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VERIFICATION PROCEDURES USED IN TWO INVENTORY COUNTS IN NEW SPAIN, 1596-1597

Abstract. This is a report on an examination of translated official documents from two inspections of the Oñate expedition conducted in 1596 and 1597 in New Spain—present day Mexico. Its principal objective is to describe the purpose, the nature, and the quality of verification practices used in the Spanish-Americas at that time. The findings include: (1) verification of contract compliance was an established practice in sixteenth century New Spain, (2) the two inspections differed substantially in the care and thoroughness of the work done, and (3) generally, the practices showed rapid adoption of Spanish methods in the frontiers of its empire.

INTRODUCTION

Purpose of the Study

This article reports on a study of translated official records of two inspections—inventory counts—conducted in 1596 and 1597 in New Spain, present-day Mexico. The two separate inspections, known by the surnames of their chief inspectors, Ulloa and Salazar, were of the Oñate expedition prior to its departure on a long overland journey to establish a colony in present New Mexico.

The article has three main purposes. One purpose is to underscore the role of such inspections, or audits, in enforcing contract compliance in the Spanish legal system. A second purpose is to describe the verification procedures applied in the inspections, which serve as examples of established practices used in the Spanish colonies in the sixteenth century. A third purpose is to evaluate the relative quality of these particular inspections by comparing one with the other. Such a comparison is useful because the two separate inspections had identical objectives, took place only one year apart, were conducted in the same locale, and were directed at the same subject—Oñate.

Context of the Study

The motivation for the study was influenced by three factors. First, the groundwork laid in recent published works has shown the importance of, and increasing interest in, the study of Spanish accounting practices. Second is the scarcity of published work on accounting practices in the Spanish colonies. Third is Oñate himself, a controversial but historically important individual, the 400th anniversary of whose colonization efforts are to be observed in 1998.

Until recently, there have been relatively few published works in English on the history of Spanish accounting practices. An especially noteworthy contribution to this literature is the work of Mills [Fall, 1986; Spring, 1987]. Mills' explanation of the interplay between Spanish legal requirements and the functions of accounting, record keeping, and verification provided the contextual foundations for this study.

Hernández Esteve et al [1981, p. VII/2-1], quoting de Roover, reminds us of the importance of studying Spanish accounting history. "Because Spain had global power (in the sixteenth century), Spanish state and commercial accounting had wide influence in the Pacific, Africa and the Americas. This should prompt the study (of accounting) in each country Spain controlled" [Hernández Esteve et al, 1981, p. VII/1-2]. Nevertheless, little published work has dealt specifically with accounting practices in the Spanish colonies in the Americas.¹

For these reasons, this article describes and analyzes certain "auditing" procedures used in 1596 and 1597 during two different *visitas*, or inspections, of the Oñate expedition. These inspections are a small part of a much larger and more important story, the story of a man whose name is scarcely a household word—Don Juan de Oñate. As one historian put it

Known or not, Oñate's pioneering work set the stage for the development of vast sections of what is now the southwestern United States. In 1598, he led a formidable party of soldiers and settlers, wives and children, with wagons and livestock, on an epic trip from Mexico

¹Since accounting data represent historical artifacts, accounting records are often used as a source of information for professional historians who are not interested directly in the accounting practices themselves. For example, see Scholes's [1975] analysis of the Spanish royal treasury records for New Mexico, including references to other published works that demonstrate the historical research potential of ledger accounts.

to the upper reaches of the Rio Grande valley (in the vicinity of present-day Santa Fe), there to establish the first permanent European settlement west of the Mississippi. [Simmons, 1991, p. xiii]²

The inspections of the Oñate expedition are examples of practices one can presume were widely employed in the Spanish colonies in the New World in the sixteenth century. An analysis of these practices will add to our general understanding of the Spanish influence on accounting and auditing in the Americas.

This research can also provide a starting point for other studies. For example, one could more directly link the practices described herein (1) back to European Spain as evidence of the importation of these practices into the New World, and (2) forward to practices used in those sections of the United States where Spanish influence remains strong today.³

Sources

While the small but important general literature on Oñate⁴ was used in the research, the chief source and foundation for this study is the monumental work of George P. Hammond and Agapito Rey [1953] who collected, translated, and edited all available reports, letters, decrees, contracts and other official documents dealing with the New Mexico phase of Oñate's life. These translated documents, drawn from the voluminous records preserved in the Archives of the Indies in Seville, Spain, are rich in detail, representing verbatim records of the royal notary's reports on what was said and what was done at the time of the inspections. We are thus able to examine the "working papers" of an audit conducted almost 400 years ago.

²For a perspective on the importance of the Spanish colonial experience in United States history, see Udall [1987]. For a major interpretation of the scholarship tradition and current controversies within the historical community concerning Spanish influence and Southwest history, see Weber [1988]. Today Oñate remains an underappreciated and controversial figure. In New Mexico, where he would be best known, public recognition of his name and exploits are very limited.

³For evidence that traces of the Spanish legal system remain in those sections of the United States under Spain's colonization influence, see Remacha [1994].

⁴One of Oñate's own captains on the expedition, Gaspar Perez de Villagr a, wrote an epic poem of the Oñate expedition. See Villagr a [1933]. For a superb biography of Oñate, rich with detail and personal interpretation by a nationally recognized historian see Simmons [1991].

