involved prevented the occasional bankruptcy from having the disastrous effects for the entire system of state finances that accrued from the bankruptcy of one of the large financiers behind the Habsburg or Bourbon crowns.

Solid state finances built on the developed nature of the capital market were a crucial, but certainly not the only factor behind the Dutch Republic's proficiency in military contracting. Another subject that warrants closer scrutiny is the administrative culture that motivated state officials to integrate commercial methods of pricing and costing – elements of what in a classical Marxian or Weberian sense could be described as typically capitalist forms of economic rationality – into the making of state policy. That the general culture of the Dutch Republic during the Golden Age was supremely commodity-driven is almost a truism.¹⁶ An important article by Jacob Soll recently pointed out how much this merchant-oriented culture influenced the statecraft of key political figures such as Johan de Witt.¹⁷ This influence ran deep into the lower echelons of the (rather small) state bureaucracy and affected the approach of administrators to commercial contracting. As early as the turn of the seventeenth century, mathematician and state-advisor Simon Stevin made note of a long discussion with *stadtholder* Maurits of Nassau on the introduction of “merchant methods” of double-entry bookkeeping into state affairs. Among the advantages, Stevin listed the improved knowledge of cash-flows and available stocks; easier supervision of suppliers, debtors and creditors; and limiting the

¹⁶See, for example, Johan Huizinga, *Nederland's Beschaving in de Zeventiende Eeuw: Een Schets* (Haarlem, 1941); Simon Schama, *The Embarrassment of Riches: An Interpretation of Dutch Culture in the Golden Age* (Berkeley, 1987); and Maarten Prak, “The Dutch Republic as a Bourgeois Society,” *BMGN: The Low Countries Historical Review*, CXXV, Nos. 2-3 (2010), 107-139.

¹⁷Jacob Soll, “Accounting for Government: Holland and the Rise of Political Economy in Seventeenth-Century Europe,” *Journal of Interdisciplinary History*, XL, No. 2 (2009), 215-238.

possibility of fraud. With the help of an “experienced accountant in trade,” Stevin created a sample account of the princely domains, and in 1604 Maurits’ accountants switched to the new system.¹⁸ Significantly, in the same year regulations were introduced for highly sophisticated, standardized accounting at the five admiralties. Not long afterwards, an Audit Office of the States General was established that employed strict controls over the accounts of various government departments.

It seems no coincidence that the admiralties were in the frontline of administrative innovation. By its very nature, warfare at sea depended on well-organized systems of production and supply capable of turning out and maintaining fleets, victualling and manning them in the short period between hauling in and sailing out. In addition, the Dutch admiralties cooperated closely with the large chartered merchant companies, particularly the East India Company (VOC), and benefited from their experiences in economic management and engagement with the market. After the introduction of a “new navy” of state-owned, purpose-built men of war between the First and Second Anglo-Dutch wars (1652-1654 and 1665-1667, respectively), the building of large, centralized shipyards and storage facilities enabled officials to create even more concentrated economies of scale. Dutch naval administrators, recruited from the top families of the merchant elites, developed a veritable obsession with stock control, comparing costs among different departments and securing low prices for supplies. Apart from controlling the ledgers of each of the five admiralties, the States General at various points in the seventeenth and eighteenth century compiled extensive comparative reports to look for inefficiencies in supply and production and to know how well the naval storehouses were stocked. Administration was standardized to such an extent that during the second half of the eighteenth century, a States General commission on naval affairs could ask admiralty officials to fill out pre-printed forms on incomes and expenditure. Public auctions were obligatory in tendering large contracts for the building of ships or hulls, and also for the acquisition of bulk goods such as nails or wood. At the end of the eighteenth century, at least one example is known in which the Amsterdam Admiralty sent enquiries to all large wood-merchants requesting detailed price lists for comparison.

Of course, such procedures did not prevent large-scale corruption, insider trading among naval administrators and their family members or gross mismanagement. In 1626, several high officials of the Rotterdam Admiralty were sentenced for buying and selling goods on their own account and taking bribes. As a seventeenth-century commentator noted, the inquiries were limited to individual cases, for “if there would have been an examination of all Councilors and Magistrates in the same way according to their Instructions,

¹⁸Simon Stevin, *Verrechting van Domeine mette contrerolle en ander behouften vandien* (Leiden, 1649), 3 ff.

one might well say *Domine quis sustinebit* [Lord, who will remain standing].”¹⁹ There were a number of well-known cases during the second half of the seventeenth and the eighteenth century. Furthermore, close personal relations and intermarriages among the big merchant houses were so influential that they had to affect the conditions under which admiralty officials traded. For example, Admiralty Secretary David de Wildt married his two daughters to big rope manufacturers, while his son succeeded him as Secretary. In 1691, one of these daughters was the biggest single supplier to the Dutch navy. Still, historians who uncritically adopt the contemporary viewpoint that such behaviour was proof of the moral corruption of the individuals involved overlook the fact that the direct intermingling of personal enterprise and state administration was endemic. It was the intensity of this interaction that made the Dutch Republic such a success, at least for its rulers. These contacts doubtless influenced decisions on contracting, counterbalancing “purely” economic concerns. But in all likelihood they also created forms of personal affinity and class solidarity among high officials, investors and contractors, making it easier to establish arrangements that were more mutually beneficial than in societies in which status, patronage and political favouritism weighed more decisively.

One should be careful in drawing too absolute a contrast, though. Easy generalizations on the nature of cooperation between entrepreneurs and the state, deducing the tendency of Dutch Republican rulers to engage with the market directly from their personal ties with the economic elites, break down in the face of recent comparative research on the contractor state. As historians working on less commercially oriented, more state-centred societies, such as France and Spain, have emphasized, even the most “absolutist” states relied heavily on private contractors in the organization of warfare. The key question, then, seems not whether the state made use of the market, but to what extent, with how much success and under what conditions did it do so? Comparative research should enable us to determine with greater precision the matrix of factors that determined the position of individual states on the “contractor state continuum” alluded to in the first lines of this contribution. The “market” side of this matrix should contain both the particular conditions prevailing in the individual sectors in which the state engaged in contracting and the wider economic structure of the nation. In supplying the navy, the Dutch Republic could profit from Amsterdam’s central position in the international trade in crucial products such as wood, iron or ammunition.²⁰ Commodity

¹⁹Lieuwe van Aitzema, *Saken van Staet en Oorlogh, in, Ende Omtrent de Vereenigde Nederlanden. Beginnende met het Jaer 1621, Ende Eyndigende met het Jaer 1632, Volume 1* (The Hague, 1669), 529-530.

²⁰Michiel de Jong, *“Staat van oorlog:” Wapenbedrijf en Militaire Hervorming in de Republiek der Vereenigde Nederlanden, 1585-1621* (Hilversum, 2005).

flows changed considerably between the seventeenth and the eighteenth century, access to the Amsterdam markets was not distributed evenly over all five admiralties, and for many non-bulk goods, production remained highly localized, small scale and handicraft-based. The agility of the Dutch state to adapt its supply systems to the conditions prevailing in each sector was based in part on the developed nature of markets in general. It seems self-evident, for example, that the possibility of drawing on a strong capital market allowed the Dutch state far greater leeway in dealing with contractors than its financially strapped competitors. For this, what happened on the “state side” of the matrix mattered as well. On this side, we might list the institutional settings, rules and regulations in each field of contracting. The creation of large, centralized facilities for production and storage, such as the Amsterdam naval storehouse and shipyard, in the middle of the seventeenth century had an enormous impact on the ability of bureaucrats to control, compare and economize in contracting. But again, the institutional arrangements in each separate field also depended on general tendencies; the strength or weakness of the state; centralism or federalism (particularly strong in Dutch naval institutions) and what can be described as the “bureaucratic culture” which could be sympathetic or antipathetic to engagement with independent capitalists.²¹

The conditions sketched here are far from complete, but combining these factors might give some clues as to why states facing similar problems came to such different conclusions. Comparing early modern states in this way leads us to pose some of the classical “big questions.” How does the concept of a “contractor state” relate to debates on the origins of the “modern state?” If we are now less willing to cast this “modernity” in terms of the all-imposing nation-state of the period between the French Revolution and the age of “modern globalization,” what is it that fundamentally differentiates the early modern state from its successors? And finally, without losing sight of the difficulties this entails, should the measure of “capitalist” development not play a greater role in explaining success or failure on the trajectory that all major European states embarked on? The fact that all early modern states were contractor states, but some more so than others, forces us to look seriously at the systematic as well as the incidental.

