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## The Impact of War: New Business Networks and Small-Scale Contractors in Britain, 1739-1770

Gordon Bannerman London School of Economics Houghton Street London WC2A 2AE

5 Smith Street (G/R) Dundee Scotland DD3 8AZ G.E.Bannerman@lse.ac.uk

Dr Gordon Bannerman is a private tutor, researcher, and author based in Dundee. He received his PhD. from King's College London in 2005, having previously studied medieval and modern history at the London School of Economics and King's College London (BA: LSE, 1997; MA: KCL & LSE, 1998). He has published numerous scholarly works, notably *Merchants and the Military in Eighteenth-Century Britain* (London: Chatto and Pickering, 2008) and "The Nabob of the North": Sir Lawrence Dundas as government contractor', *Historical Research* (February 2010).

## The Impact of War: New Business Networks and Small-Scale Contractors in Britain, 1739-1770

### Abstract

This paper argues that the resources and skills of military contractors were a crucial component of the war-making capacity of the British state in the mid-eighteenth-century. Contractors used product knowledge, access to capital and credit, market intelligence, and personal and professional connections to effectively perform contracts, and by doing so contributed towards operational capability and combat readiness. Contracting not only reveals the diversity of the domestic economy but also the degree of connectivity between different sectors. Problems of scale, cost, and risk were overcome by harnessing and channelling broad expertise across different sectors. If modern states were highly innovative in fiscal-military terms, contractors were no less so in managing extensive supply operations.

supply provisions contracts sub-contracting horses logistics encampments garrisons merchants financiers wealth corruption

#### **Introduction: the contours of military contracting**

Recent work on naval contractors has coined the term 'the contractor state'. This term represents a long-overdue scholarly recognition of the continuing importance of military contractors to the British state in the late eighteenth and early nineteenth century. Earlier, in the mideighteenth-century, the term is perhaps even more applicable, for state supply organisation was more rudimentary and private enterprise arguably more important. A number of factors converged to produce a situation whereby contractors were an integral component of the supply system, and clearly 'the contractor state' is not necessarily specific to one generation or one conflict.<sup>1</sup> As this paper argues, consistent with the introductory essay, the partnership between the state and private enterprise was a close one, and a simple dichotomy between state organisation and private enterprise should be avoided. These interests were complementary, and closer state supervision often meant an increase and not a decline in the extent of military entrepreneurship.

In Britain, for constitutional reasons, and on account of the lesser incidence of warfare as opposed to Continental Europe, specialist military contractors were not easily found. However, between 1739 and 1770 a cohort of contractors emerged, constituting a private ancillary supply corps in functional if not administrative terms. The British state proved adept at drawing expertise from a highly-stratified and well-developed domestic economy. In the process, British military forces, and specifically in the following paper the British army, benefited from private capital resources and commercial expertise from within the domestic economy. Not only the 'Contractor State' but also the 'sub-contractor state' operated in tandem with the 'fiscal-military state', and the harmony of interests between private profit and public service proved essential to the operational efficiency of the British army. In recent years, our understanding of the contours of the eighteenthcentury British 'fiscal-military state' has been enlarged by the emergence of a more nuanced version of John Brewer's concept. Recent studies have shifted the analysis from the state's tax-raising abilities towards its spending commitments and priorities. Defence expenditure and the administration attending the conduct of war, the 'military' element of the state, is now attracting scholarly attention. The efficiency of that state apparatus in partnership with private enterprise is a central theme of recent work on the Royal Navy. As Knight and Wilcox point out: "Private-sector involvement was crucial, but it needed to be delineated clearly and managed effectively both by those on the spot and by administrators in London".<sup>2</sup>

For the eighteenth-century army, the absence of a commissarial structure meant that much vital work was conducted under contract. albeit with a modicum of state oversight and monitoring. Parrott has shown how war in the seventeenth century incorporated 'complex calculations of potential profit, systems of credit, and extensive of sub-contractors'.<sup>3</sup> The great contractors of the networks seventeenth century, in the guise of proprietary colonels controlling the chain of resource allocation, were in decline though not completely defunct by the eighteenth century.<sup>4</sup> Regimental ownership was an important element of continuity in the management of armies long after the mid-seventeenth-century.<sup>5</sup> Contracts with private suppliers had existed for centuries but terminological differences between regimental colonel-proprietors and civilian contractors were differences of substance and not just nomenclature.<sup>6</sup> The legacy of this system was variable, but in Britain (arguably outside the mainstream military enterprise tradition) while there was a shift from military to civilian personnel, colonels retained regimental privileges.

