

## INTRODUCTION

Modern scholarship has convincingly portrayed the extent to which eighteenth-century British governments presided over a newly created 'fiscal military state'. Incorporating the ability of government to harness private capital and credit for state purposes, this conceptual framework has become firmly embedded in eighteenth-century historiography.<sup>1</sup> As the 'fiscal military state' evolved, indeed existed in order to finance war, it is remarkable that military contracting, an area in a sense at the nexus of the fiscal military structure, has received little scholarly attention. This is particularly notable since military victories were largely a question of money rather than men.<sup>2</sup> In the eighteenth century, British military success was not achieved by force of arms alone but was underpinned by sophisticated administrative, financial and economic organization.<sup>3</sup> This organization encompassed an efficient military supply system. The limited parameters of eighteenth-century government meant that the complexity of supplying a large army was assuaged by contracting out supply to private enterprise. In effect, the state used financial power to purchase expertise in economic organization. This privatization of supply was not new but by the mid-eighteenth century was more extensive than any previous period.<sup>4</sup>

The resources at the disposal of contractors were thus a central component of the war-making capacity of the state.<sup>5</sup> Whilst a number of historians working in different fields have acknowledged the importance of contractors in these terms, such scholarly diversity is indicative of the variability of historical analysis of contractors, as well as the somewhat contingent nature of contracting.<sup>6</sup> It is perhaps fitting that as perhaps the greatest 'middlemen' of the eighteenth century the economic functions of contractors have contributed towards their historiographical status. The multiple capacities and separate spheres of activity in which contractors were engaged have led to analytical compartmentalization. For political historians, contract allocation and the connections of elite contractors represent a component of the politics of patronage and place. Indeed, historical comment upon contractors has been overwhelmingly concerned with rooting out abuses from the body politic, or in defining contractors as clients of the aristocratic political elite.<sup>7</sup> Allusions to 'Old Corruption' are common when-

ever contractors are cited in such works, arising from Namier's observation that contracts were the 'places' of merchants.<sup>8</sup> Amongst military historians, there is a tendency to discuss contracting when logistical dilemmas imposed restrictions on strategic decisions and military operations, and the strategic constraints that provisioning armies imposed on military campaigns has been fully acknowledged.<sup>9</sup> Whilst it has been asserted that the logistics of supply 'dwarfed all other factors in making late seventeenth century armies lethargic in movement and unimaginative in strategy', most studies of this nature focus on either the difficulties of particular campaigns or economic and administrative developments over a long period, and in several countries.<sup>10</sup>

In political and strategic studies, British army contractors are subject to varying degrees of criticism. In some cases, this is justified; in others, it is not. Political partisanship and deeply-rooted preconceptions are fundamental problems of historical scholarship relative to contractors. Yet there were sectors of military supply, particularly domestic contracts for encampments and horses, where most contractors were not Members of Parliament and where patronage in contract allocation was, if not negligible, far less important. The relative neglect of these sectors has arisen from an exaggerated linkage between political connection and contract allocation. Whilst such connections cannot be ignored it is incorrect to assume that the entire system of contracting for the British army was informed by this relationship.<sup>11</sup> Similarly, whilst strategic studies form the basis for examining the evolution of military supply, it is impossible to assess the economic activities of contractors, the resources at their disposal, and the type of men they were, without narrowing the analysis.

In examining British army contractors between 1739 and 1763 it is therefore appropriate to address the aforementioned historiographical imbalance by concentrating largely but not exclusively on previously neglected sectors. The supply of basic necessities such as bread, forage, fuel and horses were particularly vital, for they directly affected the operational efficiency of the army on a daily basis. Despite or perhaps because of the multi-faceted nature of contracting, only relatively recently have attempts been made to examine these sectors.<sup>12</sup> These studies have demonstrated the difficulties that could beset the actual performance of contracts, whilst also implicitly indicating that contractors in this sector were from a different social milieu from elite financiers and London merchants. The latter groups dominated financial and victualling contracts for colonial garrisons. Higher social status should not be equated with economic or military importance, for contractors supplying troops in field and camps were equally if not more important to military effectiveness. Despite a divergence in economic function and social status, all contractors possessed many similar attributes, notably reserves of capital and credit allied to business experience and expertise. Together, these qualities constituted an impressive reservoir of commercial

