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Revolutionary Wars and Public Finances: The Madrid Treasury, 1784–1807

JACQUES A. BARBIER AND HERBERT S. KLEIN

This study is based on the manuscript accounts of the Madrid Treasury for 1784–1807. It confirms the customary view of an inexorable descent into bankruptcy, but also shows why this situation arose. A detailed analysis of receipts demonstrates the importance of colonial revenues and the stability of traditional income sources. In wartime, such as repeatedly plagued the country, the former was jeopardized and the latter proved too inelastic to respond to rising demand. On balance, the inescapable conclusion is that Spain was a limited fiscal entity which could not meet the challenge of a revolutionary era without breaking decisively with the restrictive structures of the Old Regime.

AS it entered the closing decades of the eighteenth century the Spanish government was poised to gather the fruits of a century of reform. The times, however, proved to be extremely difficult. Inexorably drawn into the wars between Britain and Revolutionary France, Spain saw its hard-won resources exhausted in an ultimately vain effort to preserve the existing regime.

Though of crucial importance to Spanish history, the years following the peace of 1783 have received inadequate attention, outside of the inevitable intellectual, political, and diplomatic studies. Save for such gross phenomena as the crisis in colonial trade, the massive borrowing through *vales reales*,¹ and the final forlorn recourse to the seizure of pious foundations (*desamortización*), the economic and financial developments of the period have been barely touched upon. The aim of this study is to determine why the Crown was forced to resort to desperate measures, given the seeming prosperity of the Spanish empire in the late eighteenth century. Before answering that question, however, one must define the sources of royal income and the quantity of revenues they generated. This effort in turn requires exploration of the very nature of the Bourbon financial structure, a task as yet not fully undertaken.²

The Bourbon financial structure was an extremely complicated one, and so it defies ready understanding.³ Certainly, a clear grasp of the se-

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¹ *Vales reales* were redeemable, interest-bearing but money-like instruments.

² The most obvious source of knowledge for Spanish public finances in the late eighteenth century is the well known work of José de Canga Argüelles, *Diccionario de Hacienda*, 5 vols. (London, 1826–1827). It does not, however, provide the kind of systematic serial information helpful to historians.

³ This description and that which follows is largely drawn from Canga Argüelles, *Diccionario*; see particularly vol. 2, pp. 63, 189, 232–33, and 362, and vol. 5, pp. 87, 175–76, and 188.

riate flow of funds through the system is beyond what can be hoped for in an article. Nonetheless, much can be learned from an examination of the most important unit in Bourbon fiscal administration—the *Caja Principal* of Madrid (henceforth simply called the Madrid or Principal Treasury).

I

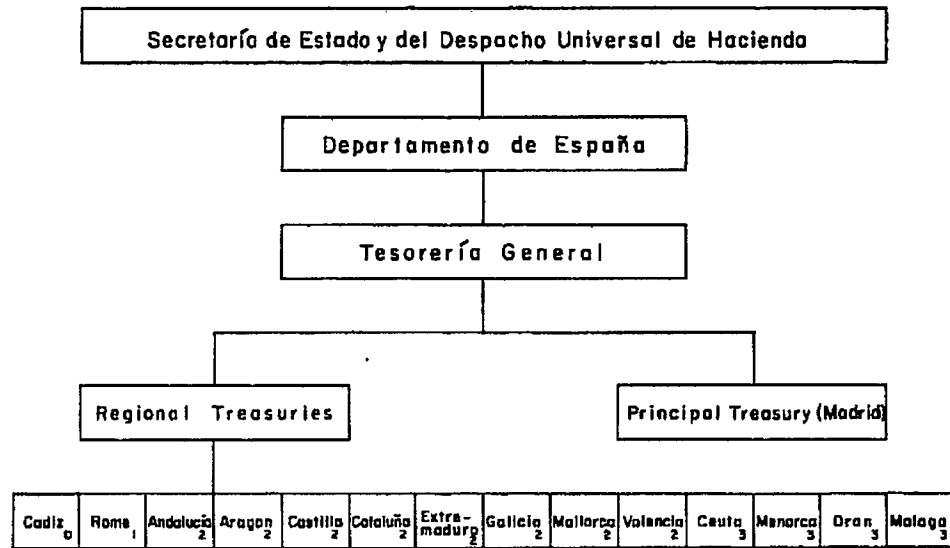
As was typical of an Ancien Regime fiscal structure, Spain's was characterized by competing authorities and duplicate accounts. For our purposes, however, it is not necessary to analyze the involved arrangements for direct collection, indirect payment, or tax-farming of revenues. Nor do we need to disentangle the relationships between central treasury offices and autonomous fiscal agencies. A good approximation of the actual income available to the Crown in its capital city can be obtained through the accounts of the Principal Treasury, and this sum, in turn, is a significant indicator of the financial fate of the monarchy as a whole.

The Principal Treasury was an integral part of the General Treasury (*Tesorería General*).⁴ The latter institution was largely responsible for disbursing operating expenditures in Europe, and thus played a central role in the Crown's fiscal administration. Revenue collection as such, however, was a generally distinct function carried out by specialized administrations or corporate bodies. These latter in turn passed most of the sums gathered to the General Treasury's constituent depositories. Thus, in principle, there already existed a division of labor destined to be systematized in the nineteenth century in the separate General Directorate of Revenues (*Dirección General de Rentas*) and General Directorate of the Treasury (*Dirección General del Tesoro*).⁵

To carry out his functions, the Treasurer General headed a large staff organized into the Principal Treasury in Madrid, the key unit in the sys-

⁴ The accounts used are from the Archivo General de Simancas, Dirección General del Tesoro, and are henceforth cited as AGS, DGT. The *cuentas formales* for 1784–1805 are drawn from inventario 16, guión 3, legajos 10–19. Values for the General Treasury for 1784–1805, and for both the Madrid Treasury and its parent body for 1806–1807, were found in inventario 16, guión 19, legajos 45–67. The alterations based on closer examinations of the *Extraordinario* revenues were the result of a redistribution of the sums reported in inventario 16, guión 19, legajos 49–67. The supplementary documentation found with the *cuentas formales*, particularly that dealing with debits and the regional treasuries, was most useful in helping to understand the accounts. The same may be said of inventario 16, guión 24, legajos 34–35. The breakdown of types of deficit financing given in Table 3 is a composite drawn from the *cuentas formales* and the *extraordinario* reports. Note that carryovers were deleted in the construction of all tables, and that in Table 1 the *Caja* figure is exclusive of surpluses received from regional treasuries.

⁵ Collection and disbursement of General Treasury funds were in fact more complex than indicated here. To cite only the most significant problems, at times the Treasurer General operated through separate *Dirección General del Giro* and *Dirección General de Provisiones*, while at others the important functions of these units fell to the *Banco Nacional de San Carlos* and the *Compañía de los Cinco Gremios Mayores de Madrid*. In addition, naval treasuries and crown corporations were semi-autonomous and the *reales sitios* were run along special lines. Problems this might have caused were dealt with by making certain assumptions; see note 9.



NOTES:

- 0 TESORERO de REAL HACIENDA
- 1 TESORERO del REY
- 2 TESORERO de EJÉRCITO
- 3 PAGADURÍA

FIGURE 1
SPANISH GENERAL TREASURY ORGANIZATION, 1790

tem, and a series of regional treasuries in the provinces. Administratively, his direct superior was the Minister of Finance (*Secretario de Estado y del Despacho Universal de Hacienda*) who, from 1790 on, seems to have communicated with him mostly through the peninsular department of his ministry.⁶ The basic outline of this organization is presented in Figure 1.⁷

The General Treasury's receipts consisted of three basic types of entries. The first, reported under the name *caja*, contained not only the regional returns for the Madrid area, but also national revenues flowing into various income accounts, including everything from monopoly profits to the proceeds from imposts on trade. Secondly, there were the entries for the regional treasuries throughout the peninsula, which were reported with the same sort of separation between the various types of revenues. Some of this was spent in the provinces but the surplus was sent on to the Madrid Treasury. Lastly, General Treasury receipts were completed by a

⁶ See *Decreto del Rey uniendo a las cinco secretarías de estado y del despacho de España los negocios respectivos a cada departamento en las Indias* (Madrid, 1790).