The financial 'business of the regiment' was an intricate affair, with stoppages from pay levied for clothing, forage, and other contingencies, and arcane regulations and calculations surrounding the remaining soldiers' pay, known as 'Off-Reckonings'.<sup>7</sup> On behalf of colonels, regimental agents made contracts with clothiers or

secured contracts themselves.<sup>8</sup> Colonels and regimental agents retained the ability to accrue considerable wealth, and the latter group, including most notably John Calcraft, with an estimated fortune of  $\pounds 250,000$  (*Gentleman's Magazine* 42 (1772), 392), became very wealthy. Supply on a regimental basis illustrates the persistence of decentralization and the retention of authority and privileges of established institutions and elites.<sup>9</sup>

Contractors made agreements with government departments but were allowed considerable latitude in meeting the contract terms, by organising procurement, delivery and distribution, and had to use their market knowledge and connections to deliver the standards, quantities and quality required at the times stipulated.<sup>10</sup> For the government, private contracting offered wider access to a range of markets which government officials would have found incredibly difficult if not impossible to organise. Those perennial operational supply problems, of accessing technical expertise and specialist skills in manufacturing, supply and transport, were powerful technical and financial imperatives. In these terms, the use of contractors was overdetermined, for as Parrott has asserted, the state could access 'a largescale, diverse, and efficient system of manufacturing and supply without having to capitalize its structure and operations on any significant scale, as would have been the case if the decision had been taken to establish a supply corps'.<sup>11</sup>

Out-sourcing of supply always raised the risk of fraud and corruption, and there was always 'Country' opposition to brokers, loan merchants, and contractors 'tax-eating' beneficiaries of a bloated state apparatus. The tendency to view contractors as uniformly rapacious and/or corrupt often arose from criticism of those whose wealth marked them as vulgar parvenus and as the unacceptable face of 'new wealth.' Combined with absurd pre-Weberian bureaucratic organisation practices and the survival of antiquated medieval offices as a vehicle for sinecures, fees, and patronage, it is easy to see contractors as part of a parasitic political system of 'Old Corruption' with personal gain, self-interest, and aggrandisement as defining features of the eighteenth-century state.<sup>12</sup> Yet as the introductory essay indicates, in assuming risk, organising supply on an often vast scale, creating supply networks, and creating employment, contractors acted as quintessentially eighteenth-century capitalists. Moreover, it was not a select band of elite financiers and merchants who were the beneficiaries of the military supply system, for as the following essay argues, war supply was well-integrated with and drew upon many different sectors of the British economy. This much is clear from the extensive sub-contracting which underpinned the performance of so many extensive contracts. The 'hidden wiring' of sub-contracting was in many ways the vitally important element in the successful performance of many contracts, and indeed far more characteristic and important to the entire system than the welldocumented examples of fraud and sharp practice.

### British experience and exceptionalism

Earlier in the eighteenth century, during the War of Spanish Succession, the great specialists, primarily Sephardic Jews, having served in the same capacity in the final quarter of the seventeenth century, were employed by William III, in supplying bread, wagons and forage to the army.<sup>13</sup> Yet Britain diverged somewhat from the model of contract-making which informed the position of the Munitionnaires in France. While central negotiation of contracts, leaving considerable scope for the arrangements surrounding contract performance, was broadly similar, there were important differences. While many officers complained about the onerous administrative duties attached to making contracts, especially abroad, difficulties were largely overcome by close liaison between officers, government officials, and contractors.<sup>14</sup> Moreover, problems of inefficiency, lack of accountability, and a fundamental ignorance of actual conditions which blighted centrally-arranged contracts, appear less apparent in Britain. By providing an interface where military officers and commissarial officials performed their tasks in providing guidance and oversight, the government ensured accountability, frugality, and cost-effectiveness underpinned the construction and performance of contracts.<sup>15</sup>

Larger armies, higher expenditure and a prolonged period of conflict were essential prerequisites towards a more pronounced use of civilian contractors.<sup>16</sup> By the mid-eighteenth century, the commercial profile and socio-economic status of contractors was much more diverse than previously. The challenge for government was to find a suitable array of contractors who could supply the army in a timely, reliable, and efficient manner. Economic function was closely linked to socio-economic status; wealthy London merchants and financiers conducted contracts for remittances and provisions to garrisoned troops abroad. When the army was on active campaign or in domestic camps, a different type of contractor, typically men engaged in domestic agricultural occupations, including farmers, horse-dealers, grain merchants, and even bakers and millers, came to the fore to supply bread, wood, straw, and forage.<sup>17</sup> This diversity was perhaps a case of British exceptionalism, arising from the intricacies of a highly-stratified, integrative economy. As early as the 1720s, Daniel Defoe noted how the growth of London food markets had encouraged regional specialisation. Certainly, by the mid-eighteenth century, the ability of producers to cooperate, coordinate, and exchange was facilitated by sophisticated financial institutions and instruments, and a well-developed transport network, and infrastructure. These factors allowed room for those lower down the economic scale to contribute to the supply system.