ability at the service of government. Whilst the absence of wartime requisitioning in Britain has been interpreted as resulting in the state competing with the private sector for resources, state employment of contractors effectively utilized private sector expertise.<sup>13</sup> War in the eighteenth century saw the state become 'the largest single actor in the economy'.<sup>14</sup> With supply operations conducted on an unprecedented scale, contractors operated on a scale far in excess of the normal demands of a largely localized agrarian and proto-industrial economy. This factor alone justifies examination of contracting as a central component of state economic organization. Encompassing the War of Austrian Succession, Jacobite Rebellion, and Seven Years' War, the period 1739–63 witnessed a substantial increase in the number of contracts. Heightened military demands necessitated expansive supply operations and a higher degree of administrative organization and cooperation. Consequently, this period not only demonstrates the economic capability and capacity of contractors, but is also noteworthy for significant developments in the administrative apparatus governing military supply. Not for the first or last time, war was a forcing house for change.

A sectoral approach to contracting is necessary, for analysis of all sectors of the armed forces would be beyond the scope of a single scholar. Nevertheless, such an approach can only be useful when assessed against a wider examination of military contracts. Thus, whilst this study predominantly concerns contracts for 'non-military' material such as bread, forage, fuel and horses, as opposed to 'military' materiel, other types of contract will be considered.<sup>15</sup> This is necessary in order to provide the basis of contextual and comparative analysis, for there were various sectors in the military supply system, and personnel, procedures and practices differed in each sector. Broadly speaking, there were differences in economic organization between contracts for military materiel and those for provisions. Whilst the latter were dominated by merchants and tradesmen, the former were the preserve of nascent industrialists.<sup>16</sup>

Whilst the core of the book is concerned with the economic and administrative organization surrounding domestic military supply, in order to provide the context for analysis of domestic contracting, the first three chapters examine the historical background of the military supply system. In detailing the complex and somewhat disorganized evolution of military supply from the seventeenth century to the mid-eighteenth century, the introductory chapter indicates that contractors represented something of a coordinating element within a complex multi-agency supply system. Financial, logistical, strategic and constitutional issues all impacted on and influenced the nature of supply, and assessment of each factor forms the basis for the detailed discussion in Chapter 2 into why contracting emerged as the most rational and effective supply method in the eighteenth century. Whilst long-term factors continued to influence the contours of the eighteenth-century supply system, more immediate factors account

for the growth of contracting. Most obviously, Britain's emergence as a major commercial and imperial power in the international state system, and her involvement in two major conflicts in the mid-eighteenth century formed the basis for deployment of a large military force. Short-term practical considerations such as government inexperience, allied to the successful performance of European and colonial contracts recommended contracting as a reliable supply method. Reliability was of some importance amidst the extensive warfare of the mid-eighteenth century, with the period 1739–48 particularly important in terms of administrative experience and continuity of personnel. The extent to which contractors provided much-needed state infrastructure indicates the complexity and scale of global military activity, whilst the successful performance of most contracts, in the face of great difficulties, demonstrates that the system attained a high degree of efficiency.

The administrative organization, procedures of awarding contracts and terms and conditions under which foreign victualling and remittance contracts were performed are the subjects of Chapter 3. An assessment is made as to how far Treasury contract administration was a component of 'Old Corruption'. Particular emphasis is given to mercantile portfolios and the extent to which contractors were qualified to perform contracts. This factor appears at least equally important as patronage in determining personnel. Whilst patronage clearly informed contract allocation in this sector, competition was not excluded, and patronage did not equate with inefficiency or unsuitability. Although not wholly successful, the Treasury's adoption of stringent terms and conditions as a means to curb expenditure and eliminate fraud and collusion indicates that contracts were never viewed as a form of outdoor relief to political friends.