⁷ The auditing and control structure was equally complex. Serving at the side of the Treasurer General were the *Contador General de Valores* (for income) and *Contador General de Distribución* (for outgo), and in each of the regional treasuries yet another *contador principal*. These various *contadurías*, however, carried on their work at the operational level. Beyond that lay the final audit of accounts for the Madrid Treasury. This was vested in a *Tribunal Mayor de Cuentas* which effectively functioned as part of the Council of Finance.

TABLE I
GENERAL TREASURY INCOME
(in thousands of reales de vellón)

Year	Caja	Regional	Data	Total
1784	204,851	346,872	104,698	656,691
1785	210,907	241,365	102,532	554,805
1786	176,253	371,074	105,170	652,497
1787	196,097	320,105	115,326	631,528
1788	207,242	346,324	130,912	684,478
1789	163,605	268,252	122,561	554,418
1790	173,216	318,964	154,762	647,300
1791	118,216	411,854	167,255	697,325
1792	153,450	353,194	136,060	642,704
1793	301,655	358,273	150,801	810,729
1794	783,037	350,108	196,621	1,329,766
1795	907,826	280,622	249,623	1,438,371
1796	459,599	457,965	201,306	1,118,870
1797	591,932	219,507	204,534	1,015,972
1798	510,484	380,293	206,819	1,097,596
1799	894,460	198,019	154,684	1,247,163
1800	778,874	206,884	154,719	1,140,476
1801	328,019	224,743	190,699	743,493
1802	429,309	284,533	454,129	1,167,971
1803	313,674	539,107	172,595	1,025,376
1804	473,133	488,418	175,860	1,137,411
1805	476,408	302,209	161,958	940,575
1806	603,571	212,094	237,358	1,053,023
1807	592,494	144,380	309,919	1,046,781

Sources: See note 4.

third category of pre-committed income known as *data formal*, or *entrada por salida*. These were revenues assigned to the General Treasury, but paid out by collecting agencies from specific tax accounts. These amounts, therefore, never reached the Madrid Treasury, the majority of them going to pay for local salaries, pensions, and other expenses.⁸

Comparing the income of the General Treasury as a whole with that part of it received eventually by its constituent Principal Treasury, which more properly concerns us (as in Figure 2, below), reveals the importance of the latter. On average, the Principal Treasury actually handled nearly two thirds of the total revenues generated to defray the costs of European operations. Institutional factors were clearly involved. The Madrid Treasury was headed by the Treasurers General in person and served as a clearinghouse for the entire network. It is also interesting to note from Figure 2 that the ebb and flow of revenues for the two institutions pro-

⁸ Parenthetically one should note that Principal Treasury revenues were made up of the sum of the surpluses of this second category and of the entirety of the *caja* element. Also, the General Treasury did not handle all of the Crown revenues. Besides various trust funds, the debts of previous reigns were the province of a separate *Pagaduría de Juros*; until their abolition, the treasuries of the several administrations of *rentas* made payments of their own; and most importantly, the *vales reales* were most often handled outside of its structure. Much of this, however, had to do with the public debt. Insofar as operating income and expenditures are concerned, the General Treasury's primacy was unchallenged.

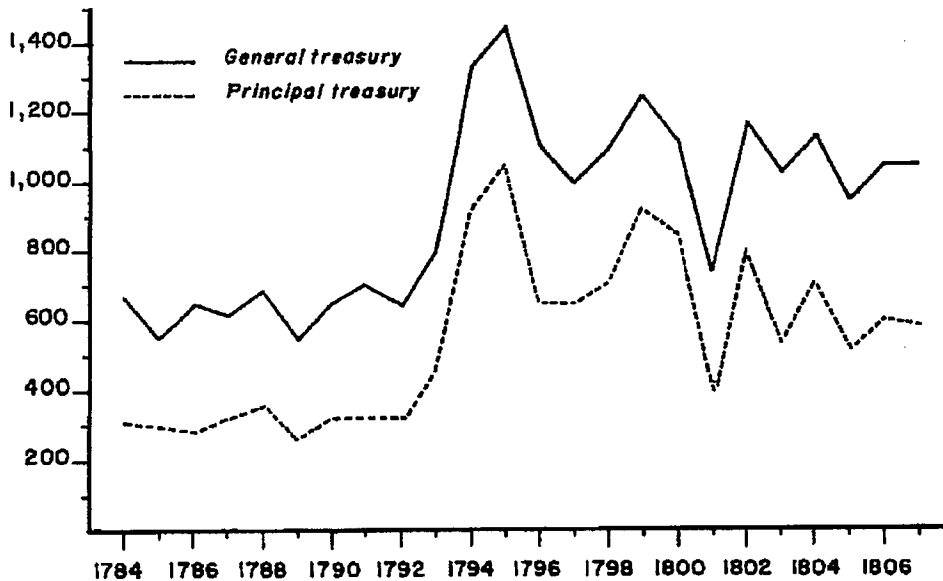


FIGURE 2
COMPARISON OF THE TOTAL INCOME OF THE GENERAL AND PRINCIPAL
TREASURIES, 1784-1807
(in millions of *reales de vellón*)

Source: See Table 1 and Table B-1.

ceeded along similar lines. For this reason, and since the income of the Principal Treasury was clearly fundamental, an analysis of its accounts, while it does not encompass all income received by the peninsular authorities, is nevertheless of such importance as to be highly revealing of the financial fate of royal government.⁹

Accepting the importance of the Principal Treasury accounts does not resolve the problems inherent in using the data. The royal exchequer had a complex set of procedures, and one must understand them before proceeding with analysis. These procedures are described in Appendix A. To begin with, one must realize that the post of Treasurer General was an alternating position. This meant that the chief treasurer himself, his Principal Cashier (*Cajero Principal*), and the various regional treasurers and paymasters (*pagadores*), all held office as disbursors of royal funds for one year (*year en actualidad*), spent the following year rendering their accounts (*year en cesación*), only to resume their posts the next and so start a new two-year cycle. In the "off" year a second Treasurer General admin-

⁹ Since this study is limited to the General and Principal Treasuries, other Crown bureaus are strictly treated as independent agencies. Obligations which the General Treasury imposed on them are, therefore, considered as legitimate income of the former. Likewise, responsibilities which it discharged to them or on their behalf have to be deemed licit expenditures. The emphasis throughout is on the solvency of the Madrid Treasury, not on that of the king. As is evident, our assumptions are somewhat arbitrary. They constitute, nevertheless, necessary preliminaries for coming to any conclusion about the fiscal situation, for the difficult nature of the documentation precludes following any other system for now.

istered the office with the aid of his own subordinates, only to pass into *cesación* when his partner came back into *actualidad*. One may thus speak of odd- and even-year teams of treasurers replacing each other in office in an orderly sequence. From 1799 onward this was changed slightly with the nomination of a permanent Treasurer General. The alternation of principal cashiers, regional treasurers and paymasters continued as before, however, so the accounting scheme was not thereby altered.¹⁰

II

From analysis of total revenues during the period under consideration it would appear that the Crown in fact was able to respond to the post-1789 period of crisis with great rapidity, increasing royal revenues substantially with each major war. As can be seen in Figure 3, total income rose impressively in 1793-1795 and again in 1796-1802, the two key periods of major government expenditure of a military nature.¹¹

If the Crown was able to generate funds so quickly, why then was it forced during the war periods into the extraordinary measures that we know it took? Here, a breakdown of total income quickly reveals the answer. While regular tax revenues increased somewhat, the bulk of the new income was generated through forced and voluntary loans and to a lesser extent through special war-related taxes as the *subsidio de 300 millones*.

But to say that wartime expenditures were met primarily by extraordinary borrowings still leaves a clearly perceptible growth in tax revenues during the periods of warfare. Yet this fact, as presented in Figure 3, does not take into account the related phenomenon of inflation. Indeed, as Earl J. Hamilton long ago demonstrated, the late eighteenth century witnessed another of Spain's periodic bouts with rising prices. Although Hamilton's price index extends only to 1800, we can nevertheless use his figures to deflate the total income and tax revenues figures for the period going to the end of the century.¹² The results, presented in Figure 4, show that the re-

¹⁰ This was ordered by R.D. of April 19, 1799. See R.D. of Feb. 27, 1800 in Archivo General de Indias, Ultramar, legajo 732. (These archives are henceforth cited as AGI).

¹¹ The gross returns for 1801 seem unduly low, perhaps as a result of a change in accounting or fund transfer procedures. Those for 1802, on the other hand, seem unduly high, perhaps reflecting the alterations which may have produced the abnormally low returns of 1801. Note that the returns for 1806-1807 remain too fragmentary to draw conclusions as regards the 1804-1808 war.