**“Eighteenth-Century Britain: The Quintessential ‘Contractor State?’”
Stephen Conway, Richard Harding and Helen Paul**

The assumption behind many studies of the war-making capabilities of eighteenth-century European states that Britain was uniquely successful as a military

²¹Marjolein 't Hart, “Warfare and Capitalism: The Impact of the Economy on State Making in Northwestern Europe, Seventeenth and Eighteenth Centuries,” *Review (Fernand Braudel Center)*, XXIII, No. 2 (2000), 209-228.

power should not be accepted unquestioningly. Britain's eighteenth-century military record was certainly not one of unbroken success. The War of the Austrian Succession (1740-1748) was inconclusive. Most British commentators assumed that limited British imperial triumphs were at least offset by French victories in the strategically vital Low Countries; thereafter, Britons worried greatly about an enhanced French threat outside Europe, particularly in India and North America. The War of American Independence (1775-1783), though not in the end as disastrous as it might have been for British arms, can hardly be counted as a resounding triumph: Lord North's government went to war to keep the North American colonies within the British commercial and maritime system and signally failed to do so. Even the abdication of Napoleon in 1814 owed more to continental military muscle than to any contribution by the British army or navy. For Napoleon, the Peninsula War was a side-show; from 1812 until his first abdication, his principal enemy was the Russian army, just as it was Hitler's from 1941 to 1945.

Yet the idea that Britain was especially successful in eighteenth-century war has some substance. Britain's standing as a major European and world power owed much to its triumphs in the struggles against Louis XIV between 1689 and 1713. The Seven Years' War (1756-1763 in Europe, but 1754-1760 in North America) established British imperial predominance, eclipsing France as a great power for the first time in the eighteenth century. The final defeat of France at the end of the long wars of 1793-1814 would not have been possible without British money underpinning the allied war effort.

Until recently, historians tended to concentrate on Britain's "fiscal-military state" as the essential reason for its military success. While the achievements of individual naval and military commanders – Nelson, Wellington, Wolfe and Marlborough – were not ignored, the emphasis in most accounts was on the financial wherewithal that made military and naval triumph possible. Attention was focused particularly on the ability of the British state to raise the money to fund its own war-making and that of its allies and auxiliaries. But as modern scholarship uncovers variants on the "fiscal-military state" elsewhere in Europe, and even farther afield, the secret of Britain's military success becomes more elusive. Perhaps this explains why greater consideration is now being given to how states spent the money raised, and in particular how they converted financial strength into effective military and naval capacity.

This is where the concept of a British "contractor state" may be useful. It has been given prominence recently by Roger Knight and Martin Wilcox's detailed study of the Victualling Board and the supply of the Royal Navy in the French Revolutionary and Napoleonic wars, though the term had entered specialist usage a few years before their book was published. The Victualling Board undertook some of its own production – especially of biscuits and beer – but acted principally as a state agency for the assembling of foodstuffs provided by a large number of private contractors.

Like many useful ideas, the “contractor state” raises questions as well as provides answers. The idea of a “contractor state” is still relatively new and derives from a chronologically limited empirical study rather than theoretical musings based on a range of different studies. This gives it a basis in observed reality but means that its defining features remain essentially untested. Indeed, even the boundaries of the “contractor state” are still uncertain. Where did joint-stock companies fit into the picture? Should we consider them as an arm of the state or as a form of contractor? The East India Company, for instance, carried out military and administrative functions for the British state yet was a private corporation that lent money to government. Perhaps the line between the state and the contractor was never as fixed as we might like to imagine, though in the British case we can say that government increasingly asserted its control over nominally autonomous bodies like the East India Company.

When we invoke the concept of the “contractor state,” are we referring simply to the big contractors who agreed in return for substantial sums of money to provide the armed forces with large quantities of food, equipment or other essential supplies? In the British case, for much of the eighteenth century, these big contracts were drawn up and monitored by the Treasury. But all manner of lesser contracts were agreed at a much lower level, sometimes simply on the authority of an army commissary. Rarely were these lesser contracts as well drafted and policed as the bigger ones. But unless the state undertook its own mass production of food and other war materiel, contracting was bound to be a feature of every war effort because all states had to call, to a greater or lesser extent, on private suppliers to maintain armies and navies.

This question leads on naturally to another: did contracting provide an “efficient” way for the state to spend money on war-related activities? The volume of parliamentary and public criticism of contractors, regularly depicted as profiteers who used all manner of dubious means to grow fat at taxpayers’ expense, might suggest that a good deal of money was wasted. Official reports on the poor quality of some of the goods provided point to the same conclusion. The end user – the sailor on a warship or the soldier on campaign – was not always well fed or equipped. On the other hand, we can see that the Victualling Board and other government departments became much more adept over time at controlling excessive profits for contractors and ensuring greater value for the money spent. The Treasury increasingly issued contracts on a short-term basis so that costs could better be controlled. Where the balance of advantage lay – with the contractor or the state – depended to a considerable degree on when and where we look, but the ability of British governments to sustain their armed forces, sometimes at a great distance from the home islands, suggests that the system worked for both contracting parties far more often than it failed. But again, we are referring here only to the major contracts for which records survive in the official papers of government departments, particularly the Treasury. What about the smaller contracts issued by

commissaries acting on their own authority? Because few of them are now extant, an important part of the process is invisible to the historian.

If there was a “contractor state” by the end of the eighteenth century, when did it come into being? Contractors had been providing supplies to the military since the Middle Ages, so at what point did the practice of contracting become so important that it came to define the nature of Britain’s war-making capacity? To provide a precise response is not yet possible, but a plausible preliminary answer is that the “contractor state” began to emerge alongside standing armies and navies in the mid-seventeenth century. But perhaps it became an identifiable feature of British war-making only during the prolonged and demanding wars of the late seventeenth and early eighteenth centuries – the Nine Years’ War (for Britain, 1689-1697) and the War of the Spanish Succession (for Britain, 1702-1713). The “contractor state” then developed in Britain’s subsequent eighteenth-century wars, particularly the War of the Austrian Succession and the Seven Years’ War.

If we define a “contractor state” as a polity in which government and its agencies work extensively with private individuals and companies to provide foodstuffs and other essential services for the armed forces, eighteenth-century Britain would seem to be the model “contractor state.” Its war efforts depended to a considerable degree on a partnership between central government and private interests working together in a variety of contractual relationships, some long-term and planned, others decidedly short-term and *ad hoc*. If the Victualling Board was a major overseer of contracts with provision suppliers, other departments fulfilled a similar function. The Ordnance Board, for instance, contracted with private gun makers, regulating the quality of their output by rigorous testing. The Treasury, as we have seen, increasingly took on the responsibility for drawing up and supervising all major contracts.

Whether eighteenth-century Britain was vastly different from other European states in the way in which it organized spending on war remains to be ascertained. Only detailed work on the relative role of contractors and direct state production in a variety of European polities will enable us to reach a clear conclusion on the extent of British distinctiveness. It seems reasonable to suppose that it will turn out to be a matter of degrees of difference along a spectrum rather than radically different models. Everywhere, some form of partnership between the central state and local and private interests was necessary if wars were to be waged effectively.

Even so, we can speculate that a number of features of the British experience are worth considering. Traditional whiggish accounts suggest that the Westminster Parliament was an important and distinctive institution. The House of Commons provided regular oversight of war-related spending and a venue for the voicing of criticism when the system seemed to falter. But Parliament’s role can easily be overstated. Most MPs had little knowledge of military or naval finance, and debates about expenditure on the armed forces

tended to degenerate into generalized invective on corruption or the undesirability of fighting in a particular place (on the Continent, rather than at sea) or against a particular enemy (the rebel colonists in the American war, rather than Britain's traditional Bourbon foes). Moreover, Parliament set the tone for another supposedly distinctively British feature – public opinion. Debate in newspapers and the “public sphere” was usually as ill-informed and imprecise as in the House of Commons. Only in the most diffuse and general manner did either Parliament or public opinion act as a check on financial waste and mismanagement. In truth, government agencies, particularly the Treasury, seem to have exerted a greater control over war-related spending, especially over contractual relationships. Similar departments of state may well have played a similar role in other European polities. On the other hand, Parliament's indirect influence may have been of some importance. For the “contractor state” to function, contractors had to be confident about payment; that is, they had to trust the state. Regular and reliable parliamentary taxation was therefore as important an element of the “contractor state” as it was of the public borrowing that was fundamental to the British “fiscal-military state.”

Another favourite of exceptionalist narratives may have been even more significant. Britain's island status shaped its strategic choices and so its expenditure patterns. While the country's continental connections were undoubtedly important – the Low Countries for strategic reasons, the Dutch Republic and then Hanover for dynastic reasons, Protestant Europe for religious reasons and large parts of the Continent for economic reasons – Britain's interests lay beyond as well as in Europe. Britain's geographic position had enabled it to join in the initial scramble for territorial footholds in the New World; more than a hundred years later, defending far-flung colonies and protecting associated long-distance maritime trade routes required a sizable navy.