Chapter 4 addresses similar issues relative to contracts for the army in field or camp, whilst examining the wider administrative organization of English encampments between 1740 and 1762. In this sector, marked differences in administrative organization and personnel are notable, with patronage less important and a more explicit concern for economy apparent. Continuity in personnel and a heightened degree of administrative experience are notable features of this sector in the mid-eighteenth century. Chapter 5 continues examination of this sector by assessing contract performance, with particular reference to English encampments during the Seven Years' War. In examining products supplied and the timing of deliveries and distribution, it is readily apparent that these contracts required a higher degree of management than foreign victualling or remittance contracts. The success of government and contractors in meeting unprecedented demands reveals a degree of administrative innovation and business expertise rather than extensive experience, for as the account of encampments before 1756 demonstrates, this was a rather unfamiliar form of supply in

Britain. Overall administrative and economic competence is apparent from the rarity of supply failure, and the reasonable cost of contracts.

Chapter 6 continues analysis of encampment supply with a case study of the contractor John Willan, whose activities demonstrate the lucrative nature of government contracting, whilst also indicating that much of his success was based on hard work, business expertise, and the assumption of considerable responsibility. As a contractor outside Parliament, Willan can to some degree be viewed as representative of a type of contractor who rarely features in historical works, but whose activities were of fundamental importance in military supply. These themes also permeate Chapter 7, which examines military supply in Scotland between 1745 and 1762. The military experience of Scotland in this period was very different to that of England, and justifies separate examination. The unique circumstances of the 1745 Rebellion imparted a distinctive colouring to the Scottish supply system in the following years. Loyalty to the Hanoverian dynasty was a more overt factor in determining contracting personnel. Moreover, distance from London, and ignorance of Scottish conditions, led to considerable decentralization and allowed military commanders to assume an important role in conducting or supervising supply operations. Despite these differences, the effectiveness of the supply system under the pressure of unprecedented domestic military mobilization was a feature common to both countries.

Chapter 8 returns to a broader theme, by examining the relationship between contracting, profitability, wealth creation and social mobility in the eighteenth century. There are several reasons to justify shifting the analysis towards these issues. Firstly, such examination, by assessing all types of contractors, illustrates the broad differences between sectors, and assesses the comparative importance of contracts towards wealth creation. Secondly, the relationship between contracting and wealth creation was controversial in the eighteenth century, and recent scholarly interest in identifying the sources and nature of wealth creation in Britain make such an examination particularly pertinent. A prevalent historical assumption exists which posits possession of contracts as an assured and rapid route towards vast riches. Whilst accepting that contracts were profitable, this chapter argues that a simple equation between mere possession of contracts and vast riches is untenable. There are very simple reasons for this. For most contractors, contracting represented only one form of economic activity in a wider mercantile portfolio. Moreover, in performing contracts, an array of factors including economic volition, risk, and good fortune all affected levels of profitability.

The concluding chapter contains an overall assessment of contracting in the mid-eighteenth century, and argues that although it was not always the most economical mode of supply there were few viable alternatives. The concerns of government did not in any case relate simply to cost, but encompassed reliability

and efficiency. The successful formula for achieving these objectives encompassed mercantile expertise, sound finance, and reasonable profitability. Greater reliance on contractors reflected the inability of the state's administrative apparatus to keep pace with the burgeoning size of armies. Although the cost of alternative supply methods is impossible to assess in terms of military efficiency, the disasters of the Commissariat in Ireland at the end of the seventeenth century and in Germany during the Seven Years' War, indicate it may have been high. There were of course supply failures under contract but variability in contract performance was an inherent and inevitable feature of a system reliant on thousands of people performing separate tasks.

The fundamental requirement of an effective military force is that it does not starve. This rarely happened to the British army. Despite administrative deficiencies emanating from inexperience, shortages of qualified personnel, and supply difficulties arising from the sheer weight of demands imposed on contractors, the mid-eighteenth century supply system functioned remarkably well. The privatization of military supply meant the personal and business attributes of contractors were fundamentally important in determining the efficiency of the system. Remarkably, their contribution has been little acknowledged. This is almost certainly a consequence of the tension arising from performing contracts in the national interest whilst making private profit, and a pervasive, though largely misguided, suspicion of the rapacious sacrifice of the former for the latter. Effectively an unofficial adjunct of the eighteenth-century army, contractors made a significant contribution towards British military organization, and upon this much military success depended.