¹² Earl J. Hamilton, *War and Prices in Spain, 1651-1800* (Cambridge, Mass., 1947). The figures used were the index numbers for New Castile (given on page 155), which use 1771-1780 as a base.

Year	Index	Year	Index
1784	111.9	1792	125.1
1785	115.3	1793	130.5
1786	117.0	1794	130.5
1787	116.1	1795	139.3
1788	118.1	1796	141.0
1789	119.6	1797	155.5
1790	127.7	1798	165.6
1791	122.0	1799	154.6
		1800	149.2

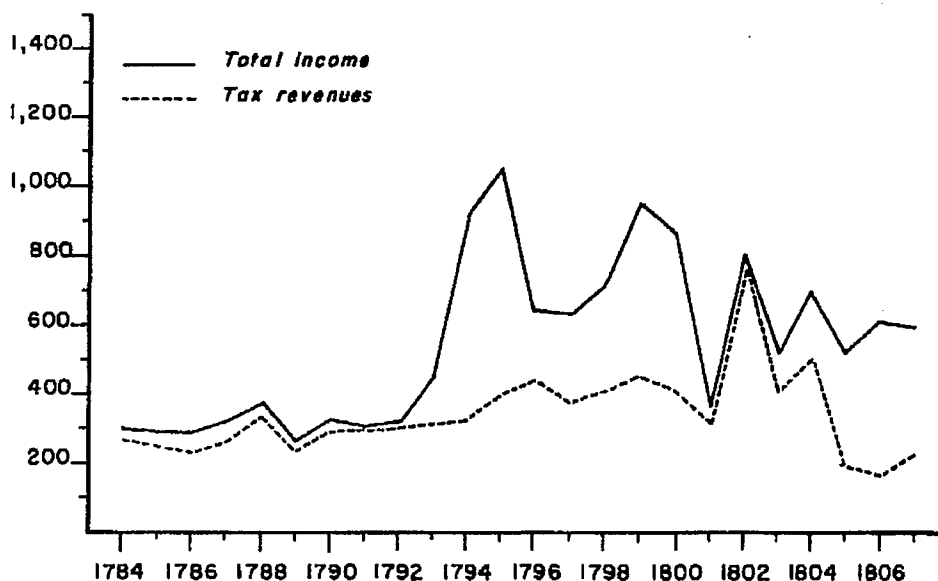


FIGURE 3
MAJOR TREASURY: TOTAL INCOME COMPARED TO TAX REVENUES, 1784-1807
(in millions of *reales de vellón*)

Source: See Table 3 and Table B-1.

sponse of both the adjusted tax and adjusted total income was woefully inadequate. Total income did respond directly to the French War but less impressively to the first English War. In fact, the adjusted total income figures clearly show the Crown's inability to increase revenues substantially or even maintain them at the French War levels in this new and far more damaging struggle with the English. As for tax income, its response to the war years was weaker: it lagged behind even in the French War period and then did not respond at all to the English conflict. This comparative difference is well reflected in the relatively low correlation between years and tax revenues on the one hand, and the somewhat better response of total income.¹³

It would seem apparent from these figures that while the Crown was temporarily able to increase borrowings and, to a lesser extent, tax income for the French War of 1793-1795, it quickly exhausted its potential for expansion of revenues. In the English Wars it was able to raise both tax and total income only moderately above the trend line and then only three

¹³ The respective equations for the logs of the variables Tax Income (T) and Total Income (T₁)

$$T = -7.0269 + .006934 \text{ YEAR} \quad R^2 = .37 \\ (.00236)$$

$$T_1 = -41.74435 + .026395 \text{ YEAR} \quad R^2 = .58 \\ (.0058)$$

For economic conditions in this period consult Josep Fontana, "Colapso y transformación del comercio exterior español entre 1792 y 1827," *Moneda y crédito*, no. 115 (Dec. 1970), 3-23.

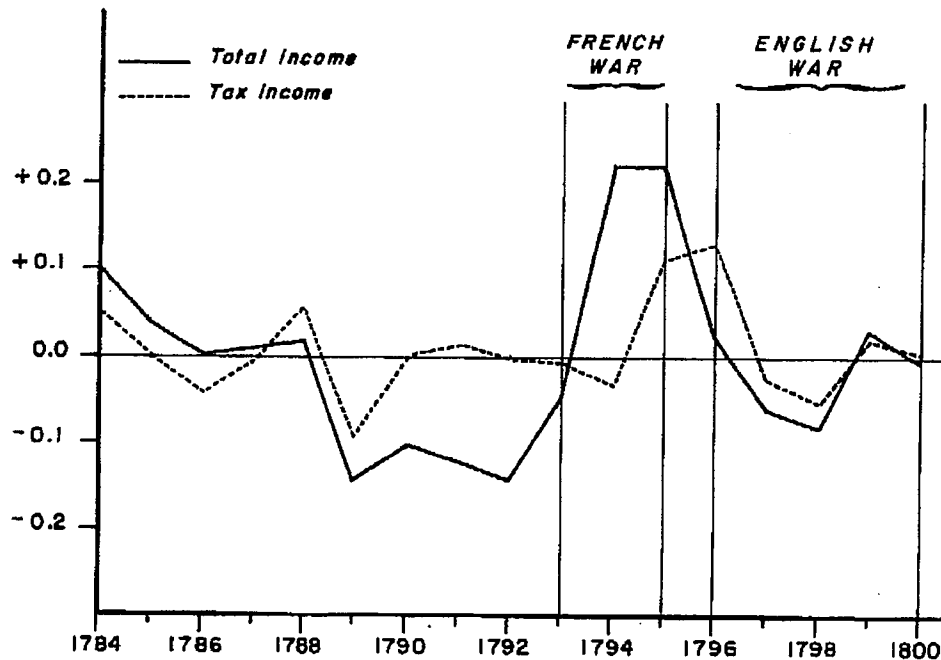


FIGURE 4
PLOT OF RESIDUALS FOR (LOGGED) TOTAL AND TAX INCOMES, 1784-1800

Source: See Table 3 and Table B-1.

years after the initiation of hostilities with the English. Clearly, the late and quite modest growth in the second war period was evidence of the very tight financial squeeze the Crown was suffering, a squeeze which compelled it to find new, and previously unthinkable, sources of revenues.

The rigidity of tax revenues becomes even more obvious when one examines the individual tax categories in detail. For example, an analysis of income from such grouped income variables as Excise, Monopolies, the Administrative cadres, the Church, and the regional treasuries shows relatively low rates of change (as measured by their coefficient of variation), as contrasted to those where more random and unusual revenues played an important role. The latter included Indies income, Loans, Extraordinary revenues, and the Subsidy, all of whose coefficient of variation exceeded 1.0, as shown in Table 2.

Moreover, these more stable categories accounted for the bulk of tax revenues generated. Thus the income drawn from the surpluses of regional treasuries was the single largest tax income, accounting on the average for 36 percent of this type of revenue in the period 1784-1807. If all the most stable sources of tax revenues (those with less than 1.0 coefficient of variation) are added together, they account for some 76 percent of total income less loans. Clearly, it was therefore the most stable incomes which accounted for most of the tax revenues, and this explains in turn the inelastic quality of this basic source.