BACKGROUND AND EVENTS LEADING UP TO THE INSPECTIONS

In order to understand the objectives and scope of the Ulloa and Salazar inspections described below, it is necessary to review events in the colonies of New Spain prior to 1596. Spanish colonization of Mexico began in 1519 with the arrival of Hernán Cortés and expanded steadily northward from Mexico City over the next 50 years. Soon enormously rich silver deposits were discovered in Zacatecas, where Don Juan de Oñate was born in 1550 into a wealthy and ambitious family.⁵

During this time, interest intensified in the lands to the far north, known as the *Tierra Nueva* (New Land), but, by Oñate's time, usually referred to as "the new Mexico" [Kessell, 1987, p. 38]. This interest was fueled by several factors: (1) encouragement from the king of Spain, Phillip II, consistent with the mercantilist, expansionist policies of European powers, and as a defensive strategy, a buffer, to protect the vital silver trade routes, (2) tales of wealth in the north from previous expeditions like that of Coronado in 1540 and the four expeditions of Chamuscado, Espejo, de Sosa, and Bonilla between 1581 and 1593, (3) the drive to spread Christianity to the native peoples, and (4) the energy and adventuresome spirit of the rich and powerful families of New Spain, such as the Oñates.

In 1573, the king of Spain issued a set of Royal Orders on Colonization. Three provisions of this important document are relevant to the story at hand. First, there were to be no more freelancing expeditions of conquest. Expeditions to the north would now have to be authorized by the Crown. Second, expeditions were to be colonizing projects rather than mere explorations; that is, they were to be sufficient in size and makeup to establish permanent, self-sustaining settlements. Third, expeditions were to be entrepreneurial enterprises, requiring a private expedition leader and his principal associates to provide the private financing needed for a successful venture, under *contract*

⁵Don Juan's father, Cristóbal, was a founding partner in the rich Zacatecas silver mine, La Búfa. It is interesting to note that Cristóbal traveled from Spain at the age of 20 on a Spanish ship peopled largely by newly appointed royal treasury officials. Treasury officers of the Spanish empire had a lofty status and broad powers. Apparently this fact did not escape the notice of ambitious Cristóbal, for he was soon appointed an assistant to the accountant of the royal treasurer in Mexico City and later married the daughter of the royal factor or business manager of the royal treasury in New Spain [Simmons, 1991, p. 17].

with the Crown. Financial assistance from the Crown was to be limited to certain controlled military hardware, such as artillery and gunpowder, plus the financial means for the support of the missionary programs.

Over the next 20 years, there were a few small forays into New Mexico, some authorized and some not, but none were sufficient in scale and scope to meet the intent of the Colonization Laws. In the meantime, negotiations were taking place between Don Juan de Oñate and the king's chief representative in New Spain, Viceroy de Velasco, beginning perhaps as early as 1592 [Hammond and Rey, 1953, p. 5]. These negotiations culminated in the "Contract of Don Juan De Oñate for the Discovery and Conquest of New Mexico," signed on September 15, 1595.

Oñate's contract is an interesting document. It details not only the general terms and conditions of the expedition, but also Oñate's specific obligations. The section on Oñate's obligations specifies 23 categories of items he promises to provide for the expedition, such as the number of soldiers, the types of livestock, and the quantities of supplies, medicines, and equipment that he promises to supply.

From the Crown's point of view, Oñate's obligations under the contract were of vital importance. If Oñate fulfilled these obligations, the colonization project stood a good chance of success. If he did not, the project would likely fail, and the political and economic implications, not to speak of the impact on the royal treasury, might be serious. For this reason, Viceroy Velasco wrote the following on the contract

Let his offer be accepted, provided there is written testimony that he has complied with it [Hammond and Rey, 1953, p. 46].

Here in this statement lies the principal motivation to conduct an inspection of the expedition—to determine if Oñate was indeed complying with his obligations and promises. In today's language, Oñate's compliance with the "list of representations" needed to be verified. In fact, two separate inspections were conducted—the Ulloa and the Salazar inspections.

AN OVERVIEW OF THE TWO INSPECTIONS

The Ulloa Inspection

After the contract was signed the newly appointed Viceroy Monterrey appointed Don Lope de Ulloa y Lemos (Ulloa) as

“inspector judge” to oversee the examination of Oñate’s expedition. Little is known about Ulloa, other than that he was a member of Monterrey’s inner circle, a soldier by profession, and a captain in the Viceregal Guard. He was to be well paid—eleven pesos per day for an indefinite period of time. The inspection team that was named in the reports included a royal notary (secretary and scribe), responsible for recording all that was done and said during the inspection, and three lesser officials, constables to enforce the inspector’s instructions.

There were two phases to the Ulloa inspection. The first phase, in June 1596, referred to as “the appraisal,” consisted of office paperwork in Mexico City. Because 12 of the 23 items listed in the Oñate contract were expressed in their promised money value (e.g. “I offer to take five hundred pesos in medicines.”), it was necessary to determine the approximate value of items Oñate was most likely to take so that later the inspectors in the field could determine if a sufficient quantity was being taken. Two individuals were appointed to carry out this pricing—a *contador*, or accountant, to represent the Crown, and another person to represent the interests of Oñate. They did their work quickly, in four days producing a list of 125 prices, “adjusting the current prices (in Mexico City) to those Oñate would need to pay in the locations where he would need to purchase them.” This price list was a basic working document used extensively in the field—counts that would follow.

The second phase of the Ulloa inspection took place in the field, approximately 700 miles north of Mexico city, where the actual inspecting, counting and recording were done. In his charge to the inspection team, Viceroy Monterrey said:

You will leave this city and examine what the governor (Oñate) and his people are taking, both in people and supplies. You will make an inventory and record of everything before a notary, recording everything in detail. You shall make whatever inspections and investigations you may think are necessary [Hammond and Rey, 1953, p. 96].