Britain was not unique in having a powerful naval force; at various points in the eighteenth century, France and Spain also had formidable fleets and competed with the Royal Navy for dominance. But the British navy was unusual in that it attracted *consistently* high levels of state spending, especially in war but even in peace. Some of this expenditure was channelled through state agencies. The royal dockyards – state concerns employing many thousands of workers – built and maintained most of the Royal Navy's big battle-ships. But a significant portion of naval spending went to the private sector. Smaller ships were often built in independently owned yards. Even the larger ships built in royal docks depended upon raw materials provided by contractors. More importantly, the supply system relied on merchants who contracted with the Victualling Board to provide foodstuffs and other necessities.

The consistency of state commitment to the navy meant that merchants were confident they had a well-resourced and reliable customer. It also meant that contractual relationships could develop over time and become more efficiently organized. The contrast with contracting to supply an army serving

overseas could not be more marked. Each time British military contingents were sent to the Low Countries or Germany, arrangements had to be made afresh, perhaps based on the imperfectly recorded experience of a campaign many years before. But there was no on-going process, and often not even an institutional memory on which government officials could call.

Perhaps economic and demographic conditions in Britain were particularly conducive to the emergence of the “contractor state.” The commercialization of much of the British economy, regional specialization and an increasingly integrated national market driven in large part by the demands of London’s vast population meant that merchants accustomed to assembling and providing mass foodstuffs were available to help supply the armed forces. Armies and navies, after all, were very similar to large towns. They produced little food of their own but consumed enormous quantities and needed to be constantly supplied with fresh provisions. Those same merchants who specialized in catering for large urban markets, particularly London, had experience in raising money and credit to finance their operations – experience that could be turned to good account when calling up the funding needed to purchase bulk orders of comestibles for a military and naval market.

“Eighteenth-Century Spain as a Contractor State,” A. González Enciso, R. Torres Sánchez and S. Solbes Ferri

The eighteenth-century Spanish state was doubtless a contractor state. To some extent all states had to be, for no nation could organize all its provisions by itself. But Spain was a contractor state in different ways depending on the product or service in question. The difference lies in the recourse to private agents and the solution of the “buy versus make” dilemma chosen. In some important cases, especially in the last third of the eighteenth century in the artillery sector (cannons, munitions, etc.), Spain plumped for the manufacturing option. It could be argued that by definition becoming a manufacturing state meant ceasing to be a contractor state, since there was no private agent in the picture. But the overriding question, here at any rate, was the mercantilist desire for direct state production to meet its pressing warfare needs.

It should also be borne in mind that recourse to private agents – the buying option which was the habitual practice of the contractor state – was not always exercised in the same way. In general, up to 1749 the Spanish state’s preferred solution was the *asiento*, or mercantile supply contract, and there was a large clutch of entrepreneurs to turn to. The year 1749 marked a watershed in this *modus operandi* because up to that time a revenue-farming arrangement could be used as a trade-off with the *asentistas*, hedging them against any default by the state. In 1750, however, the state decided to take its tax-collection arrangements into its own hands so this was no longer possible. In this new context there were fewer merchants capable of taking part in the

asientos since the risk was no longer offset by revenue farming. Without this incentive, fewer came forward too. At this juncture the Spanish state did not turn to the market in search of new *asentistas* but rather sought to strengthen its control over the process by turning only to the strongest entrepreneurs. In other words, it decided to cut down the number of contractors with which it negotiated in order to exercise more control over them.

In these new circumstances the *asiento* was beneficial only to those whose supply range was very wide and whose earning potential was therefore higher. Only the biggest were now eligible, but they were fenced in by strong privileges. This gave rise to a *de facto* monopoly of mutual dependence between the state and major companies: the former depended on the latter for the wide-ranging supply arrangement, while the latter depended on state payments for its survival. If the mechanism failed on either side, both would fall. The Gremios Mayores de Madrid and the Banco de San Carlos are examples of major companies that cornered the supply market after 1750.

Be that as it may, the Spanish state always used the privilege arrangement, setting up *de facto* monopolies at least as long as the *asiento* lasted. The procurement mechanism involved long-term contracts, up to ten years in many cases, under which the *asentista* received wide-ranging powers and a privileged market position to trade in the king's name without any risk of competition. The contracts were awarded by auctions in which many could bid but few had any realistic chance of winning. The initial seeking out of merchants through an open auction points ostensibly to a market-based approach, but this picture changed as soon as the *asiento* was signed. The closed procedure gave the monarch security that the service would be fulfilled. The existence of compensatory revenue-farming arrangements wove a complex web between the state and the *asentistas*. In the second half of the century, this mechanism was maintained but without compensation, cutting down the field of eligible merchants. The political approach was also prioritized. It had always worked but now came fully into its own since it was necessary to ensure the *asiento* went to a very strong company and a wide-ranging concession. Private negotiation, in practice, became more important than the auction.

In the absence of an open market, competition came into play only in the auction where merchants vied to offer the lowest price while the state pressured the *asentistas* for even better conditions. In the first half of the century the state managed to drive down the prices and could do so because it believed that the *asentistas* earned too much and also because it had other trade-off arrangements up its sleeve. Conversely, in the second half of the century the few major *asentistas* were capable of keeping prices favourable to them, exploiting the state's growing needs at a time of escalating warfare and a relative lack of trustworthy entrepreneurs from which to choose. In any case, the *asentistas* did not add on the general price rise in the last third of the century, reflecting

the artificial environment in which they operated. In some ways, a “political” price was phased into military supplies throughout the century.

The privilege-based arrangement favoured the major merchants and financiers, the only ones who could offer the best prices to the king and still hope to recoup their investment over the life of the *asiento*. They were also the only ones with wide enough networks to obtain the necessary products in large quantities, especially in key sectors like grain and clothing. In the second half of the century, the firms became fewer and bigger as the smaller firms were muscled out. The Spanish military entrepreneur throughout the eighteenth century could therefore be classified increasingly as monopolistic and privileged, huddling ever closer to the political powers that be.

There were, however, exceptions to this rule. The manufacture of rifles and pistols, for example, tended to be concentrated in a few places, such as Guipúzcoa or Catalonia with guild-based and scattered structures. The shipyards, great state companies that were examples *par excellence* of the manufacturing option, were also supplied this way. But the sheer breadth of their material needs required some flexibility in supply, so they sometimes resorted to one-off contracts with small manufacturers. Clothing production was concentrated for most of the century in Catalonia. The major *asentistas* were predominantly Catalans, backed up by the principality’s entire textile network. We know little about relations between the major *asentistas* and the producers.

The large/small scheme did not always hold true. In the final years of the century, the state’s financial bankruptcy began to change the situation somewhat. In the specific case of garments, after the War of the Pyrenees (1794) arrangements to procure from a large number of small *asentistas* were taken up anew because there were no great vested interests left. In some ways this was a closing of the historical circle: foreign *asentistas*, national *asentistas*, large national *asentistas*, system crisis, small national *asentistas*.

The eighteenth-century Spanish state tended to shun foreign purchases for two main reasons: firstly, for practical reasons concerning the territories lost at Utrecht; and secondly, due to the prevailing autarky-based mercantilism. In most cases it did so successfully, and products like victuals (barring years of poor harvests), garments, *mêlée* weapons, bladed weapons and fire-arms were always bought in Spain.

In pursuit of autarky the state promoted the development of privileged private or state-owned factories under the Colbertist model, but these companies could not always meet the demand. As a result, sometimes the state had no option but to contract abroad, especially when Spanish production fell short in quantity and/or quality, as was the case with iron cannons in the 1760s and 1770s. Some products were habitually bought in part abroad because there was no other option, such as wood for ships-of-the-line, gunpowder or hemp. In such cases, supply difficulties proliferated because the habitual privilege-based

arrangements did not foster the development of Spain's own merchants or failed to help them to break into the international mercantile networks.

Efficiency can be gauged from the perspective of either the *asentista* or the state. In general, individual *asentistas* can be classed as efficient: they dominated the national market, had networks of contacts and had sufficient financial clout to withstand the business risks. They failed when the state paid late, made urgent last-minute requests, tried to force prices down too much, made impossible demands (like transferring an army from Catalonia to Portugal in one month without laying on transport services beforehand) or shut off the tap in times of peace, cutting off the *asentistas'* business at a stroke. In general, however, the supply arrangements worked if the political instruction was clear and measured, such as when the decision was taken to increase ship production in the 1730s or 1760s. In short, inefficiencies did not tend to stem from entrepreneurial failure but rather from state defaults or risky political decisions. Yet the sector as a whole might be categorized as inefficient insofar as there were too few businessmen to cope with all the state's needs. If the system as a whole was inefficient due to a shortage of entrepreneurs, it was the state that had cut off its lifeblood through its privilege policy. Any inefficiency therefore stemmed from a state-created institutional framework. This was a situation that was difficult to reverse in the short term, so the state always had problems mustering enough merchants to deal with emergency situations.