Comparing tax revenues and total income figures over time reveals not

TABLE 2
AVERAGE ANNUAL INCOME BY PERIODS FOR GROUPED VARIABLES
(in thousands of reales de vellón)

Period	Indies	Loans	Extra-ordinary	Excise	Monopoly	Cesación	Admini-stration	Church	Customs	Subsidy	Regional	Total Average
1784-1787	—	47,481	11,634	17,653	30,701	28,103	4,904	25,379	31,385	—	109,942	306,100
1788-1791	12,590	20,737	14,483	17,079	26,373	25,789	5,481	26,461	19,762	—	148,436	314,045
1792-1795	25,048	344,681	15,891	24,833	26,809	42,798	7,394	34,404	14,769	—	151,090	687,582
1796-1799	33,282	321,036	78,066	37,831	34,306	31,054	7,784	39,713	30,946	—	123,856	737,975
1800-1803	11,128	157,088	98,270	36,868	32,819	77,803	6,256	20,292	36,298	11,288	176,102	638,571
1804-1807	35,822	338,621	24,894	34,252	31,754	27,213	4,488	21,254	31,341	366	140,350	606,460
Mean	24,120	203,842	40,539	28,103	30,460	38,039	6,051	27,917	27,417	5,817	141,600	549,580
Standard Deviation	(24,778)	(201,950)	(96,379)	(12,652)	(8,209)	(28,234)	(3,309)	(10,805)	(17,536)	(8,877)	(77,917)	(251,397)
Coefficient of Variation	1.04	0.99	1.72	0.45	0.27	0.74	0.50	0.39	0.64	1.52	0.55	0.47

Source: See Appendix Table B-1.

only the inelasticity of the former pointed to above, it also points up the crucial role played by borrowing. Prior to the war years the Crown's need for loans was quite limited. Furthermore, the security of its steady income and the low level of its ongoing borrowing allowed it from 1793 onwards to have recourse to the money markets for a significant proportion of its cash needs. It borrowed at such a rate as to make loans account for one half of the Madrid Treasury receipts. From 1794 through 1800, in fact, the rate of deficit was impressive. While the peace of Amiens reduced the need for extraordinary measures and allowed pent-up income suddenly to increase royal revenues, the renewal of war in late 1804 saw a decrease in traditional government income as well as an obvious decline in loans.

In fact, this decline in borrowing was not due to lessened need; rather, the Crown had great difficulty in obtaining credit. It would appear that while the economy was able to generate internal capital to meet the expenses of the first major war period in the era of revolutionary crises, each succeeding conflict found it less and less able to bear the burden. This can be seen not only in terms of total amounts of capital generated, but even in the types of borrowing that did occur.

The sequence of events is fairly clear from Table 3. Although the period immediately following the American War was one of rising deficits, the economy drive orchestrated by Minister of Finance Pedro López de Lerena (Count of Lerena) from 1788 brought it down to manageable proportions by the early 1790s, and in any case the Treasurer General was able to deal with the problem by simply delaying payments from one year to the next.¹⁴ While it is not entirely true that Spain "entered the war with France in a strong financial position," its situation was indeed relatively sound and steadily improving.¹⁵

Massive borrowing began with war. Thus, in 1793 some 48,110,000 *reales de vellón* entered the Madrid Treasury from a Dutch loan, and in this and immediately succeeding years substantial sums were taken from such special depositories and trust funds as the *Pagaduría de Juros*, *Temporalidades*, *Montepío de Oficinas*, and *Orden de Carlos III*. Combined, they amounted to about 45 percent of borrowing in that year, but such levels could not be maintained, for these sources were soon exhausted and terms demanded by foreign lenders were deemed to be ruinous. Henceforth, recourse to foreign bankers was to be a sure indication of fiscal desperation. The government was forced to turn to the domestic money markets, issuing *vales reales*, resorting to various types of loans, and ultimately refusing to pay its obligations.¹⁶ Massive issues of *vales reales*

¹⁴ See Archivo Histórico Nacional, Estado, libros 2-4, for the various meetings of the *Junta de Estado* in this period which were concerned with economies. (Henceforth cited as AHN.)

¹⁵ Richard Herr, *The Eighteenth Century Revolution in Spain* (Princeton, 1958), p. 380.

¹⁶ For a discussion of the issues of *vales reales* by Charles III and Charles IV see Canga Argüelles, *Diccionario*, vol. 4, pp. 228-30; and also Earl J. Hamilton, "Monetary Problems in Spain and Spanish America, 1751-1800," this JOURNAL, 4 (May 1944), 21-48, particularly pp. 41-46.

were undertaken in 1794-1795. Fearful of overissue, the government resorted to more conventional free and forced loans in 1796-1798, only to be driven to *vales reales* once again in 1799-1800, and to *desamortización* as a device for sustaining their value. From 1803 to 1807, fearful of issuing yet more *vales reales*, it simply delayed the payments of its bills to a better day, and desperately attempted to sustain the value of the *vales* by applying *desamortización* to the colonies.

Clearly, certain conclusions can be drawn about the last phase of the regime. The Second English War marks the collapse of royal credit. The impact of massive borrowing through *vales reales*, as well as the increasingly depressed state of the Iberian economy produced by the effective end of overseas trade, can be seen in the discount rate for the *vales reales* themselves as recorded by the Treasurer of Royal Finance (*Tesorero de Real Hacienda*) of Cádiz. In March of 1804, before Spain's entry in the Second English War, the discount on *vales reales* stood at a relatively low 31.25-31.5 percent, which with the start of hostilities increased to 59-59.5 percent in December of that year. In 1805 the situation improved somewhat, with the discount declining to 36-36.5 percent, only to rise again to 56.25-56.75 percent with the Trafalgar disaster in October. By May of 1808 the discount stood at 63-64 percent. It is interesting to note that any rumors

TABLE 3
FINANCING THE MADRID TREASURY DEFICIT
(in percentages)

Year	Total	Vales	Unpaid	Gifts	Deposits	Other
1784	24,694	—	—	—	10	90
1785	44,908	—	93	—	1	6
1786	53,411	—	83	—	—	17
1787	61,790	—	100	—	—	—
1788	32,695	—	100	—	—	—
1789	29,045	—	100	—	—	—
1790	15,449	—	46	—	—	54
1791	5,526	—	100	—	—	—
1792	9,880	—	100	—	—	—
1793	137,880	—	6	20	—	74
1794	606,296	84	1	6	—	9
1795	624,122	72	6	3	—	19
1796	208,332	—	19	35	—	46
1797	287,705	—	38	1	—	61
1798	309,536	—	19	5	—	76
1799	478,771	83	—	1	—	16
1800	433,444	93	—	1	—	6
1801	39,311	—	—	4	29	67
1802	17,965	—	—	7	34	59
1803	112,947	—	93	5	1	1
1804	223,998	—	92	1	5	2
1805	329,852	—	99	—	1	—
1806	426,152	—	99	—	1	—
1807	377,485	—	100	—	—	—

Source: See Appendix Table B-1 and note 3.

of peace produced a prompt reestablishment of the value of the *vales reales*, as in August of 1806 when the discount declined to 27–36 percent in a very volatile market. The reason for such behavior is, of course, that with peace, Mexican silver was expected to enter port and the Treasury's resale on the open market of *vales reales* for coins would therefore cease. As one treasurer of Cádiz noted, this practice was "the way in which we escape from our daily anguish, until such time as funds come from America."¹⁷ Colonial trade thus was doubly important in reestablishing royal credit by 1805, for not only would the resumption of the trade bring funds to sustain the *Caja de Consolidación de Vales Reales* (the institution charged with redeeming these treasury bills and paying their interest), but the coinage brought in by taxes on the colonies and imperial commerce would allow the government to reduce the offer of *vales reales* in the exchanges of the country.

The fiscal importance of Spain's overseas dominions is evident. Despite the fact that a great deal of pressure was applied to have colonial officials remit funds and that they did faithfully comply, income from the colonies, above all from Mexico, was intimately tied to the changing fortunes of war. As can be seen in Appendix Table B-1, there were quite sharp annual fluctuations in Indies revenues, due, of course, to the British blockade. Yet the colonies did respond, and the importance of such income was reinforced by the fact that it had a cumulative impact, affecting not only tax revenues but also capacity to borrow and the value of the instruments of public debt.

Dependence on borrowing, and to a lesser degree colonial resources, could not be avoided, however, because of the peninsular situation. Overall, while the Crown's fiscal position and the Spanish economy in general worsened steadily in the 1790s and early 1800s the relatively inflexible nature of traditional royal revenues meant that tax flow did not alter dramatically. This was due to two basic factors. The first was the relative weakness of the monarchy in relation to traditional power groups in society; despite a systematic and widespread effort to increase taxes on the royal bureaucracy and the Church, income from these two sources changed little over time.¹⁸ Insofar as ecclesiastical revenues were concerned this relative stability of Madrid Treasury income was partly due to the fact that Church-related receipts were increasingly directed towards

¹⁷ The original reads: "el modo de que salgamos de los apuros del día," and comes from Francisco Javier Castaño to Marquess de las Hormazas, Feb. 10, 1795, in AGS, DGT, inventario 31, legajo 40. The discounts of *vales reales* cited are drawn from the reports of the Treasurer of Royal Finance of Cadiz to the Treasurer General, in AGS, DGT, inventario 32, legajos 3–6.