Although Ulloa left Mexico City in June 1596 to conduct the inspection, the counting and recording did not officially begin until six months later, in early December. After catching up with Oñate at Zacatecas, Ulloa traveled with the caravan as Oñate slowly worked his way north, recruiting volunteers and purchasing supplies along the way. Finally, the convoy halted and made

camp at Caxco, about 280 miles north of Zacatecas, where the inspection began on December 9, 1596.

The Ulloa inspection was spread over 71 days, the final count occurring on February 17, 1597. The counts took place in two general locations, Caxco, Oñate's main encampment, and at Santa Bárbara, approximately 85 miles north. Other smaller counts were scattered over nine locations in the general vicinity. Ulloa himself was present for only part of this time; on January 31, 1597, he returned to Mexico City to accept a new appointment as captain of the annual fleet about to set sail for the Phillipine Islands. A deputy was appointed to complete the inspection in his absence

The inspection apparently went smoothly. Surpluses, over and above the amounts Oñate promised in his contract, were recorded for every item. For the money-valued items alone, a surplus was calculated of approximately 4,600 pesos, an excess of 60% above the 7,900 peso-valued items Oñate promised in his contract. The final report by the deputy inspector said:

I examined the contract and everything presented and did not find anything lacking. On the contrary, the governor had a surplus, as has been recorded [Hammond and Rey, 1953, p. 148].

Finally, it has been estimated from royal treasury records that the Ulloa inspection cost the Crown 4,865 pesos, all charged to the expenses of colonization [Scholes, Vol. L, No. 1, p. 9]. This is a significant amount, representing 13% of total Crown expenditures for colonization for the eighty year period, 1596-1683 (although "colonization expenses" accounted for only 2% of the total Crown expenditures for all purposes during that time) [Scholes, Vol. L, No. 2, p. 152].

The Salazar Inspection

While all of this was going on, consultations were taking place in Mexico City and at King Phillip II's court in Spain concerning the wisdom of authorizing Oñate to proceed with the expedition. This caution was due in part to bureaucratic politics, and in part to serious doubts about Oñate. As a result, Oñate still had not received authorization to proceed.

By the spring of 1597, the king was again in favor of the project and ordered Viceroy Monterrey to find out if Oñate still had everything necessary for the expedition. In Monterrey's reply to the king he said:

He (Oñate) replied with much assurance and confidence in his ability to make the expedition at once, and quickly. He spoke with such extreme earnestness that I found myself obliged to send a person there to conduct a review, inspection and inventory, even though he was under no obligation to submit to one for a second time [Hammond and Rey, 1953, p. 197].

Monterrey appointed Juan de Frías Salazar (Salazar) to head the second inspection. Here is Monterrey's explanation of his choice:

As the case demanded uprightness and integrity, I chose Juan de Frías Salazar, native, resident and mine operator at Pachuca. Being both rich and well along in years, he possesses the intelligence and qualifications which the case requires. Here he is considered a very reliable and dependable man, free from personal considerations and ambitions. I believe he will carry out this inspection properly, and this will determine whether or not Oñate should proceed with the expedition [Hammond and Rey, 1953, p. 198].

Salazar assembled a team similar to Ulloa's—a deputy, a royal notary, and several constables. All were paid slightly less than the members of the Ulloa team. Start of the inspection was delayed because Salazar insisted that Oñate move his entire expedition about 40 miles north of its encampment in Santa Bárbara to an isolated place on the San Gerónimo river, so that all might be assembled in one place. Beginning on December 22, 1597, and continuing rapidly over the next nineteen days, the counts were completed on January 9, 1598. All the counts but one were taken at the San Gerónimo location. Only the muster of soldiers was held about three miles north, in a church at Todos Santos.

Results of the Salazar inspection were quite different from Ulloa's, conducted one year earlier. Although there was no single final report, a tabulation of the inspections and counts shows there were deficiencies in 17 of the 23 categories of items that had been promised in the Oñate contract. The most serious shortage was in soldiers—a deficiency of 71 soldiers from the 200 promised. Estimates from royal treasury records place the cost of the Salazar inspection at 3,465 pesos [Scholes, Vol. L, No. 1, p. 9].

Although far short of his contract promises, Oñate was allowed to proceed with the expedition, but only after a wealthy

cousin signed a bond guaranteeing that the deficiencies uncovered by Salazar would be made good in a reinforcing expedition to follow as soon as possible. In March 1598, two years behind schedule, the colonizing expedition of Oñate moved out.

Conjecture On the Differences in the Inventory Counts

Although the objectives and scope of the two inspections were identical, their results were quite different—Ulloa reported a surplus of Oñate goods whereas Salazar reported a deficiency. What might explain the sizeable differences in the inventory counts taken one year apart? The explanation provided by historians, particularly Simmons [1991], is that attrition occurred because of the protracted delay in Oñate's departure. The waiting and uncertainty caused many of the soldiers to depart—discipline eroded, the organization began to crumble, and deserters took with them supplies and equipment. Those who did remain would be forced to consume the expedition's provisions. Oñate, in his self-serving letters to the viceroy and king, never missed an opportunity to make this argument.

While certainly some attrition would have occurred, why was Oñate unable to make up any losses in men and equipment? He seems to have had ample time to do so, from early spring to December 1597, when the second inspection began. He retained his important financial backers throughout, such as Juan Guerra de Resa, who posted bond for his deficiencies from the Salazar inspection. Also, he kept his inner circle of ten devoted captains, who surely had considerable skill in obtaining replacements and finding new provisions.

Competition from other enterprises in recruiting men and replenishing provisions might explain the decline in the inventory counts. For example, the Mixtón and Chichimeca Indian wars had been consuming Spanish energy and wealth since 1540 (Oñate himself had spent 20 years in these wars). On the other hand, by the time of the Oñate expedition these conflicts were winding down as a result of a major change in Spain's military strategy in 1584 from "fire and blood" to "peace settlements" [Naylor and Polzer, p. 39].