Another state problem was the lack of funds. This was an even bigger issue because in Spain the fundraising capacity was limited. Tax revenue, for example, was much lower than Britain's despite similar population sizes. At the same time, its defence needs were stretched by its vast empire and vulnerability to attack. The state's deep-seated fear of running up debts further curtailed its fundraising capacity.

One consequence of the lack of money was that payments to *asentistas* were often late, and this certainly was a source of inefficiency in the supply arrangements. In short, the Spanish economy's productive limitations translated into low tax revenues, which in turn constrained the state's capacity to spend. But there was also an ideological component: at times the state was prepared to spend more if it could control the whole process, and thus it increased its investments when it chose the manufacturing option. Although its own manufacturing costs were higher, it accepted this and the inherent inefficiency of state production in return for fulfilling certain mercantilist tenets.

This brings us to the question of relations with the fiscal-military state, which was the other side of the same coin as the contractor state – or if you will, two phases of a single process by which the state dealt with its supply problems while at the same time building itself up. The fiscal-military state strove to increase its tax revenue to meet its pressing military expenditure needs. This in turn required institutional actions that helped to mould the state. The contractor state thus represented the phase in which the state procured the

necessary services as tax income was passed on to military expenditure. The institutional aspect, in this case, was the operational method of the contractor state and those government departments that intervened therein. In the Spanish case, the main approach was privilege-based, sometimes accompanied by nationalization; the government organizations for their part specialized in holding auctions and yet seeking the best bidder by political means. This involved the development of institutions bound up with administrative and accounting control of *asentistas* contracted by the state. The Treasury General became the centralized auction-organizing body while the army treasuries took responsibility for direct contact with the suppliers. At the end of the day the chronic weaknesses of the Spanish fiscal-military state – limited funds, a limited economy, tax income based on monopolistic sources and debt aversion – together with an inflexible and risk-averse entrepreneurial structure plagued by institutional shortfalls were all important conditioning factors of the contractor state.

In sum, the distinguishing feature of the eighteenth-century Spanish contractor state was that it developed into a frail fiscal-military state that intervened heavily in the procurement of military supplies. The upshot was an idiosyncratic supply policy. Foreign suppliers, who held sway until the beginning of the eighteenth century, were ousted in favour of Spanish entrepreneurs. But the state did not succeed in bringing its interventionist ideology to bear fully on national production, forcing it to fall back on a patchy supply policy that varied for each product. The Spanish contractor state secured its supplies, but at a high cost. In the process it forfeited the chance to stimulate the military entrepreneur market. It also often had no choice but to renege on its own mercantilist ideals and to turn to foreign markets. If one of the remits of the state's procurement activity was to stimulate the economy, it might be concluded that Spain hindered rather than fostered it.

“France and the Contractor State,” Joel Félix and Pierrick Pourchasse

When placed against the narrative of British ascendancy, France's defeat in the second Hundred Years' War almost always leads to a linear explanation which tells quite a different story: the failure of a mighty country, once continental Europe's most respected and powerful monarchy, to sustain its aspirations to global power. Yet as Stephen Conway, Richard Harding and Helen Paul rightly remind us, for well over a century the outcome of long wars of attrition were essentially undecided or at least in balance. Although Louis XIV's arrogance was humbled during the War of the Spanish Succession, as Guy Rowlands recently argued,²² and France was weakened during the two decades that

²²Guy Rowlands, *The Financial Decline of a Great Power: War, Influence, and Money in Louis XIV's France* (Oxford, 2012).

followed the Sun King's death, it is difficult to accept fully the common view that the Bourbon monarchy lost the war. After all, the Coalition did not fulfil the initial war aim of preventing the Spanish throne, and its colonial empire, from falling into the hands of Louis XIV's grandson. In fact, the Bourbon Franco-Spanish alliance, forged in the early eighteenth century, remained a crucial component of the French diplomatic system. It is doubtful whether Louis XVI would have entered the American War (1778-1783) without assurances that the Spanish fleet would join the brand new French navy and, for the first and last time since Louis XIV, be in a position to outdo British naval capacity. True, France's amphibious victory in northern America and its diplomatic skills in isolating Britain from its main allies were tarnished by naval defeat (Battle of the Saints, 1782). But perhaps more importantly, Louis XVI's victory was undermined at home by the intricate problem of funding the war effort and servicing debts in peacetime which paved the way for the French Revolution.

Regardless of their politics and resources, Britain and France faced problems of a similar and exceptional nature. War had to be won on at least four fronts: military and naval, domestic and international. For a victory to be total, or for serious and lasting damage to be inflicted upon the enemy, war had to be fought both at sea and on land with the support of coalitions. Although the British Isles were protected by a powerful navy which supported a dynamic and lucrative international trade, Britain could not win a war against France without at some point committing troops on the Continent in support of its allies. Conversely, the French Monarchy, Republic and Napoleonic regimes could win (and lose) land battles: history shows, however, that success on the battlefield could not secure overall victory as long as the British navy retained control of international trade and was able, through blockade, to paralyze France's ability to replenish its resources in the pursuit of warfare.

The plural dimension of warfare in the long eighteenth century probably explains the uncertain outcome of interminable and exhausting conflicts which were rarely able to hit the enemy at its very heart through invasion and change of regime or dynasty, as happened in 1814 and 1815. Although France's economic and fiscal superiority was seriously challenged from the late seventeenth century, the Bourbon monarchy remained, in volume, in comparison with Britain and in quality the foremost power in Europe.²³ Throughout the period it was the largest military power, capable of fielding between 400,000 men in the War of Spanish Succession and 900,000 men during the Revolutionary and Napoleonic wars, enough to contain and overcome enemies on several fronts and to march deep into foreign territories. France, it is often forgotten, was also a major naval power, second only to Britain. Under Louis

²³Joel Félix, "Finances," in William Doyle (ed.), *The Oxford Handbook of the Ancien Régime* (Oxford, 2012), 75-92.

XIV a formidable effort was deployed to build *La Royale*, from thirty-one vessels in 1661 to 154 ships and frigates in 1691, making it the strongest maritime force until the 1700s, even if it was still not large enough to match the combined Dutch and English navies which also enjoyed qualitative superiority. During the eighteenth century, French naval tonnage varied considerably, alternating between periods of sustained programmes of construction followed by long decades of systemic under-investment. Yet the three French *arsenaux* (dockyards) Toulon, Rochefort and Brest which supervised naval construction built no fewer than 1054 vessels between 1715 and 1792, including 254 battle-ships, 245 frigates and 142 corvettes. When the Revolution broke out, the French navy still lagged behind Britain's total of 137 ships, but with ninety vessels French naval power remained significant, especially when combined with other fleets, such as the Spanish or Dutch of seventy-four and thirty-four ships, respectively.

Such figures leave no doubt about the fiscal and military capability of France under the Bourbon dynasty. Despite the acknowledged weaknesses of the absolute monarchy – particularly its difficulties in raising sufficient cheap money to fund the naval effort – William Doyle reminds us that the Revolution of 1789 resulted not from a lack of wealth but from the Crown's difficulties in making the most of the country's resources, which were locked in the Old Regime's structures.²⁴ While a classic Tocquevillian reading of the *Ancien Régime* and the French Revolution has stressed continuity rather than political turmoil in the process of the state's centralizing and rationalizing effort, the relationship between public and private interest was very complex. For instance, at the same time that the revolutionary *Comité de Salut Public* (Committee of Public Safety) took drastic measures in 1793-1794 to assume control of the economy in the name of the nation in order to sustain the war effort, the Convention Assembly tendered for the production of *assignats*, the famous revolutionary money, and the melting of church bells to satisfy the demand for cannons to equip the Republican army and fleet. Napoleon and his generals had nothing but harsh words for private contractors who provisioned armies and the profits they made. Yet throughout the eighteenth century contracting and sub-contracting remained essential dimensions of the business of warfare. For instance, under the Empire serious consideration was given to following the British example and relying on the private sector to assist the state with naval construction. As a result, the three French state or national dockyards built only twelve of the seventy-nine frigates commissioned by Napoleon.²⁵

²⁴William Doyle, *The French Revolution: A Very Short Introduction* (Oxford, 2001).

²⁵Jean-Marcel Hubert and Bruno Ponsoonnet (eds.), *Napoléon et la Mer: Un rêve d'empire* (Paris, 2004), 61.