¹⁸ The spirit which the monarchy would have wished as a guide is expressed in a R.D. of Aug. 17, 1794, establishing a special tax of 4 percent on government salaries: "... siendo indispensable buscar nuevos arbitrios . . . , no permitiéndome mi corazón paterno recargar a mis vasallos pobres . . . , he creído que la justicia y la equidad exigían que las clases mas acomodadas, las mas ricas, y las que reciben inmediatamente mas beneficios del gobierno contribuyen sus bienes a los gastos." The reality did not correspond to such pious wishes. See AGI, Indiferente, legajo 14.

sustaining royal credit and thus poured into the *Caja de Consolidación de Vales Reales*. The second key fact was the relatively attenuated nature of the relationship between tax income and general economic trends. The collection system of such revenues as the *Excusado* (a part of the tithes) in particular ensured a sluggish response to the ebb and flow of the economy.

This latter factor can be seen in the income generated from the Excise tax-group which was presumably more related to national and international economic conditions than those discussed above. While more variation was noted in these areas than in those funds coming from the royal bureaucracy and the Church, there was still much less variation than could have been expected given the major economic changes which were taking place at this time. In any case, even this variation may be the product of an accounting illusion. If one aggregates to the Excise, Monopolies, and customs the *Cesación* category (which consists of the same type of income, but which could not be broken down into its respective component parts due to a peculiarity in the bookkeeping system), one can again see the basic stability of tax revenues. (See Table 2.) All of these problems were, of course, very much in the minds of contemporaries and were a source of great concern. Canga Argüelles himself, who had served in the Ministry of Finance in these years, pointed to the relative inflexibility of treasury income in the reign of Charles IV and the primacy given to finding means for servicing the public debt.¹⁹

When we turn from this analysis of global trends to the relative importance of the various taxes and incomes within the context of overall Madrid Treasury revenues, several factors are immediately evident. In times of peace the regional surplus income was clearly the preeminent source of Madrid Treasury revenues, on average accounting for 26 percent of total income. Next in importance—excluding the voluntary and forced loans—were a series of categories all producing between 5 and 10 percent of total revenues. These included such income groups as Monopolies, Excise, and the import and export duties. As has been pointed out, the *Cesación* category contained many of the same revenue sources. Taxes and other income from the royal administration and Church together provided about 6 percent of total revenues, while Extraordinary and the special *Subsidio de 300 Millones* were, like the Loans, much more important in the war years than during periods of peace.

The great importance of geographically classified income unfortunately limits the value of our analysis of that which is generically classified. That geographical dimension, however, has an importance of its own. From ex-

¹⁹ See particularly his *Diccionario*, vol. 1, p. 164, in which he writes that, faced with war, Charles IV "resistiéndose a costearla con el importe de nuevas contribuciones, echó mano a los recursos que facilita el crédito," pointing approvingly in continuation to the R.D. of February 26, 1798, in which Francisco de Saavedra had his king commit himself to the irrevocable character of the public debt as the natural consequence of the permanence of the state.

TABLE 4
AVERAGE ANNUAL REVENUES FROM REGIONAL TREASURIES, 1784-1805

<i>Treasury</i>	<i>Percent of Total Average Values</i>	<i>Average Revenues (reales de vellón)</i>
Cádiz	61.3	91,029
Galicia	9.6	14,330
Andalucía	8.2	12,190
Cataluña	6.2	9,335
Castilla	2.6	3,784
Aragón	2.4	3,536
Extremadura	2.3	3,456
Valencia	1.7	2,526
Mallorca	.3	500
Roma	3.6	5,418
Todas pagadurias	1.6	2,367
Total	99.8	148,471

Sources: See Appendix Table B-1 and note 3.

amination of the regional income over time, it is evident that the major source of such revenues for the Madrid Treasury was the funds generated out of international and American trade in the region of Cádiz, which accounted for some 61 percent of the total surplus regional revenues going to Madrid (see Tables 4 and 5). The Cádiz income is of interest for its extreme fluctuation which, like such income as Indies, reflected the changing fortunes of international war and trade. It is also useful to note that while officially designated colonial income accounted for only 4 percent of total revenues, when the related receipts from the Cádiz royal treasury are added in American-related funds may have accounted for one fifth of total Madrid Treasury revenues in this period, making the Indies the single largest ultimate source of Madrid income.²⁰

It is difficult to detail the actual role of the other regional treasuries in this same period because, unlike the Cádiz office, they seem to reflect the gathering of funds related to local expense but coming from many regions of the country. Thus, the high values registered in Galicia, Castile, Aragón, and Catalonia during the war years reflect temporary military needs, and are therefore not necessarily reflective of income in those areas. Moreover, it should be recalled that the Basque provinces and Navarre were outside this treasury organization because they enjoyed their own special status.

Of all the royal monopolies (which made up approximately 7 percent of total income) the most important were those on salt (about 26 percent of Monopoly income) and tobacco (some 28 percent), with others producing relatively little income. Other major sources in this category were the royal textile factories, which generated a high 19 percent of total. Finally,

²⁰ The figure for American-related funds is a minimum, pending completion of research on Cádiz and other regional treasuries. Note that overall revenues from the *Generales* reflected a predominantly colonial external trade; see Fontana, "Colapso."

TABLE 5
REVENUES FROM THE TREASURY OF CADIZ
(in thousands of *reales de vellón*)

Year	Amounts
1784	67,050
1785	59,499
1786	72,590
1787	90,996
1788	109,212
1789	57,908
1790	117,166
1791	147,468
1792	138,332
1793	120,878
1794	117,084
1795	105,756
1796	157,007
1797	44,420
1798	30,608
1799	5,240
1800	14,332
1801	162
1802	243,191
1803	171,740
1804	130,797
1805	1,201
Mean	91,029
Standard Deviation	62,573

Sources: See note 3.

the famous lottery provided 12 percent of Monopoly revenues in this period. (See Table 6.) As can be seen in Table 2, the income from these sources was the most stable the Principal Treasury received in the entire period.

What may one conclude from such an analysis? The traditional wisdom holds that the wars of Charles IV were financed through borrowing, and this appears to be correct. It is curious to note, however, that the successive types of deficit financing correspond to a crescendo of bankruptcy. The importance of colonial income as reflected in the overall role it played on its own and as a component of regional revenues is also apparent. Lastly, we have the stability of traditional income sources. In part, as regards some of these, this might lead one to suspect that Crown pressure on vested interests was not very strong. Yet insofar as the Church and municipalities are concerned, some caution is in order. The work of the *Caja de Consolidación de Vales Reales*, which imposed special taxes and forced loans on these sectors, and whose activities are reflected in its voluminous transactions with the Principal Treasury, convinces one of the opposite.²¹

²¹ For a view of royal finance based on the documentation produced by the *Caja de Consolidación de Vales Reales* see Richard Herr, "Hacia el derrumbe del antiguo régimen: crisis fiscal y desamortización bajo Carlos IV," *Moneda y crédito*, no. 118 (Sept. 1971), 37-100.

TABLE 6
AVERAGE REVENUES FROM MONOPOLIES, 1784-1807
(Actualidad only)

<i>Ramo</i>	<i>Percentage of Total Average Values</i>	<i>Average Annual Revenues (in thousands of reales de vellón)</i>	<i>Number of Years</i>
<i>Estancos</i>	(65.4)	(21,356)	—
<i>Tabaco</i>	28.4	9,277	(24)
<i>Salinas</i>	26.0	8,488	(24)
<i>Plomo y Naipes</i>	4.4	1,423	(17)
<i>Aguardiente</i>	3.2	1,030	(24)
<i>Polvora</i>	2.0	636	(9)
<i>Azogues</i>	.7	241	(9)
<i>Azufre</i>	.2	87	(9)
<i>Lacre</i>	.0	0	(3)
<i>Siete Rentillas</i>	.5	174	(8)
<i>Loteria</i>	12.4	4,047	(24)
<i>Fábricas</i>	(22.2)	(7,263)	
<i>Paños</i>	19.2	6,291	(23)
<i>Cristales</i>	2.8	938	(4)
<i>Porcelanas</i>	.1	34	(2)
	99.9	32,666	

Sources: See note 3.

Moreover, one could also say that the maintenance of the traditional levels of tax income, since this was a period of overall economic crisis, implies a rising fiscal burden on the population in general. Here again, however, the relative delay of fiscal income directly to reflect changing market conditions is a product of the special nature of exemptions, long-term tax collection contracts, and other insulating factors.