Competition in recruiting men and supplies might also have come from two expeditions forming at the same time as Oñate's—one to "the Californias" and one to the Phillipines (Ulloa, the Phillipine fleet's leader, would have had the opportunity to entice some of Oñate's men and would have had the

incentive to do so since the Phillipines was not a popular trip). But surely the charismatic and well-connected Oñate could have held his own in the face of such competition for men and materials.

An alternative explanation for the differences in the inventory counts is asserted in this article. It is contended that the first inspection by Ulloa was not well done. As a result the reported surpluses in men and provisions were most likely illusory. On the other hand, the second inspection by Salazar was relatively well done, and the shortages reported were most likely accurate. In support of this argument, the verification procedures applied in the separate Ulloa and Salazar inspections will be examined next.

THE ULLOA AND SALAZAR INSPECTIONS COMPARED

Analysis of the relative quality of the Ulloa and Salazar inspection is organized as follows: the independence and mental attitude of the chief inspectors, the overall approach and organization of the inspection, the willingness of the inspectors to accept testimonial and documentary evidence as substitutes for actual physical inspection and count, the independence of the counting-and-weighing teams, and the thoroughness, care, and attention to detail used throughout each inspection.

Independence and Mental Attitude

As with most endeavors, the “tone at the top” is critical in influencing the outcome of an audit. In this regard, there were interesting differences in the personalities, attitudes and apparent independence of Ulloa and Salazar.

Ulloa was apparently adept at carrying out whatever duties were assigned in a manner that pleased the viceroy. In his instructions, Monterrey directed Ulloa “to defer to Oñate’s authority”, and at the same time Monterrey “took pains to reassure Oñate that the inspection was a mere formality ordered as a matter of course to fulfill the letter of his contract” [Simmons, 1991, p. 71]. Surely, Ulloa would have approached his assignment with this firmly in mind. Furthermore, by this time Ulloa knew about the new appointment he was about to undertake—captain of the annual fleet preparing to sail for the Philippine Islands. This would likely have diverted much of his attention from his Oñate inspection duties.

The relationship between Ulloa and Oñate was cordial throughout the inspection. When they first met “Oñate was wary, but the inspector went out of his way to be both courteous and accommodating, and displayed a friendliness toward Oñate and his endeavor” [Simmons, 1991, p. 71]. In a letter to the viceroy after the inspection had been completed, “Oñate praised Ulloa, saying that without his help the expedition might have fallen apart” [Simmons, 1991, p. 80].

Salazar’s attitude and personality presented a quite different picture. He was not a soldier, but an elderly mine operator—a businessman, likely to be familiar with the objectives and proper methods of inspections. As a businessman, he would have a natural skepticism in commercial dealings, an attitude that Ulloa lacked. He is characterized by Simmons [1991, p. 85] as “not as accommodating as his predecessor, for Salazar proved to be arrogant, pompous, willful, and petty.”

Whether Simmons’ characterization is accurate or not, Salazar’s behavior during the inspection did show that he was aloof, business-like, and apparently skeptical of Oñate’s motives and honesty. For whatever reason, he had a penchant for using threatening language in his written orders. Salazar’s relationship with Oñate was strained throughout the inspection. In fact, after his return from New Mexico a decade later, Oñate was convicted of 12 misdeeds while on the expedition, including “mocking and insulting Juan de Frías Salazar, the royal inspector of his forces” [Hammond & Rey, 1953, p. 35].

Although his adversarial approach to Oñate may have been excessive and unnecessary, Salazar came nearer to having the proper independent attitude expected of an auditor than did Ulloa. In any case, Salazar was fully supported by viceroy Monterrey. In a letter to the king at the completion of the inspection Monterrey wrote:

I sent Salazar because he is a disinterested person, without commitments to relatives that could be a hindrance in such an important matter. He proceeded satisfactorily, although Don Juan’s complaints have indeed been numerous, but I have concluded that the commissary (Salazar) was too liberal with him. Were we not so certain of Salazar’s integrity, honor, and impartiality, we might have considered him favorable to Don Juan. [Hammond and Rey, 1953, pp. 390-392].

Overall Approach and Organization

The two inspectors organized their work in different ways. Ulloa chose to travel along with the expedition on its slow four-month, four-hundred-mile journey northward, before stopping to conduct the inspection. The purpose of this delay is not clear, for during this time Oñate pleaded in four different letters to Ulloa and to Monterrey for the inspection to begin.

Once Ulloa's inspection began, it took place in scattered locations spread over 71 calendar-days, during which only 13 work days were used to count and record the inventoried items. The counts took place at several locations—two main locations 80 miles apart, and seven minor locations on farms and warehouses in the general vicinity. Thus the Ulloa inspection appears to have been poorly organized, making it more difficult to control the authenticity of the counts.

Salazar, on the other hand, insisted that Oñate move his entire expedition away from the familiar confines of Santa Barbara, so that the inspection could be conducted in one isolated location about 40 miles north. At this location, everyone stopped and everything was counted during 12 work days spread over a 19 calendar days. On the whole, Salazar's inspection appears to have been well organized and focused. This would have enhanced his ability to control the accuracy and authenticity of the counts.

Also suggestive of his orderliness and strong leadership, Salazar issued approximately 21 written instructions for the conduct of the counts. Many of these were "publicly proclaimed with a trumpet and crier" to make sure everyone got the message. In contrast, Ulloa issued only four written instructions for his counts.