Since the 1970s, an important body of work has significantly revised the traditional concept of absolutism and brought to light the extent to which the government, beyond the official language of obedience to the king and his ministers, had to negotiate with elites, in particular to raise revenue and support the war effort. As David Parrot observed in his recent study of military enterprise, the political dimension of war explains the existence of a distortion between public discourse and the practices of funding and procuring navies and armies. Memories of French religious and civil disturbances explain the rejection of military enterprise “as a means to resolve some of the financial and organisational dilemmas of warfare” and the adoption by Louvois and Colbert, the ministers for war and the navy, respectively, of a special “French public/private military paradigm.”²⁶ Military venality, or the sale of military posts, is a good example of the agreement reached under Louis XIV with the nobility; with its introduction the monarchy was able to fund part of the military effort by drawing on the social cachet attached to military careers while at the same time responding to the demands from officers, their backers or families that money invested would be recouped. Military officers were now given an incentive to become military entrepreneurs. As documented by Jean Chagniot in his work on Parisian troops, they became intermediaries between the state and manufacturers for funding and equipping their companies.²⁷ In the aftermath of the disastrous Seven Years’ War, successive ministers launched comprehensive reviews of the organization of the army and the system of procurement. Ministerial instability after the fall of Choiseul (1770) illustrates the extent of disagreement and frustration in the officer corps caused by debates about direct administration and enterprise. In 1789, these debates were still unsolved.

Research into the nature of the monarchy’s relationship with contractors to organize France’s military and naval effort, and the ways in which public and private interests were mediated, is a very important line of enquiry. It is part of the broader question about the concepts of “bureaucratic” or “administrative monarchy” which have been challenged in a number of recent works.²⁸ To be sure, a considerable amount of work has been produced about many aspects relating to the existence, nature and evolution of what can be

²⁶David Parrott, *The Business of War: Military Enterprise and Military Revolution in Early Modern Europe* (Cambridge, 2012).

²⁷Jean Chagniot, *Paris et l’armée au XVIIIe siècle: Étude Politique et Sociale* (Paris, 1985).

²⁸For a summary of the discussion, see Julian Swann, *Provincial Power and Absolute Monarchy: The Estates General of Burgundy, 1661-1790* (Cambridge, 2003); and Darryl Dee, *Expansion and Crisis in Louis XIV’s France: Franche-Comté and Absolute Monarchy, 1674-1715* (Rochester, NY, 2009).

labelled a contractor state in France during the long eighteenth century. The available work, however, remains uneven in quality, is patchy and is usually divided into sequences. The absence of a clear set of questions and the dispersion of primary sources defies a structural approach to understanding the level of efficiency of the French state. Unlike Spain, where historians benefit from abundant information on *asiento* contracts and *asentistas*, research about contractors in France is severely hampered by the lack of primary sources. Very few contracts between state agencies and private agents have survived, and archives of private companies involved in procuring the military/naval establishment are even rarer. Only painstaking research in the administrative correspondence of ministers and the archives of provincial administrations, such as David Plouviez's recent research on naval construction and economic networks in eighteenth-century France, can help in mapping the French commercial, industrial and military complex, and identifying the way in which the state responded to the challenges of warfare.²⁹

It would certainly be a mistake to assume that the financial models and procurement systems developed to sustain war capability were static or uniform. For a variety of reasons – in particular the stress caused by war on domestic resources – state control and enterprise co-existed and helped each other throughout the period. What varied was the balance between the two main actors and their respective roles. Although the problems of procurement for the navy and the military were similar, they were also technically specific. In both cases, quantity was a key problem. Fielding large armies and sustaining fleets required huge volumes of raw and semi-transformed or manufactured goods of various kinds, not only bread but also uniforms, carts, horses, weapons and the like. These goods had to be collected and transported across the kingdom, and their processing and distribution organized. The state's effort and policy in providing the naval and military establishment have been studied in a number of important works, including Paul W. Bamford's book on the provision of wood, Daniel Dessert's on the building of Colbert's navy and Denis Woronoff's on the production of iron in France during the eighteenth century and the French Revolution.³⁰ While the need to sustain armies could be partly met by requisitioning occupied territories, ministers expected to rely on

²⁹David Plouviez, "De la Terre à la Mer: La Construction Navale Militaire Française et ses Réseaux Économiques au XVIIIe siècle" (Unpublished PhD thesis, Université de Nantes, 2009). See also Jean-François Claverie, "Les marchés de fournitures et de travaux dans la marine royale au XVIIIème siècle (Port de Rochefort)" (Unpublished PhD thesis, Université d'Angers, 1996).

³⁰Paul W. Bamford, *Forests and French Sea Power, 1660-1789* (Toronto, 1955); Daniel Dessert, *La Royale: Vaisseaux et Marins du Roi-Soleil* (Paris, 1996); and Denis Woronoff, *L'Industrie Sidérurgique en France Pendant la Révolution et l'Empire* (Paris, 1984).

France's assumed self-sufficiency to sustain wars by drawing on domestic resources.

Under the Old Regime, procurement for garrisoned troops and field armies was usually contracted out to a handful of *munitionnaires généraux*. These were large companies that specialized in providing certain services, like the victualling of *pain de munition* to troops or hospitals, and attached to a specific geographic area or one of the military fronts. *Mmunitionnaires généraux*, like the dockyards, were the Old Regime's largest commercial and industrial ventures of the time, giving work to thousands. The activities of these powerful companies, their financial structure and profitability, their organization and the quality of their services, including the actual cost to the state, remain largely unstudied.³¹ As in Britain, army victuallers and other contractors are better known to historians through the manifestations of public anger and regular demands that government replace enterprise by *régie*, or state administration, which was assumed to provide a better, quicker and, above all, cheaper service.

The absence of a transparent system of public tendering for large army contracts certainly explains the *munitionnaires généraux*'s poor reputation as well as many criticisms, in particular complaints about collusion and Court patronage. To fulfil their contracts, however, *munitionnaires généraux* relied on a large number of sub-contractors and, as such, were essentially intermediaries between government and many local merchants and producers. For instance, under Louis XIV the provision of muskets was contracted to a single company based in the Paris Arsenal. Maximilien Titon, its director, liaised with numerous workshops and artisans across France, in particular in the Forez region around Saint-Etienne.³² If the French companies of *munitionnaires généraux* are to be considered as a typical form of early modern organization, their role – in particular in regulating the local and national markets for the demand, production and purchase (and payment) of goods for the army and

³¹The most recent studies include Jean-Eric Iung, "Service des Vivres et Munitionnaires de l'Ancien Régime: La Fourniture du Pain de Munition aux Troupes de Flandre et d'Allemagne de 1701 à 1710" (Unpublished diplôme d'archiviste thesis, École Nationale des Chartes, 1983); Joel Félix, "Victualling Louis XV's Armies: The Munitionnaire des Vivres de Flandres et d'Allemagne and the Military Supply System," in Richard Harding and Sergio Solbes Ferri (eds.), *The Contractor State and Its Implications, 1659-1815* (Las Palmas de Gran Canaria, 2012), 103-129; and Charles Poisson, *Les fournisseurs aux armées sous la Révolution Française: Le Directoire des Achats (1792-1793)* J. Bidermann, Cousin, Marx-Berr (Paris, 1932).

³²François Bonnefoy, "Maximilien Titon, Directeur Général des Magasins d'Armes de Louis XIV, et le Développement des Armes Portatives en France," *Histoire, Economie and Société*, V, No. 3 (1986), 353-380.

navy – needs to be thoroughly explored to better understand the structures of the French naval and military industrial complex.

In many respects, the *arsenaux* behaved like *munitionnaires*, although the very nature of naval construction meant that activities were coordinated around the production of warships. Like the *munitionnaires*, dockyards had their own geographic area – the arsenal plus a hinterland – and catered for ships for the Atlantic (Rochefort, Brest) or the Mediterranean (Toulon). Although they were run by local royal agents under the control of the King's Council and the Secretary of State for the Navy, particularly the *commandants du port*, the *intendants de la marine* and the *commissaires de la marine*, the building, repairing and sustaining of the ships relied on a mixed system of *régie* and enterprise. The balance between the two systems of procurement depended on the availability of funds and the nature of the work to be done. As Martine Acerra has shown, some aspects of building and equipping the ships could be contracted to entrepreneurs while others could not or were not deemed worth the savings.³³ Moreover, the state used a variety of methods to pay masters and workers according to the nature of the jobs performed. Some parts of the warship were considered to be worth greater spending, particularly when there was a potential impact on the longevity or efficiency of the ship, and workers were paid by the hour. Other less vital parts of the ship were put out to public tender or, depending on specific needs, contracted to craftsmen for a fixed price. It was not uncommon for contractors to hire workers who would use the tools from the *arsenaux* or work wood provided by the king. Overall, the relationship between the state and the contractors depended on the demands of the naval and military establishment. Building ships to prepare the navy for war or to replenish forces after defeats entailed considerable demands which could not always be met by the *arsenaux*. Naval campaigns naturally had a tendency to deplete stocks accumulated in dockyards, while embargos prevented replenishment, especially in the case of masts, hemp or copper, which had to be shipped from Poland, Sweden or Russia.