What is beyond question is the relative stability of Treasury income over the medium term, with only short-term potential for major increases. Also, the fact that the Crown could effectively generate credit and income in just one major, albeit short, war, and not three or even two, meant that the gap between normal income and normal expenditures was quite small and relatively inelastic. When demand for revenues increased and remained high over more than a few years, the government was forced to increase its external borrowing and forced loans; yet the swift exhaustion of these funds brought the regime to the brink of collapse.

III

The Spanish Crown was, by the end of the eighteenth century, relatively wealthy and comfortable, but it was living at the full extent of its means. Any secular increase in spending could not be met by a corresponding increase in revenue. In the long run the monarchy could not greatly increase tax and other regular income, nor did it have available reserves from which to draw. Taxes were fixed and traditional and the econ-

omy could not be made to yield new revenues in times of deepening crisis. Nor, indeed, could the Crown aspire to have the power to extract an increased proportion of the national product unless it was also prepared to break decisively with the structures of the Old Regime—and the attacks on municipal and certain Church properties were, at best, only a timid start in this direction. On balance, Spain was a prosperous but limited fiscal entity in the late eighteenth century. The strains of war quickly destroyed its fiscal prosperity, and eventually its economy as well.

Such conclusions, however, become fully meaningful only if one places them within their proper chronological context. Their historical significance derives from the light which they shed on government policy making in this period. It has already been demonstrated, for example, that Charles IV sacrificed colonial trade to fiscal urgency. Thereby Spain abandoned the long nourished hope that protected overseas markets would turn the country into an industrial power.²² In the ultimate sense, of course, the real issue was less economic growth than regime survival.

Spanish participation in the War of the American Revolution was largely financed by borrowing, often through the device of advances against Crown silver detained in the New World.²³ The principal participant in these operations was the French-born François Cabarrus, founder of the Bank of San Carlos and initiator of the *vales reales*.²⁴ In certain respects Cabarrus played a role analogous to that of Necker in France, and his influence remained preponderant through 1784.

The death of Minister of Finance Múzquiz early in 1785 brought a change of direction. His successor Lerena was most concerned about the size of the deficit and tried to remedy it through an economy drive and demands for increased remission of funds from the colonies. That such policies had the support of Charles III and of his chief minister Florida-Blanca is unquestionable, for the important 1787 decrees which formally created the Spanish cabinet and divided the colonial ministry in two take up both themes.²⁵ Emboldened by such support, Lerena and his successor Diego de Gardoqui embarked on a long but futile struggle which aimed at controlling naval expenditures.²⁶

The arrival of Charles IV to the throne in Dember 1788 did not signify an immediate change in policy, for he kept his father's ministers. The eventual direction of affairs, however, should have been clear from an or-

²² Jacques A. Barbier, "Peninsular Finance and Colonial Trade: The Dilemma of Charles IV's Spain," *Journal of Latin American Studies*, 12 (May 1980), 21-37.

²³ See James A. Lewis, "Las damas de la Habana, el precursor, and Francisco de Saavedra: A Note on Spanish Participation in the Battle of Yorktown," *The Americas*, 37 (July 1980), 83-99.

²⁴ The bank was the first Spanish analogue to the Bank of England. AGS, Secretaría y Superintendencia de Hacienda, legajo 997. (This section is henceforth cited as AGS, SSH).

²⁵ AGS, SSH, legajo 278. Also *Decreto del rey estableciendo . . . la Suprema Junta . . . de estado* (Madrid, 1787), paragraph 14, and *Decretos del rey creando dos secretarías . . . del despacho de Indias . . .* (Madrid, 1787), pp. 9-10, both in AGI, Indiferente, legajo 662.

²⁶ AGS, SSH, legajos 52 and 53; and AGI, Indiferente, legajo 1747.

der to create a fictitious debt of 266,667 *reales de vellón* so as to provide an annuity for the king's favorite and the queen's lover, Manuel de Godoy. This worthy was eventually to transfer the annuity to his mistress, Josefa Tudó.²⁷ With the court giving such an example, a policy of economy became harder to sustain; it was finally dealt a mortal blow by Spain's entry into war with France.

The question of war or peace with the revolutionary government was highly contentious, leading to the exile of the Counts of Aranda and Floridablanca, two of the foremost lights of the previous reign.²⁸ For Spain, however, the struggle was a profoundly conservative one. As the Marquess of Bajamar, governor of the Council of the Indies, pointed out to Charles IV, the war effort was aimed at preserving the purity of the Catholic faith, the monarchical form of government, the country's laws and customs, and "our obedience and fidelity to the sacred person of your majesty and to your legitimate successors on the throne." National interests, he insisted, should take second place.²⁹

This conservatism explains why the Crown continued to depend upon borrowing and colonial funds rather than carrying out a thorough reform of the tax system. The need for the latter, of course, is clear from our analysis of the Madrid treasury accounts which points to the inflexibility of ordinary revenues. Instead, even the moderate new taxes proposed by Minister of Finance Gardoqui were fought in the Council of State, and the major issue of *vales reales* in September 1794 was authorized only after it was demonstrated that the Minister could not secure modest advances even from people in his debt.³⁰

As has been shown, the Treaty of Basle brought only temporary relief. The new debt burden was heavy, and peace only a transient phenomenon, for dynastic motives soon drove Spain into war with the United Kingdom. The new struggle was less costly than the last but the collapse of colonial revenues meant that conventional loans played a continuing role in Crown financing. As to the tax reforms carried out in this period, they had only modest practical results if one can judge from the Madrid Treasury accounts.³¹

²⁷ AGS, SSH, legajo 485. The annuity was imposed in Aug. 1789, and Tudó became its beneficiary in June 1797.

²⁸ Floridablanca fell on Feb. 28, 1792. Aranda was exiled in consequence of the Council of State meeting of March 14, 1794. Godoy became Secretary of State on Nov. 13, 1792.

²⁹ AHN, Estado, legajo 177. "Primero es acudir a la conservación de aquel sistema, que cuidar a los otros respectos políticos que emanen de intereses nacionales. . . ."

³⁰ For opposition to the new taxes see AHN, Estado, legajo 178, meeting of the Council of State on Aug. 1, 1794. A typical new tax was the 10 percent deduction from official salaries ordered by the R.D. of Aug. 17, 1794, in AGI, Indiferente, legajo 14. For Gardoqui's desperate situation see his correspondence of Aug. 10 and 11, 1794, with the Duke del Arco and Esteban Drouilhet and Co., in AGS, SSH, legajo 1019. Lastly, see R.C. of Sept. 8, 1794, in AGI, Ultramar, legajo 726.

³¹ Typical measures of the period are the R.C. of June 8, 1796, revoking all exemption from tithes, and the R.D. of June 9, 1796, ordering the opening of a subscription of 120,000,000 *reales de vellón*, both in AGI, Indiferente, legajo 665.

By the start of 1798 royal finances were in desperate trouble as the deficit of the General Treasury had reached an estimated 800,000,000 *reales de vellón*. This critical situation provides the background for Godoy's decision to bring such "enlightened" ministers as Saavedra and Jovellanos into the cabinet, and helps explain his own temporary retirement from affairs at that time. In any case, the monarchy's direct response was to name a special junta to study the fiscal problem, a body which soon gave way to a smaller ad hoc committee whose key members were Miguel Cayetano Soler, soon to be minister of finance, and Manuel Sixto Espinosa, who as comptroller of the *Caja de Consolidación de Vales Reales* was to become largely responsible for the state debt. The junta and committee proposed a series of measures designed to relieve the crisis, principally through new tax measures. The monarch, however, rejected the boldest of the latter and placed his faith in loans, gifts, and more timid innovations.³² Nonetheless, Charles IV was driven by the end of the year to sign the various decrees of September 25, 1798, which began the assault on religious and municipal property in Spain. This application of *desamortización* was a desperate attempt to reestablish the value of the *vales reales* by backing them with the seized property, and as such was a prelude to a massive new issue of those instruments in 1799. In effect, the old choice between borrowing and attacking privilege vanished, for it had become necessary to attack privilege in order to borrow.³³

Similarly, the long delayed administrative reforms carried out in these same years were the result of the crisis. The most noteworthy of these were the restructuring of the revenues collecting agencies in 1799, and the ephemeral controls imposed on naval treasurers that year. In this regard the experience of the Spanish treasury is similar to that of the French as the fiscal burden of war produced a move towards greater bureaucratic rigor.³⁴

One could argue that, in effect, the Crown had exhausted all of its habitual peninsular resources by 1801. Nor was its assault on municipal property a solution, although it was a harbinger of things to come. Indeed, *desamortización* was a relatively timid measure, for its application signified that the monarchy would rather continue borrowing than embark on meaningful structural reforms.