Finally, from the notary records, it seems that Ulloa was often absent during an inspection or count—at least his name was not mentioned in the notary's report. Furthermore, Ulloa left the field-work entirely and returned to Mexico City about halfway through his inspection in order to assume his new position.

In contrast, Salazar's notary usually indicated that an inspection or count was held "in the presence of the commissary," whose name was appended to the report. Thus Salazar appeared to be much more actively involved than Ulloa in supervising, carrying out, and signing off on all phases of the inventory procedures.

The Use of Testimonial and Documentary Evidence

As a general rule in verification work the auditors should personally examine and count the items, or should at least closely supervise others doing so. In the Oñate case, it was also important to establish Oñate's ownership of the items and his intent to take them on the expedition.

Ulloa's inspectors were frequently satisfied with merely the oral testimony of individuals vouching for the items recorded against the contract obligations. A count of instances from the notary's reports showed that Ulloa accepted testimonial evidence in lieu of examination from ten different individuals on 13 different occasions. Salazar, on the other hand, used testimony and documentary support as verification methods infrequently—one individual on four different occasions.

In many instances the carelessness of Ulloa was compounded by his acceptance of testimony from members of Oñate's own expedition—his inner circle of captains. In the notary's reports, the name of the individual vouching for items was included. The names of these individuals were checked against the lists of soldiers accompanying Oñate, and in almost every instance these individuals were captains of Oñate's expedition. A similar check of the Salazar documents showed only one individual providing unverified testimonial evidence, an individual not found on any of the soldiers' muster rolls. Some egregious examples from the inspection reports illustrate.

Ulloa's acceptance of unsubstantiated testimony from one individual, Diego de Zubía, appeared several times in the inspection reports. On one occasion, while inspecting wheat in a large granary at a local farm, Zubía swore under oath that a part of the wheat under view, 200 fanegas (about 300 bushels), belonged to Oñate and, presenting a bill of sale, he swore he had sold it to Oñate himself [Hammond and Rey, 1953, p. 142]. On another occasion, this same Zubía satisfied the inspectors that Oñate had met his requirements for supplying corn by swearing that he was storing it for Oñate at a different location. There was no evidence in the notary's report that this was verified by other means [Hammond and Rey, 1953, p. 144]. And in another place, a shortage of 45 unaccounted for "black cattle" was explained by this same Zubía, saying that Oñate had purchased the cattle from him, but "because of the present haste they had been unable to deliver them yet" [Hammond and Rey, 1953, p. 146].

It was discovered from other documents in Hammond and Rey [1953] that Diego de Zubía was a local government official, the *alcalde mayor*, chief administrative officer, of the province of Santa Bárbara. A check of the soldiers' muster rolls reveals that Zubía was married to the daughter of Captain Francisco de Sosa Penalosa, an important member of Oñate's officer corps. Furthermore, Zubía was later appointed to Oñate's expedition as Purveyor General or supply officer. Thus, Zubía had a conflict of interest that would make his vouching for items a questionable practice.

Other instances of Ulloa's readiness to accept the word of individuals with a conflict of interest are revealed in the inspection reports. For example, Oñate's ownership of certain wheat was explained by a complicated debt and letter of credit arrangement between four parties, including a person living in Durango 225 miles away. The party guaranteeing the debt and supposedly purchasing the wheat for Oñate was Captain Juan Guerra de Resa of Oñate's expedition [Hammond and Rey, 1953, p. 143]. De Resa, a cousin of Oñate and an important financial backer, was later to "make bond" for the shortages in Oñate's contract promises discovered by Salazar. In a similar instance:

Oñate brought before the commissary ten bullhide bags. He said they contained ten quintals of mercury (a total of about sixty two pounds). He was asked to have it opened for examination, but replied that it would spoil, and it was not customary to open it except in his majesty's warehouses. He swore it contained mercury, and the same declaration was made by witnesses Juan Pérez de Donís and Gregorio de César (both captains on the list of soldiers) [Hammond and Rey, 1953, p. 147].

Salazar's attitude toward testimony in lieu of his personal examination was quite different. On one occasion, a Pedro Sánchez de Chaves declared that he had sold Oñate eighteen fanegas of wheat but it had not yet been delivered. The wheat was not immediately recorded in the counts until it "was later delivered by Oñate in the presence of the notary" [Hammond and Rey, 1953, p. 215].

On another occasion, Salazar was skeptical even when receiving testimony from very important members of the Oñate expedition. While inspecting wine in barrels, a "Captain Villagrà (the same Villagrà who later wrote the famous epic poem of Oñate's expedition), the one who had bought it, swore that each

barrel contained four arrobas of wine, which was affirmed by the expedition's *contador* (accountant), Alonso Sánchez. (Nevertheless) to make sure that it was wine, the commissary general ordered the barrels tapped" [Hammond and Rey, 1953, p. 218].

Independence of the Count Teams

Ulloa frequently used Oñate's soldiers to weigh, count or appraise the value of items rather than using his own independent inspection team. Twenty-one instances were noticed in the Ulloa inspection reports where 11 different Oñate soldiers were used to count items. It also appears their work was often unsupervised. Some examples illustrate this:

Gregorio César and Francisco Gómez (both on the soldier lists) were appointed by Ulloa to sort and weigh and report on the iron in rods and plates and the iron tools [Hammond and Rey, 1953, p. 130].

Ulloa was informed that Francisco del Palacio and Hernán Vázquez Durán, soldiers in the expedition, had been merchants and dealers in such goods in the city of Mexico, and he ordered them to make the appraisal [Hammond and Rey, 1953, p. 134].

186 bags of wheat were examined and appraised under oath by Captains Juan Moreno de le Rua and Alonso Gómez Montesinos [Hammond and Rey, 1953, p. 141].