In the end, the agenda behind the concept of the contractor state is related to the extent to which governments relied on the market to purchase goods and services, and the ways in which the contractual (and changing) nature of their relationship was sustainable, that is, compatible and beneficial to the different partners involved. Long wars of attrition impacted the balance between public and private interests, in particular when a shortage of funds meant a progressive reduction in the flow of money delivered by the state to pay contractors who in turn had to find alternative solutions to pay their suppliers. France's quantitative advantage, which might well have narrowed during the eighteenth century, could not solve the growing issues of cost and qual-

³³Martine Acerra, *Rochefort et la construction navale française, 1661-1815* (4 vols., Paris, 1993).

ity, essential factors for maximizing and sustaining naval and military capacity and efficiency. To be sure, Colbert, as Minister of Finance and Secretary of State for the Navy (1661-1683), was acutely aware of these problems; an essential part of his contribution to Louis XIV's naval effort came from a series of long, detailed regulations which established a legal framework for all activities relating to maritime affairs to keep costs as low as possible. Self-sufficiency, however, was not always the expression of a mercantilist agenda but could reflect the difficulties France encountered in its attempts to force its way into the trade markets of northern countries. As Pierrick Pourchasse has shown, the access to vital resources remained under the control of Dutch and British transporters, bankers and brokers which put France at a disadvantage in terms of costs and quality.³⁴

Together with the Enlightenment agenda, the French defeat in the Seven Years' War and the preparation for its revenge precipitated, perhaps for the first time, a desire to alter radically the traditional organization of the navy and the military, from tactics and strategy through to discipline and logistics. A new relationship between the state, its intermediaries and the market was at the very heart of the movement for reform. In a world increasingly dominated by technological improvement and strained fiscal resources, the response of private enterprise was crucial to producing better and cheaper material. Choiseul ordered that ships offered to Louis XV be built by commercial ports outside the naval dockyards. His successor, Antoine de Sartine, naval minister in charge of building Louis XVI's navy, believed, like his successor the Chevalier de La Luzerne, that only private enterprise would produce less expensive ships of better quality. The mercantilist state associated with Colbert was under challenge from the liberal agenda. Whereas the *Ordonnance concernant la marine et les arcenaux* (1689) had required that all goods, including arms and ammunitions, be purchased in France, Choiseul's revisions in 1765 relaxed this constraint, which was now only "desirable."

According to Philippe Minard, the *laissez-faire* critique of mercantilism or state economic policy has long misunderstood the essence of new developments between producers, who asked both for freedom and protection, and the monarchy's new approach to the regulation of production.³⁵ Indeed, the state's main goal now was to raise quality standards for warships. As a result, cost and quality could be checked against detailed specifications of the vessel's various components, thus making public tendering a more efficient way of selecting the cheapest offer and ensuring compliance with norms. The

³⁴Pierrick Pourchasse, *Le Commerce du Nord: La France et le Commerce de l'Europe Septentrionale au XVIIIe siècle* (Rennes, 2006).

³⁵Philippe Minard, *La Fortune du Colbertisme: État et Industrie dans la France des Lumières* (Paris, 1998).

military followed a similar path. Ken Alder has studied Le Blanc's projects for producing a new system of gun locks, composed of twenty standardized pieces, which had two apparent advantages: increased productivity and repairing hundreds of guns after a battle both cheaply and quickly. Standardization, however, implied new modes of production which often conflicted with the traditional organization of work.³⁶ When asked to produce according to Le Blanc's *procédé*, the craftsmen and workers in Forez went on strike. Standardization challenged the contemporary work organization and ethos that the French Revolution would soon dismantle. It also conflicted with an important dimension of the state/contractor relationship: the ability for the producer to use his own methods so as to sell both to the state and the private market. The structure of production was certainly a central factor in the French public/private paradigm. The development of joint-stock companies, for instance, by Babaud de la Chaussade to increase iron and steel production, and procure anchors and cannons for the navy, is a clear example of the impact of the war establishment on the economic and social structures of the French monarchy.

While Colbert tried to prevent workers' associations because of their potential to distort prices, his successor, the Marquis de Castries, legislated in 1785 in the hope that the state could benefit from the association of craftsmen's ability to take on contracts. The second half of the eighteenth century was marked by considerable and on-going change in the French state's methods of procurement for the military and naval establishment. In this respect, 1789 opened a new array of possibilities and at the same time reintroduced some constraints. What happened to the contractor state during the French Revolution and successive regimes is certainly worthy of detailed exploration.³⁷

“The Portuguese Empire (1760-1815): The Contractor State in Peace and Wartime,” Maria Cristina Moreira, Margarida Vaz do Rego Machado and José Manuel Lopes Cordeiro

In order to focus on Portugal as a contractor state, we will present evidence from 1760 until the end of the Napoleonic wars in both peace and wartime.³⁸

³⁶Ken Alder, *Engineering the French Revolution: Arms and Enlightenment in France, 1763-1815* (Princeton, 1997). On the question of the organization of work, see Steven L. Kaplan, *La Fin des Corporations* (Paris, 2001); and Allan Potofsky, *Constructing Paris in the Age of Revolution* (Basingstoke, 2012).

³⁷See, however, Howard G. Brown, *War, Revolution, and the Bureaucratic State: Politics and Army Administration in France, 1791-1799* (Oxford, 1995), and the earlier study by Poisson, *Les Fournisseurs aux Armées sous la Révolution Française*.

³⁸Moreira's contribution comes from the project PTDC/HIS-HIS/118984/2010, “Trade Networks of Small and Neutral States before, during, and

Bearing in mind that a contractor state may be defined by a government's use of connections with individuals and companies to supply the armed forces not only with food but also with other important resources, Portugal can be placed among those countries which relied on such links during both war and peace. The *asentistas*, or agents, were also involved in providing the so-called *munições de boca* (foodstuffs) to the army.³⁹

Is it possible to determine the advantages of such contracts for both the state and the contractors? Roger Knight and Martin Wilcox have identified some of the reasons why merchant contractors were very important to governments.⁴⁰ Firstly, contractors could manoeuvre and negotiate in markets that were politically closed to governments, making it impossible for them to purchase items. Secondly, contractors often understood the complexities of markets and could act swiftly and reliably. Thirdly, the use of contractors was financially advantageous because it spared the state from having to inject capital into a project and hence meant fewer tax burdens on the people. Lastly, a system of contractors was a sure sign of a mature industrial sector that was able to expand when necessary in a way that was impossible for the state. But can these characteristics be extended to Portugal?

The role of Portugal as a contractor state during the *Ancien Régime* and the nineteenth century has been analyzed in recent Portuguese and Brazilian scholarship, although these works focus mainly on specific cases spread over many fields of economic activity. Highly capitalized merchants devoted special attention to commerce in both internal and external markets, with particular attention to those overseas. Their activities included both importing and exporting. Focusing on a single activity was rare, as the contractors dealt with different products from various places: "The norm was the diversification of speculation, not only to disperse the risks, but to take better advantage of the possibilities the markets offered...[while this] demanded great capital and presented enormous risks, it resulted, at the same time, in fabulous profits."⁴¹

after the Revolutionary and Napoleonic Conflicts (1750-1850)." Funding for this project has been provided by the Fundação para a Ciência e Tecnologia, FEDER, PTDC 2010.

³⁹Cristina Moreira and Jari Eloranta, "Contracts and the Role of the State: Portuguese Military Provisions Supply System in the Early Nineteenth Century," in Harding and Solbes Ferri (eds.), *The Contractor State and Its Implications*.

⁴⁰Knight and Wilcox, *Sustaining the Fleet*, 10-11.

⁴¹Jorge Miguel Pedreira, "Tratos e contratos: actividades, interesses e orientações dos investimentos dos negociantes da praça de Lisboa (1755-1822)," *Análise Social*, XXXI, Nos. 2-3 (1996), 367-368.

The use of royal contracts was one of the main methods of financial organization for the Portuguese state; even if there were doubts about it at the end of the eighteenth century, it continued without fundamental change until the liberal revolution of 1820. Using some examples derived from the fiscal administration of the Azores, we will analyze the importance of these contracts and the activities of contractors at the end of the eighteenth and the beginning of the nineteenth century. By then, Portugal was at peace, with an economy focused on Atlantic commerce.⁴² The Azores, which may be thought of as a trading platform in the Atlantic, participated actively in this commerce and was therefore well integrated into all the economic and financial processes. In 1766, with the establishment of a Captaincy General in the Azores, the *Junta* of the Finances was created in Angra do Heroísmo and took control of the taxation and royal finances in the archipelago. The *Junta*, which had the General-Captain as its president, collected the royal rents. These were linked to the system of the royal contracts that in the Azores focused mainly on agricultural produce, with special attention to contracts for the tithes of wheat which together with foodstuffs of lesser value comprised more than half of the archipelago's income.⁴³ This income for the crown was derived from a tax of ten percent on the farm output. Of all the contracts, the one for San Miguel Island was undoubtedly the most valuable. For this reason, and because it brought together the elite merchants of the Azores, we will analyze the bids for the contract to see how this commerce functioned.