With the metropole exhausted the monarchy was compelled to turn to the colonies. These yielded rich fruits: Madrid Treasury Indies revenues were the highest ever received in the 1802-1806 period; and the values of the *vales reales* were sustained from December 1804 onward by the application of *desamortización* to the Americas. The latter, however, was at the

³² See AGI, Indiferente, legajo 844, for the work of the junta. Typical of the measures adopted were the free gift and patriotic loan described in the R.D. of May 27, 1798, in AGI, Ultramar, legajo 730. See also AGI, Indiferente, legajo 731.

³³ AHN, Hacienda, libro 6020.

³⁴ AHN, Hacienda, libros 6607, 8051, and 8052. See also J. F. Boshier, *French Finances, 1770-1795: From Business to Bureaucracy* (Cambridge, 1970).

considerable cost of alienating the colonies.³⁵ In any case, the most significant figures produced by our analysis of the Madrid Treasury accounts are that the percentage represented by deficit in the last quinquennium of Charles IV's reign was the highest of any five-year period, and that by 1807 this deficit was entirely composed of unpaid and unfunded Treasury bills. The regime was bankrupt, and through its own choice, for it had never dealt seriously with the structural problems which beset it.

APPENDIX A REPORTING PRACTICES IN THE MADRID TREASURY ACCOUNTS

The system of alternating treasurers produced certain peculiarities, as is exemplified by the accounts of the Madrid Treasury. During his year *en actualidad* its principal cashier was charged with credits (*cargo*) and discharged of debits (*data*), all in normal fashion. In the year *en cesación* he was subjected to the auditing process of *ordenación* during which new credits and debits were generated. These corresponded to transactions pertaining to his year *en actualidad* which could not be brought to completion during his term because no final receipt (*carta de pago*) had been issued. In addition, during this process, his accounts were arranged in systematic form and outstanding credits and debits dealt with to the degree possible, the balance of payments between the Principal Treasury and the regional ones was calculated and, lastly, the transfer of assets and liabilities to the next principal cashier was carried out. This process is recapitulated in the final product, the *cuenta formal*. The same system was followed in the regional treasuries.

In the *cuenta formal*, credits were divided into *rentas y efectos en actualidad*, which included carryovers from the previous year (*existencias*), and *cargos en cesación*—listing in each case under various subcategories the generic type of income involved. Because of the complexity and sporadic nature of some of the individual tax entries, we have combined many of them into grouped variables according to the type of activity so as to allow a more meaningful analysis. Lastly, surpluses received from regional treasuries *en actualidad* as well as *en cesación* were reported as a total without discriminating between these two sorts of credits, although they were broken down geographically by treasury. Under ideal circumstances these latter receipts would have been distributed among generic revenues branches. The accounts, however, did not lend themselves to this procedure.

The credits *en actualidad* are not to be considered simply as revenues. Thus, the sums carried over from the previous year had to be subtracted from credits to arrive at a genuine income. Similarly, it was necessary to distinguish between current revenues and borrowing. This was done easily enough in most cases, but a number of difficulties did arise requiring extensive calculations and somewhat speculative definitions.

A large proportion of borrowing was hidden in the credits denominated *extraordinario*. To determine the total amount of borrowing, therefore, we were forced to have recourse to the basic documentation used to prepare the *cuenta formal* itself. This allowed us to break down the *extraordinario* to individual entries which were then redistributed into more meaningful categories. There are three other problem areas in *cargos en actualidad*. In the case of funds coming in from the Indies no distinction between borrowing and tax revenues was made, for the sums borrowed in America to send to Spain became the responsibility of the colonial exchequer, and so they can be considered as free income for the Ma-

³⁵ See Brian R. Hamnett, "The Appropriation of Mexican Church Wealth by the Spanish Bourbon Government—The 'Consolidación de Vales Reales,' 1805–1809," *Journal of Latin American Studies*, 1, no. 2 (Nov. 1969), 85–113; and Asuncion Lavrín, "The Execution of the Law of *Consolidación* in New Spain: Economic Aims and Results," *Hispanic American Historical Review*, 53 (Feb. 1973), 27–49.

for Treasury. Receipts from the *consolidación de vales reales*, on the other hand, present a real difficulty. In some cases this was simply the income of the special taxes assigned to it but in others a loan was clearly involved. Even in the latter circumstance, however, the peninsular treasury's obligations to *consolidación* were often transferred to other organizations or even to American *cajas*. Without a more detailed study the matter cannot be resolved. Thus, *consolidación* funds are here reported as part of extraordinary revenues. Lastly, deposits and bonds on hand at the start of the year cannot be considered as income even if they were not listed as carryovers.

The *cargos en cesación* are also difficult to classify, particularly because of the variations in reporting practices from year to year. All elements described as *pagos que quedaron pendiente en caja* have been treated as unpaid bills, while all payment obligations imposed on the administrators of revenues collecting institutions have been treated as income. Other *cesación* items were aggregated to the equivalent branch of revenues *en actualidad*. In some years, however, the *cuenta formal* made no differentiation between the various types of *cargos en cesación*, and in these cases they have been considered as a whole.

APPENDIX B DEFINITION OF GROUPED VARIABLES

There are a great variety of *ramos de cargo* listed in the *cuentas formales* and no great consistency of nomenclature. Despite attempts during the research to identify cases where the same type of income was hidden under different names, we were left with 148 separate variables. Such a large number, and the fact that for a great many branches only a few yearly entries were reported forced us to aggregate them in grouped variables. Below is a listing of the grouped variables, an explanation of the nature of each, and an enumeration of the variables aggregated to compose each one. The grouped variables are ordered as in Table 2 and Table B-1.

Indies

Consisting of all income collected in the colonies, including *depósitos* and sums borrowed by colonial *cajas*. Taxes on colonial trade collected in the Peninsula are not included, but colonial revenues reported as *Extraordinario* were segregated from it and aggregated here.

Includes the following variables: *Azogues de Indias, Tabaco de Indias, Naipes de Indias, Cornisos de Indias, Lanzas y Medias Anatas de Indias, 4 por ciento de Empleados de America, Extraordinario de Indias, Consignación de Indias para la Fabrica de Ximena, Subsidio Eclesiástico de Indias, Pensiones Eclesiásticas de Indias, Cruzada de Indias, Expolios y Vacantes de Indias, Vacantes Menores de Indias, Temporalidades de Indias, Caudal de Indias de los Santos Lugares, Imposición Sobre el Tabaco de Indias, Depósitos de Indias, Servicio Consular, Balanza y Comercio de Indias*. Also includes *cesación* income corresponding to the above.

Loans

Consisting of money borrowed in the Peninsula and secured by Spanish or general income, *Donativos*, and *Depósitos* and *Fianzas*. The common element here is that none of it can be considered as tax revenues. Of the four subcategories two, *Donativos* and *Depósitos*, are in no true sense borrowing. *Depósitos* are more properly non-income but are included here because some of the church loans are termed *Depósitos*, and it is difficult to distinguish the true *ramos ajenos* from those *de real hacienda* (particularly as legislation constantly changed). While *Donativos* provide income, they are not loans; nonetheless, the state was expected to be grateful, and between a *Donativo* and a no-interest loan there is

only a shade of difference. *Fianzas*, although returned eventually, were expended as received by the Madrid Treasury.

Includes the following variables: *Sobrante del Caudal de Juros*, *Préstamo Extraordinario*, *Préstamo de Cabildo*, *Préstamo de la Campaña de Filipinas*, *Préstamo Patriótico*, *Fondo Vitalicio*, *Imposición* and *Nueva Imposición sobre el Tabaco*. Also included are *Depósito de los Santos Lugares* (although some of these sums reported in the *cuentas formales* were deleted as *existencias*), *Fondo de Redención de Cautivos*, *Economatos*, *Depósito de Mitra Vacantes*, *Préstamo* and *Emprestito Eclesiástico*. Also included are *Fianza*, *Depósitos*, and various *Donativos* (*Antiguo*, *Nuevo*, *Voluntario*, and *de Corredores*). Lastly, various *cesación* categories corresponding to *pagos que quedaron pendiente en caja*, particularly *vales de caja* and *libramientos formales*, are included along with borrowings listed in *extraordinario*.