Captains Juan Ruiz and Cristóbal Sánchez were ordered by the commissary to appraise the worth of 226 head of cattle [Hammond and Rey, 1953, p. 145].

In contrast, Salazar used persons with a conflict of interest to conduct the counting in only two instances. On both occasions he was prudent and watchful. For example:

The commissary general inspected and listed cattle (presented) by *contador* Alonso Sánchez. In order that the inventory might be made with the detail that was desired, he appointed as inspectors Juan Sánchez de Ulloa and Bartolomé Delgado who (were instructed) to declare accurately the brands and markings of the cattle (Hammond and Rey, 1953, p. 224).

Establishing the tare at eight pounds per bag, the flour was weighed by Captain Gerónimo Márquez (one of Oñate's soldiers), in the presence of the commissary general, who helped with the weighing, and in my presence [Hammond and Rey, 1953, p. 223].

The Thoroughness and Care of the Inspections

In studying the notaries' reports other instances were noticed where Ulloa was careless, whereas Salazar showed thoroughness. Several examples will illustrate.

Counting of the soldiers. The most important promise included in Oñate's contract was his pledge to take at least 200 men. In verifying if Oñate was doing so, Ulloa's count of soldiers was carried out by a deputy, after Ulloa himself had returned to Mexico City. The count of soldiers was conducted piecemeal, at three different locations, as much as 80 miles apart, on three different dates, separated by one week and four weeks respectively. Records did not suggest any particular precautions were taken by Ulloa to minimize double counting, wrong identification of soldiers, or counting persons having no intention of going on the expedition. Ulloa oversaw what appears to have been a military parade, during which the notary recorded each individual's name and other pertinent information.

A count of the names of soldiers Ulloa listed shows that 204 individuals were accepted by the inspectors—more than Oñate promised. However, a closer examination of these names reveals that several are open to question. For example, 13 had titles suggesting other than soldiery duties, such as lord of the bedchamber, master of ceremonies, or chief waiter. One name was that of Don Juan's eight-year-old son, Cristóbal de Oñate. Five of the names were listed twice on the Ulloa records. Another 11 persons counted on the lists were absent from the review, but a stand-in was substituted and accepted by Ulloa, viz. "Captain Don Antonio De las Cadena appeared for Miguel de Villaciciosa, he said was absent with permission of the governor" [Hammond and Rey, 1953, p. 160].

Salazar's count of the soldiers was much more thorough. First of all, it was held at only two locations only three miles apart, and divided into two phases. The first phase, the Declaration of the Soldiers, was designed to inventory their equipment and personal belongings. It was held at the main encampment day-in and day-out, between December 7, 1597 and January 6, 1598. Each officer and soldier presented himself to Salazar, along with everything that was being taken on the expedition. The notary recorded each soldier's name, title, goods, and oath of honesty. The recorded information was then signed by the soldier if he was able to write his name.

The second phase, called the Muster Roll of Soldiers, took

place immediately afterwards on January 8, 1597, in a church building, three miles north of the main camp. Here "Salazar held the review and drew up a list of the people Oñate presented" [Hammond and Rey, 1953, p. 289]. For each soldier, the notary recorded his name, title, native city, father's name, and a brief description of the individual, presumably so he could not be counted more than once. This detailed description included the soldier's age, body type (e.g., "well built," "small of stature"), the soldier's facial hair (e.g., "smooth-skinned," "red bearded"), and any distinguishing facial marks (e.g., "a scar on his forehead," "a wart on the right cheek," "upper teeth broken") [Hammond and Rey, 1953, pp. 289-300].

Salazar, unlike Ulloa, considered the possibility that some of the persons Oñate had passing in review had no intention of going on the expedition. To guard against this possibility, Salazar issued two strongly worded decrees ordering that anyone counted "must not turn back but must go on the expedition, under penalty of death" [Hammond and Rey, 1953, p. 305].

Salazar's counts of soldiers were considerably lower than Ulloa's. Salazar recorded a total of 129 soldiers, a shortage of 71 from the promised 200. Approximately 68 of the original names on the Ulloa lists were also on the Salazar lists. Salazar did not include the servants, Don Juan's son, or the other questionable names discussed previously.⁶

Other examples of the degree of thoroughness. Additional examples of differences in the care used by Ulloa and Salazar include their willingness to accept substitutes for items promised in Oñate's contract and their concern for quality as well as quantity of the items counted.

Oñate's contract called for 500 pesos in jerked beef. During the Ulloa inspection, dried beef, as such, was never presented to the inspectors. Rather, Oñate requested that live "meat on the hoof" be substituted, because "for many reasons it would be more practical and less cumbersome." Ulloa agreed to this substitution, and "after consultation with some captains, soldiers, and other persons, he allowed substitution of 226 head of cattle

⁶Although all the top officers (the so-called Council of War) on the Ulloa list remained with Oñate through the Salazar inspection, officers at the lower ranks changed dramatically. The Ulloa records showed the names of 21 captains and 16 lieutenants; however, by the time of the Salazar inspection, the names of only 11 captains and 3 lieutenants remained.

for the 500 pesos of jerked beef" [Hammond and Rey, 1953, p. 145].

Salazar's response to the same request one year later was quite different, as evidenced by the notary's report on what happened on January 2, 1598:

The governor stated that he had no jerked beef but that he wished to replace this item by some of the livestock as he thought it would be more desirable. The commissary general answered that jerked beef was a better form of food, since it could be transported more easily, whereas livestock could be taken only where it could go on foot, with much labor. (Besides), the governor was under obligation to provide 500 pesos' worth of jerked beef (not cattle) [Hammond and Rey, 1953, p. 223].