When a contractor was awarded a tithe contract, which in the islands ran for three years, he committed to paying an annual rent and was obliged to charge the tithes on the grain on the threshing floor. This no doubt represented an added value to the state, which no longer needed to concern itself over organizing and paying for the collection of the tithe. Furthermore, as the tithe business was risky because it could not be known in advance if a year would produce a good or bad harvest, fixing an annual rent for three years made the revenue projections more stable, which in turn made it possible for the government to devise a better budget.

Because these contracts carried financial and fiscal privileges, they offered guarantees of success to the economic agents involved and facilitated upward social mobility, both of which made them highly desirable. As a result, bidders went all out to secure and retain the contract. From the end of the

⁴²J. Romero Magalhães, "Império," in Pedro Lains e Álvaro Ferreira da Silva (ed.), *História Económica de Portugal, 1700-2000* (3 vols., Lisbon, 2004), I, 320.

⁴³Francisco Azevedo Mendes, "Finanças, fiscalidade e moeda: uma Insolvência persistente," in Artur Teodoro de Matos, Avelino de Freitas Meneses and José Guilherme Reis Leite (eds.), *História dos Açores do Descobrimento ao Século XX* (2 vols., Angra do Heroísmo, 2008), I, 515.

Ancien Régime, the tithe contracts had always been obtained by a society and were formalized in a document that was written for that specific purpose.

How were these societies formed? Firstly, all the members were wholesale merchants from the most important areas of the archipelago: Angra do Heroísmo on Terceira Island and Ponta Delgada on San Miguel Island, with two leaders: Frutuoso José Ribeiro, the bidder in Angra, and Nicolau Maria Raposo de Amaral, the administrator and square merchant in Ponta Delgada. The other members of the society remained the same, often participating in other businesses on the islands. The societies were kept in the same hands, or in the hands of their successors, and the process did not undergo any great changes until 1820. Indeed, in addition to realizing profits of fifty-two percent,⁴⁴ the contracts enabled these men to become familiar with the network of cereal producers on San Miguel and Terceira. It also gave them the privilege of being the first to board ships without any obstacles raised by the municipality. Having priority in the selling and loading of products was fundamental for success in their import-export businesses.

Another type of contract concerned whale oil. Restored in 1765 with the creation of the Whale Fishing Company, this contract was based on the privileges that came from the system of commercial monopolies. It was held by Pedro Inácio Quintela in an initial twelve-year contract for which he paid 80,000 *cruzados*.⁴⁵ This contract was sub-let with regard to the oil sent to the Azores by Nicolau Maria Raposo de Amaral. The agreement stipulated that between 1767 and 1776, in return for an annual rent paid to Quintela, Raposo was granted the exclusive right to import and sell whale oil in the Azores.⁴⁶ As with the tithe contracts, a society consisting of merchants and contractors from the Azores (almost all of whom were associated in the tithe contracts and in contracting for the army) and merchants from Rio de Janeiro was formed to minimize the risks.

All the wholesale merchants in the Azores used royal contracts to impart dynamism to their commercial houses, where the relevance of the strategy of complementarity was obvious. But these men also took advantage of the contracts to facilitate their own upward social mobility. People who were aligned with the Marquês de Pombal were convinced that rising in social rank was essential for commercial and managerial affirmation; as a result, they all grasped the opportunities provided by the politics of Don José's minister to qualify for and obtain the habits of the Orders of Christ and San Tiago. In-

⁴⁴Margarida Vaz Rego Machado, *Uma fortuna do Antigo Regime: a casa comercial de Nicolau Maria Raposo de Amaral* (Cascais, 2006), 184.

⁴⁵Myriam Ellis, *A Baleia no Brasil colonial* (San Paulo, 1969), 149-150.

⁴⁶Rego Machado, *Uma fortuna*, 68.

deed, successful bids for the royal contracts were decisive in the rise of these merchants into the economic elite of the islands, even at the beginning of the nineteenth century when economic liberalism was starting to threaten this economic and financial system.

Of considerable importance in understanding the Portuguese contractor state was the role of Henrique Teixeira Sampayo, an important contractor before and during the Napoleonic wars.⁴⁷ His career enabled him to obtain several titles, such as 1st Lord of Sampayo, 1st Baron Teixeira and 1st Count of Póvoa. Indeed, he was a great and rich merchant as well as an influential politician. He was the state's largest creditor and directed financial policy in the last stage of João VI's reign, when he held the position of Secretary of State for the Treasury between 1823 and 1825. The fact that Sampayo in 1822 was the largest shareholder in the Banco de Lisboa, predecessor of the modern Banco de Portugal, is inseparable from his notorious activity as a contractor during a period of political instability.

Sampayo exploited a connection with the government in order to take the high road to wealth and influence. Such opportunity arose when the person in charge of the supply of naval stores passed away. Sampayo proposed that he take care of the supply of naval stores for the Portuguese navy (at home and abroad), a position he secured even though it placed a considerable strain on his personal finances. He forged a connection with a merchant house in London, and with contacts from the Baltic trade and the help of Quintela's funds he managed successfully to fulfil a one-year contract to the satisfaction of the minister and Intendant of the Marine. Everything seemed to be going in his favour, but Napoleon had just set a plan in motion to sever an "age-old" alliance between Portugal and Britain. The king and his followers decided to leave for Brazil, which represented a depressing prospect to Sampayo, since all the profits of years of industry were sunk in his current contract (Sampayo was in fact a creditor of the government). The regent, before taking up exile in Brazil, gave his final orders relating to the conduct and distribution of the army which was already was in debt to Sampayo to the tune of nearly one million *cruzados* (about £150,000).

Sampayo was commissioned to "procure the supplies necessary for the maintenance of thirty thousand men,...one hundred and fifty tons of bread, four hundred large oxen, and five hundred pipes of wine, *per week*."⁴⁸ Although the remittances were reduced, Sampayo's credit never suffered thanks to his friend Quintela's help, as "he engaged to take up the entire supply on his own account, as general contractor, a million dollars was placed at his disposal

⁴⁷Anon., "Sampayo the Contractor," *Blackwood's Edinburgh Magazine*, XXXIX (1836), 441-458.

⁴⁸*Ibid.*, 451.

in one hour by his mercantile friends...Supplies of cattle, grain, flour, oil, and wine soon poured in on him of all quarters."⁴⁹ These abundant supplies kept the army in good humour, and Sampayo, despite his lack of military experience, managed to keep all parties satisfied.

Sampayo reached out to grasp all the resources of the country by buying not only stock but also crops of the succeeding year, exploiting through his brothers his international connections with Ireland for wheat and with the United States for flour and barley. Our research supports Knight and Wilcox's view that the house of Sampayo represented an example of the power and ability to penetrate the French blockade to buy American wheat and other cereals for the English army in Spain in 1811 and 1812.⁵⁰ With the arrival of Sir Arthur Wellesley in 1809, Sampayo continued with his plans knowing that he had the confidence of both the Portuguese and British governments. To the generals and staff he was the prince of contractors; to the commissaries he was the golden idol of quartermasters and storekeepers; and to the farmers and bullock drivers he was only second to Santo António.

At the end of the war there were many attempts to calculate Sampayo's fortune, but these were never correct – only he knew the value of his fortune. In the end, it was stated that this amounted to £2,000,000 besides a debt of half a million more owed by the Portuguese government on his old claim and recent contracts. The Portuguese government did not want to lose such a man, so he was offered the title of Baron and a crown estate that equalled in value all his claims against the government. When King João VI returned to Portugal, he was not surprised by Sampayo's fortune and bestowed on Sampayo the ministry of finance. At the time of his death, the newspapers reported that he was in possession of a fortune in British and foreign funds that amounted to almost £600,000.

From 1760 until the end of the Napoleonic wars, the contractor state provided an important framework for the Portuguese Empire in different fields of economic activity such as tithes, tobacco, oil and cereals, as well as the provision of financial support. This was a system that benefited both the state and the contractors. It interested the state because it guaranteed an efficient tax collection. Moreover, it reduced expenditures within the financial system and facilitated improvements in the level of efficiency. As for the individuals, it is clear that this integration of the public and private spheres was important because in the commercial logic of the *Ancien Régime* the contracts gave them privileges that elevated them to higher places to the detriment of their opponents.

⁴⁹*Ibid.*

⁵⁰Knight and Wilcox, *Sustaining the Fleet*, 10.

“The Contractor State: A Response,” Roger Knight and Martin Wilcox

We thank everyone who has contributed to this forum for their insightful and thought-provoking observations in reflecting on the concept of the “contractor state” phenomenon from distinctive national points of view. Several commonalities emerge, but so too do a few problems, and much remains to be done before an overarching theory of the contractor state can emerge.