Extraordinary

A group made up of fortuitous revenues, money provided by the *Caja de Consolidación de Vales Reales en actualidad* or *cesación* (or *Amortización* funds in general), and some miscellaneous categories.

Included are: *Extraordinario*, *Amortización* and *Caja de Descuentos*, *Correos*, and miscellaneous items in *actualidad* and *cesación*. Note that funds listed in the *cuentas formales* as *extraordinario* for 1789–1805 were broken down and those corresponding to Indies or Loans listed there.

Excise

Includes three subgroups: *Rentas Provinciales* and similar taxes, the royal patrimony, and exactions on municipalities. They are listed together because it was difficult to distinguish between them save on a narrow legal basis.

The variables aggregated were: *Provinciales*, *Cuarteles*, *Utensilios*, *Dehesa de la Serena*, *Reales Piñares*, *Proprios y Arbitrios*, *Pósitos*, *Tercios de Granos*, *Tercias Reales* (in a sense an ecclesiastical income, but one reported so consistently with *Provinciales* as to be inseparable from them), *Redención de Censos de Población*, *Arbitrio para Caminos*, *Puertas*, *Renta de Población*, *Alcabala de la Cerveza*, *Rentas de Madrid*, *Aposento*, *Tabernas*, and *Reales Descargos*.

Monopolies

Made up of three subgroups: monopolies, royal factories, and the lottery. All these involved royal economic enterprise of some sort.

The elements included are: *Aguardiente*, *Azogues*, *Azufre*, *Pólvora*, *Salinas*, *Tabaco*, *Plomo*, *Naipes*, *Siete Rentillas*, *Lacre*, and miscellaneous listing of the above in *actualidad*. Also included are *Lotería*, *Panos*, *Cristales*, and *Porcelana*. For *Tabaco* in Table 6, *cesación* elements are included for available years, but not in other tables.

Cesación

Included those *cargos en cesación* which could not be placed elsewhere. These are: *Todos Cargos en Cesación*, *Diferentes Rentas en Cesación*, *Tabaco en Cesación* (save as noted above), and *Todas Rentas en Cesación*.

Administration

Composed of all administrative fees, fines, seizures, offices, titles, and so forth. These are: *Papel Sellado*, (*Antiguo* and *Moderno*), *Gracias* and *Penas de Cámara*, *Lanzas*, *Medias Anatas Seculares*, *Fiades*, *Real Valimiento*, *Descuento de 4 por ciento*, *Represalias*, and *Sequestros*, *Fianzas* and *Canon de Corredores*, and *Canon Anual*.

Church

Made up of income from the church and military orders. This includes: the *Subsidio Eclesiástico* and *Excusado*, which were often grouped with a variety of other items including *Pensiones Eclesiásticas*, *Medias Anatas Eclesiásticas*, and *Extraordinario de Cruzada* (all under various collection arrangements); also *Cruzada*, *Expolios y Vacantes*, *Maestrazgos*, *Subsidio Extraordinario*, *Noveno Decimal*, *Descuento* and *Fondo de Encomienda*, *Orden de San Juan*, *Mesa Maestral*, and the *Fondo Pio Beneficial*, and *Fondo para el Fomento del Reyno*.

Customs

This includes the basic customs duties, and similar taxes and fees. Included are the following variables: *Rentas Generales*, *Lanas*, *1 por ciento de Plata*, *Extracción de Aceyte* and *Seda*, and *Tablas*.

Subsidy

This is the special *Subsidio de 300 Millones* on secular income and *Consulado* revenues (and some minor imposts on the latter). The constituent elements are: *Subsidio de 300 Millones*, *Fomento y Balanza*, and *Hidrografia*.

Regional

Made up simply of the transfer of funds from the regional treasuries to the Madrid Treasury.

TABLE B-1
 INCOME OF THE MADRID TREASURY BY GROUPED VARIABLES
 (in thousands of *reales de vellón*)

Year	Indies	Loans	Extra-ordinary	Excise	Monopoly	Cesación	Admin-istration	Church	Customs	Subsidy	Regional	Total Income
1784	—	28,694	10,057	16,039	27,489	28,103	4,944	23,305	41,054	—	102,781	307,632
1785	—	44,908	25,906	18,558	31,030	17,680	4,322	26,352	42,142	—	88,305	299,212
1786	—	53,411	2,748	17,254	31,313	3,548	5,449	25,749	36,511	—	117,360	293,613
1787	—	61,790	7,813	18,762	32,971	39,916	4,901	26,110	5,834	—	127,847	323,944
1788	—	32,925	43,101	20,472	27,214	26,164	5,305	27,951	24,104	—	153,325	360,567
1789	8,356	29,047	7,278	10,239	32,727	28,778	5,562	26,061	15,557	—	93,633	257,238
1790	22,921	15,449	5,134	26,544	27,584	5,669	6,089	27,394	36,815	—	149,570	323,144
1791	6,494	5,526	2,420	11,062	17,992	42,544	4,969	24,440	2,569	—	197,216	315,230
1792	34,117	9,880	1,870	16,277	21,567	35,804	5,724	26,588	1,623	—	171,488	324,938
1793	17,140	137,880	11,205	27,086	29,227	28,342	6,289	27,826	16,660	—	154,835	456,490
1794	22,174	606,296	14,612	12,128	21,185	69,819	9,090	27,414	320	—	138,415	921,452
1795	26,761	624,122	35,879	43,842	35,257	37,229	8,474	55,789	40,473	—	139,620	1,047,446
1796	10,772	208,332	55,741	32,591	25,958	2,266	8,881	39,727	75,380	—	193,563	653,162
1797	12,653	287,504	60,834	63,390	54,556	23,416	8,363	48,952	32,265	—	59,914	651,845
1798	15,732	309,536	35,257	22,988	29,771	40,676	7,490	44,415	4,168	—	203,810	714,294
1799	94,019	478,771	160,434	32,755	26,941	57,856	6,400	25,761	11,524	—	38,138	932,598
1800	3,098	433,444	171,074	37,363	38,063	21,417	2,799	10,845	37,783	22,988	71,411	850,285
1801	1,176	39,311	59,465	34,350	20,145	160,425	1,913	19,146	34,989	16,500	41,355	396,374
1802	23,281	17,965	150,369	36,023	26,712	111,568	3,251	17,979	37,727	4,435	369,683	798,992
1803	16,357	112,947	12,174	39,738	46,356	—	17,061	33,199	34,694	1,149	221,959	535,633
1804	83,345	223,998	12,458	38,504	38,834	—	6,692	29,358	39,567	376	236,003	709,136
1805	20,040	326,852	16,230	41,367	32,596	—	3,844	5,901	28,875	703	44,698	521,106
1806	34,443	426,152	8,833	26,915	23,852	27,052	4,317	25,065	26,742	199	?	603,106
1807	5,461	377,485	62,057	30,220	31,736	27,374	3,099	24,693	30,181	186	7	592,494
Mean	24,120	203,842	40,539	28,102	30,460	38,038	6,051	27,917	27,417	5,817	141,600	549,580
Standard Deviation	(24,778)	(201,950)	(96,378)	(12,651)	(8,209)	(28,233)	(3,039)	(10,805)	(17,535)	(8,877)	(77,917)	(251,396)

Sources: See note 3.

TABLE B-2
MADRID TREASURY: ACTUAL AND ADJUSTED TOTAL INCOME AND TAX REVENUES
(in thousands of *reales de vellón*)

Year	Total Income		Tax Revenues	
	Actual	Adjusted	Actual	Adjusted
1784	307,632	274,916	278,938	249,274
1785	299,212	259,507	254,304	220,558
1786	293,613	250,951	240,202	205,300
1787	323,944	279,021	261,823	225,515
1788	360,567	305,306	327,642	277,428
1789	257,238	215,081	228,191	190,795
1790	323,144	252,049	307,695	240,951
1791	315,230	258,385	309,704	253,856
1792	324,938	259,742	315,058	251,844
1793	456,490	349,265	318,610	243,772
1794	921,452	706,093	315,156	241,498
1795	1,047,446	751,935	423,324	303,894
1796	653,162	463,235	444,830	315,480
1797	651,845	419,192	364,140	258,255
1798	714,294	431,336	404,758	244,419
1799	932,598	603,232	453,827	293,549
1800	850,285	569,896	416,941	279,451

Sources: Table 3, Table B-1, and note 12.