On substitutions for medicines, during the Ulloa inspection Oñate was short of his promise to provide 150 pesos worth of certain medicines, so "the governor asked the inspector if he could substitute oil, wine, sugar, syringes, and lancets for the shortage, since these things were necessary to cure the sick." Ulloa agreed and included these substitutes in the counts [Hammond and Rey, p. 133].

This same request was handled differently by Salazar, who did not allow substitutions for the promised medicines. The oil and wine were counted, and their estimated value noted, but the notary indicated that "they were not listed in the contract," and Oñate was not given credit for taking them [Hammond and Rey, 1953, p. 218].

The only instance noted where Salazar permitted substitution was referred to in the notary's report as "the *greta* dispute" [Hammond and Rey, 1953, p. 306]. During the examination, Salazar agreed to allow Oñate to substitute *greta*, a very hard clay, in place of lead for ammunition he was to provide. Ironically, while on his return trip to Mexico City after the inspection, Salazar came upon persons transporting a cart of *greta*. When questioned, they explained that it belonged to Oñate, and by his order, they were taking it to Pedro de la Cruz, to whom he had sold it. This seemed to confirm Salazar's suspicions that Oñate would present items for inspection and recording against his obligations, but then fail to take them on the expedition. Salazar made a thorough report of this incident to the viceroy upon his return [Hammond and Rey, 1953, p. 307].

The two inspections also differed in giving consideration to the *quality* of the items counted. In the Ulloa inspection, the

quality issue never seemed to arise; there was never any mention of it, directly or indirectly. Salazar, on the other hand, seemed always conscious of its importance. Two examples demonstrate this point.

On one occasion, Oñate's declaration of 119 military horses was reduced to 81 by Salazar because

They were not considered army horses, for, among all of them, there was not a single one that looked like it, according to the commissary general, and a mere glance showed that they were old nags [Hammond and Rey, 1953, p. 228].

At another time, while counting cattle to be taken, Oñate declared 1,215 head, including 500 calves from four to ten months old that he said should be counted, but Salazar would not allow it. [Hammond and Rey, 1953, p. 224].

In summary, all these examples illustrate important differences in the thoroughness and care exercised in the two inventory counts. The deficiency in Oñate's contract-promises reported in the second inspection is more likely the result of Salazar's greater diligence than of the "attrition" explanation usually provided in historical works.⁷

OBSERVATIONS ON ACCOUNTING-RELATED PRACTICES IN NEW SPAIN

The records of the Oñate inspections provide evidence of the verification and recordkeeping practices used in sixteenth century New Spain. The historical interpretations of accounting practices in European Spain by Mills [1986; 1987] are especially useful for understanding sixteenth century accounting practices in New Spain. Mills draws from several legal treatises or text-

⁷An anonymous reviewer suggested the Salazar inspection was exhaustive because Ulloa's was so slipshod. There is some evidence to support this contention. Newly appointed Viceroy Monterrey had just arrived in New Spain at the time Oñate's contract was signed by the previous viceroy—Velasco. Hammond and Rey characterize Monterrey's early approach to his viceregal duties as "cautious" [1953, p. 9]. Since viceroy Velasco and the King supported Oñate at that time, Monterrey would be inclined to appoint an inspector friendly to Oñate, i.e., Ulloa. Subsequently, however, doubts about Oñate, coupled with political intrigue, began to surface in the courts of both the viceroy and the king in early 1596, leading to a suspension of Oñate's authority to proceed with the expedition. In 1597, when the authorization was again granted to Oñate, Viceroy Monterrey chose a hard-boiled individual in Salazar to conduct the second inspection. As Hammond and Rey expressed it, "Perhaps the Count would not be sorry if Oñate still should fail" [1953, p. 14].

books written in sixteenth century Spain, notably that by Del Castillo written in 1522, rather than from actual business or legal documents produced by practitioners. Evidence from the Oñate inspections, representing documents prepared by practitioners in the rough and tumble frontiers of the Spanish empire, generally confirms Mills' interpretations.

For example, Mills describes the profound influence of Spanish law and contracts on the stewardship functions of accounting (record keeping) and its close relative, auditing (verification). This close linkage was evident in the Oñate contract and the consequent inspections. From this story, it is clear that *contadores* (accountants) and inspectors (auditors) played a key role in the administration of public and private affairs in New Spain.

It is not clear from just the Oñate records whether the inspections were required "by law or by contract" [Mills, 1990]. A requirement for an inspection was not stipulated in the Oñate contract itself, nor in its accompanying annotations, modifications and instructions supplied by viceroys Velasco and Monterrey. However, there is evidence suggesting its absence in the contract might have been an oversight. In Viceroy Monterrey's letter to the king on April 17, 1596, he said:

I do not know whether this inspection can be carried out without giving Don Juan reasons to complain *because the contract made with him was less demanding in these matters than is usual* (Emphasis added) [Hammond and Rey, 1953, p. 88].

That same letter to the king contains the suggestion that inspections are required by law.

I am searching for a person . . . to hold a review . . . *as prescribed*. (Emphasis added) [Hammond and Rey, 1953, p. 88].

From whatever cause, inspections were apparently well established and a normal part of the administrative fabric of New Spain, as shown by the following description of Viceroy Monterrey's decision to appoint Ulloa.

I proposed, at a financial meeting of the *audiencia* (court cabinet) to hold an inspection of the entire expedition, as was done in the case of the people going to the Californias. . . . authorized and attested copies of the inventory will be sent to His Majesty and the Council of the Indies [Hammond and Rey, 1953, p. 95].