Clearly, all states depended to some degree upon private industry to fight wars, as they still do, which raises the question of what a “contractor state” actually is. On one level, the idea could be seen as a statement of the obvious. Nor is it yet clear precisely how it ties in with the better established model of the fiscal-military state. If, as Huw Bowen suggests, contractor and fiscal-military states co-exist “in the manner of a Siamese twin,” this seems to imply that the concept is limited to the military realm. Yet as the essay from Portugal points out, the contractor state had a civilian dimension as well. This was also very much the case in eighteenth-century Britain, especially with respect to disciplinary institutions such as prison hulks and the fleets that transported convicts to Australia.⁵¹

This leads to the question of timing. So far the bulk of the work undertaken by Contractor State Group members has focused on the seventeenth and eighteenth centuries, something reflected in the preceding essays. But Stephen Conway, Richard Harding and Helen Paul raise the question of when something resembling the contractor state came into being, referencing David Parrott’s recent *The Business of War: Military Enterprise and Military Revolution in Early Modern Europe*. Pepijn Brandon asks what it is that fundamentally differentiates the early modern state from its successors. This begs the question of the relationship between the contractor state and debates over state formation and military revolution. At the other end of the chronology, it also raises the question of when, if ever, the contractor state came to an end, since contracting remains a major feature of developed states to this day and may well become more so in the current climate of economic crisis and privatization of hitherto publicly-owned assets.

Moreover, as the preceding essays make clear, even if we limit the concept to the “long” eighteenth century, it encompasses a wide variety of organizational forms, from the *asientos* of Spain and the great contractors of Portugal, to the more diffuse forms of contracting in Britain and the Dutch Republic. It also encompasses varying political circumstances, from the absolutism of *Ancien Régime* France and Bourbon Spain to the more liberal polities

⁵¹Gary L. Sturgess, “Commissions and Concessions: A Brief History of Contracting for Complexity in the Public Sector,” in Nigel Caldwell and Mickey Howard (eds.), *Procuring Complex Performance: Studies of Innovation in Product-Service Management* (New York, 2011), 50-52.

to the north and west. The fiscal-military state concept has proved flexible enough to provide insights into these very different polities and economies, and the contractor state must do the same.

Such fundamental questions reflect the way that the contractor state concept has come together, built up from, to paraphrase Conway, Harding and Paul, a series of chronologically constrained empirical studies. These have been hampered at many turns by the evidentiary problems identified by Joel Félix and Pierrick Pourchasse.

Even in Britain, where the state's archives are relatively complete and material on contractors can be fairly easily extrapolated, the papers of contractors rarely survive. The victualling project team at Greenwich could only investigate the contractors' side of the equation through a series of slightly random case-studies dictated by the availability (and in one case the chance discovery) of sources. Before a convincing, comprehensive theory of the contractor state can be developed, the various national pictures that form its building blocks will need to be built up in the face of major evidentiary constraints.

So far, all of this has sounded rather discouraging: a litany of theoretical difficulties and empirical gaps. Nevertheless, the contractor state concept does serve to highlight one key commonality among eighteenth-century states: all faced the task of mobilizing private resources for military purposes. This in turn points to a series of areas in which further research should help to clarify the essential features of, and variations within, "contractor states."

Firstly, in all countries the question arose of to what extent the state should manufacture or process its own supplies, and how far it should contract out for them. The case of shipbuilding arises in three of the preceding essays and demonstrates how differently states responded to the problem. Spain's shipyards were "a great state company," whereas in Britain and revolutionary France private shipyards supplied a growing proportion of naval vessels. On the other hand, in the case of ordnance and small arms, both Spanish and British weapons were largely provided on contract, with the state limiting itself increasingly to quality control, final assembly, storage and distribution.

Secondly, who actually were the contractors? In the Spanish case, the *asientistas* needed to be major firms and grew bigger as time went on, "huddling ever closer to the political powers that be." Large, well-connected contractors of various sorts figure in the Dutch, French and Portuguese examples too, and Britain was little different in some respects. In the case of army provisioning, until the 1790s, contracts were awarded to major firms by the Treasury. Conversely, small warships were provided by small shipyards distributed around much of the country, and the Victualling Board in its purchases of naval provisions dealt both with major London provision merchants and a multiplicity of "men of confined property" who provided small quantities of provisions to specific places over short time scales. Many of these contracts were made by local officials (although confirmed in London), in the same way

as the army commissaries referred to by Conway, Harding and Paul made small contracts. As they point out, it remains an open question whether the “contractor state” refers only to the major, centralized contracts, although our view is that it should not.

This links to a third area of research, which is how far states’ contracting practices were shaped by “thick” markets. On the face of it, one thing that emerges strongly from these essays is that commercialized, capitalistic economies such as Britain and the Dutch Republic performed better than “less commercially oriented, more state-centred societies.” Yet, although the availability of a greater choice of contractors was clearly crucial, it was almost certainly not the only determinant of the forms of contracting in different states. Political culture, the existence (or not) of institutions capable of tapping into markets, the development of commercial and equity law and so on all played their part. As Brandon observes, one key research priority should be to determine the matrix of factors that determined the extent to which a given state relied upon the market for its needs.

In turn, this leads to the question of precisely how, and how effectively, the state went about mobilizing the resources available. The nub of this is the way in which contracts were awarded. Broadly speaking, eighteenth-century Britain witnessed a shift away from a “relational” model of patronage-based contracting, especially for army supplies, to a more “transactional” model based upon competitive tendering.⁵² No such shift occurred in Spain. It is easy to fit a move towards a more open, competitive model of contracting into a simple narrative of progress, and yet, as in France, recent research in Britain has cautioned against this. Gordon Bannerman’s research on army contracting in the Seven Years’ War showed that relational contracting did not have to entail venality and inefficiency. Nor did competitive tendering guarantee the opposite. Linked with this is the question of sub-contracting, for in all the polities covered here large contractors, however their contracts were awarded initially, depended to an extent on sub-contractors. How these hierarchies worked is again in need of investigation.

Finally, the effectiveness of a state in mobilizing private resources was clearly affected to some extent by its own creditworthiness. The Spanish state’s financial difficulties led it into even greater dependence on monopolists, whereas in Britain and the Dutch Republic the opposite was evidently the case. Yet creditworthiness and the consequent ability to raise money cheaply were not the full story either, for that money needed to be translated efficiently into armies on the march and fleets at sea.

All this brings us back to the start, and to the relationship between the fiscal-military state, a concept which highlights states’ varying ability to raise money, and the contractor state, its “Siamese twin,” seeking to demonstrate

⁵²*Ibid.*, 51-52.

how that money was spent. Clearly, as the problems indicated in the first part of this summary suggest, much remains to be done on both the empirical and theoretical levels before a fully convincing theory can be developed. Nevertheless, the importance of contracting to the machinery of European states does seem to be more widely appreciated than it was only a few years ago. To that extent, the “contractor state” appears to have become established.

Offers a new interpretation of the military entrepreneurs' role in state construction in early-modern Spain, demonstrating how their success or failure could determine whether or not warfare became a driving force of the economy and wealth, or an endless source of problems. Abstract: Offers a new interpretation of the military entrepreneurs' role in state construction in early-modern Spain, demonstrating how their success or failure could determine whether or not warfare became a driving force of the economy and wealth, or an endless source of problems. Read more Year Only RUB 220.84/month. Chapter 18 The Eighteenth Century: European States, International Wars, and Social Change. STUDY. Flashcards. Learn. Write. Spell. Test. Replaced Spain as the dominant force in Italy. Independent Italian States. Venice and Genoa. Battle of Poltava (1709). Swedish power declined rapidly. King Gustavus III (1771-1792). (of Sweden) Division of nobility into pro-French and pro-Russian factions allowed him to reassert the power of the monarchy. Nevertheless, during the 18th-century Spanish agriculture expanded and became more productive. The population of Spain increased during the century. So did trade and commerce. After the end of the Second World War Franco was unpopular with the other nations of Europe but with the onset of the Cold War the West needed him as an ally. In 1953 Spain signed a treaty with the USA. In 1955 Spain became a member of the UN. Spain's eighteenth century can be divided into two halves. The first half comprises the reigns of the first Spanish Bourbon, Philip V, the designated successor of the last Spanish Habsburg, Carlos II and of Philip's son, Luis I, who succeeded to the throne following Philip's abdication in 1724. Spain's patchy performance record in the eighteenth century, as reported in the despatches found in the State Papers series, SP 94: Secretaries of State: State Papers Foreign, Spain of successive British diplomats and consuls in Spain "when the two countries were not at war" gives some credence to such negative assessments, but also challenges them. Spain's eighteenth century can be divided into two halves.