It also seems clear from the importance given to the written Oñate contract, and in the care exercised in the notaries' reports, that Mills' observation that "the transition from oral to written business procedures" in Spain had been made "by the sixteenth century" is accurate [Mills, 1987, p. 100]. The extensive reports and recordings prepared during the two inspections show with little doubt that "the written instrument commanded wide respect in the Castilian legal system" [Mills, 1987, p. 100].

Mills also observes that in Spain the oath was an important juridical device [1987, p. 101-102]. In the Oñate inspections, the notary frequently recorded that a person "took their oath in due legal manner." For example, in the Ulloa inspection 27 instances of oaths were recorded—24 single oaths, two accompanied by named but unsworn witnesses, and one instance with compurgators. These included frequent references to divine authority, as Mills indicated was the practice in Spain.

In European Spain, the use of public notaries provided a high degree of probative capacity to recorded business transactions [Mills, 1987, p. 105]. In the Oñate inspections, the appointment and use of a royal notary was a very important part of the inspection procedures. All counts and reports were attended, recorded and signed by a royal notary.

Recording Procedures Used in the Inspections

Given the nature of the engagements, the recording procedures used in the inspections were essentially scribal, where the notary wrote down what was done, what was said, and what was counted during the inspection. The proper method for recording business transactions recommended by Del Castillo in his 1522 treatise was found throughout the two inspections [Mills, 1986, p. 70]. Adapting Del Castillo's prescription to the recording of inventory counts, this included the date of the count, the amount of goods inspected, the names of the parties involved (those presenting the goods and those inspecting), the place or location of the count, and any other details to lend credence to the records. Each recording included a listing of the results of the counting/weighing procedures, usually in relation to what Oñate had promised in his contract, a copy of which must have been on hand in the field. For example, the following is a typical notation from the Ulloa records for footgear expressed in money-value.

The governor offered to take 500 pesos' worth. The amounts from these six entries total 589 pesos and 7 tomines. There is thus a surplus of 89 pesos and 7 tomines [Hammond and Rey, 1953, p. 132].

In the Ulloa records, the "priced items" were apparently recorded in columns, but the columns themselves were not shown. It appears that these columns could then be totaled. The following are three examples of references to columns:

So of the 600 pesos that the governor promised to take in iron to make into goods, he had a surplus of 52 1/2 pesos; this sum was entered in the margin opposite the column of his offer of 600 pesos [Hammond and Rey, 1953, p. 130].

This he takes as surplus, since he did not contract to take any steel, so it must be entered in the surplus column [Hammond and Rey, 1953, p. 132].

He is taking a surplus of 96 pesos, 2 tomines, 3 grains. Each sum is entered in the appropriate column [Hammond and Rey, 1953, p. 141]

When recording the unpriced items, items measured in units only, columns were not used for entering the counts. No evidence was found of any double-entry recording or double-entry logic in what was essentially a register and listing procedure.

Although questions have been raised in previous sections of this article about the accuracy of Ulloa's counts, no errors were discovered in the formal recordings of the notaries. In other words, while Ulloa may have been careless in his conduct of the inspections, the notaries' recordings of what they were told to record appeared to be well done throughout. After examining many pages of recorded counts of supplies, equipment, livestock, soldiers, and the like, no arithmetic errors or careless entries were noticed. Indeed, three instances were noticed where the notary corrected himself after a notation mistake, viz. "a shortage of six arrobas and ten pounds—I mean five arrobas and ten pounds" [Hammond and Rey, p.217].

CONCLUDING REMARKS

This article reports on a study of the translated official records of two inspections or inventory counts, conducted in 1596 and 1597, of the Oñate expedition before it left Mexico City to establish a colony in present-day New Mexico. The study had

three purposes: (1) to underscore the role of such inspections in the Spanish legal system, (2) to describe the practices used by the inspectors in the Spanish colonies in the sixteenth century, and (3) to compare and contrast the methods used in two different inspections of Oñate, in order to assess their respective quality.

A number of findings are reported.

1. Great importance was accorded by all parties to Oñate's obligations contained in a written contract. As a consequence, the authorities commissioned two lengthy and expensive inspections to determine whether he had complied with his promises. This evidence supports Mills' [1987] contention that, in preindustrial Spanish society, legal and contractual requirements were influential in determining the need for and the form of accounting and accounting-related practices. This observation can now be extended to practices in northern regions of the Spanish empire in the Americas.
2. The inspection and recording procedures performed in an isolated frontier of the Spanish empire in the sixteenth century, within 50 years of its initial European discovery, are, taken as a whole, of reasonably high quality, and are evidence of a moderately rapid transfer of such technologies from Spain to its colonies.
3. Substantive differences were found between the two inspections in their organization, the independence of the inspectors, the types of evidence each judged to be appropriate, and the degree of thoroughness and care exercised. These differences reflect the nature of verification work in any age, where the methods used are driven as much or more by the attitudes and decisions made by the verifiers as by any notion of a set of accepted practices.
4. The record keeping procedures used in the inspections were largely narrative. There was some evidence of using a columnar format for recording money-valued items, but no evidence was found of any double-entry thinking in the recorded counts.
5. Differences in the quality of the two inspections—one judged to be of high quality, the other less so—raise historical questions about (1) Oñate's readiness for the expedition at any time, and (2) previous explanations for his contract shortfalls in men and materials. Such ques-

tions go beyond the technical accounting issues of record keeping and verification.

Finally, there are two additional results from this study. It should encourage others to study the history of Spanish accounting and related practices in its colonies. Since Spain at that time was the preeminent world power, its influence on accounting and business practices in the new world would have been substantial. Also, the study shows how technical accounting practices, such as verification procedures, can shed light on historically important individuals and events like the Oñate expedition.

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