Despite, or perhaps because of, the multi-faceted nature of contracting, only relatively recently have attempts been made to examine these sectors.<sup>18</sup> These studies have demonstrated difficulties that could beset the actual performance of contracts, while also identifying contractors in this sector as from a different social milieu from London financiers and merchants. Equally, the importance of sub-contracting has now been recognised as common for all contracts, and acknowledgment of this often shadowy world indicates that military contracting encompassed a wide range of personnel including agents, tradesmen, and labourers. Operations including procurement, shipping, transportation, and food supply, necessitated extensive business contacts and diverse expertise. The financial rewards may or may not have been commensurate with the time, effort, and expertise

expended, but any attempt to generalise as to profit margins or to impose a pattern of expected profitability is likely to be inaccurate. Contracting was a very diverse activity, with many highly variable factors affecting profitability. Sub-contracting was conducted on a bewilderingly wide scale, and while account books are scarce, the records of commissaries indicate the great variety and number of suppliers and the complex and layered functions involved in military supply.<sup>19</sup> An alternative focus of study which illustrates a similar process has been recounted by Bowen, who has shown how the growth of the East India Company from the mid-eighteenth century fuelled expansive opportunities to a wide variety of merchants, naval suppliers, tradesmen, and artisans throughout Britain. The Company utilised pre-existing supply networks to forge a high degree of integration with the British economy and in the process the livelihood of tens of thousands of people within Britain became linked to if not dependent on the fortunes of the Company.<sup>20</sup>

Similar processes were at work in the supply of the British army. Military contracts made an impressive impact on many sectors and individuals. In terms of performance all contracts contained four key elements: Production, Procurement, Transportation, and Distribution, and all these elements required a skill-set based on logistical and organisational prowess and the fundamental ability to coordinate and manage supply operations. Taking for example the 1756 contract for encampments in Southern England allows us to examine the functions and responsibilities of contractors, the scale of operations and the degree of commissarial oversight. The administrative structure was well-defined with a highly-refined staff structure which incorporated a proportionate degree of accountability and transparency. This was all the more impressive since the efficiency of the hastily-organized supply organisation largely depended on the appointment of responsible and skilled personnel, rather than merely adapting a preexisting organisation.

Abraham Hume was appointed Commissary-General responsible for overall administration and supervision of encampments.<sup>21</sup> Under Hume were two Deputies who superintended and directed Under-

Deputies, and also visited camps to monitor activity-the appointments were considered by the Treasury and approved by the Duke of Cumberland. The Under Deputies' tasks consisted of inspecting magazines, assessing the quality of provisions, and ensuring that the quantity contracted for had been supplied.<sup>22</sup> Difficulties were compounded by the fact that the 1756 encampment contract was the first of the war, and administrative regulations governing provision of supplies were rather unclear. Moreover, the presence of Hessian troops created further complications in terms of particular demands.<sup>23</sup> As with troop transports held in readiness and fleets stationed in home waters and the Mediterranean, camps were called into being to deal with the invasion threat of 1756. As the year progressed and no invasion materialized, their military value and financial cost became an issue. The Duke of Bedford questioned Henry Fox as to why troops were 'not sent somewhere or other to attack the Enemy in some part where an impression might be made'.<sup>24</sup> In the event, owing to vicissitudes in troop movement and official caution, there was a considerable surplus which was a positive indication of the capacity of the public-private partnership of government and contractors to meet demands.<sup>25</sup> Contractors and commissaries were part of the multi-agency approach, essentially private supply with 'some central administrative oversight' which successfully utilized and harnessed pre-existing skills from within the domestic economy.<sup>26</sup>

Mass mobilisation of widely-dispersed troops posed unprecedented challenges for the British state, and necessitated a high degree of coordination, cooperation and delegation of authority in organising supply operations. The state apparatus was diffuse, supply organisation flexible, and supply methods mixed. The number of troops supplied, their location, troop density relative to location, and the agricultural productivity of the hinterland all had to be considered in arriving at a resolution on supply methods. In the absence of contractors obtaining goods from a wider geographical area to supply concentrated forces, predictable shortages and the dislocation of local economies arose. In Scotland in 1746, difficulties procuring horses and wagons from the town of Perth forced the military authorities to resort to the more economically-developed Edinburgh.<sup>27</sup> Similar difficulties were encountered during the same campaign in remote Highland locations with bread shortages only prevented by the foresight of the Duke of Cumberland whose expertise as a 'Providore' was duly if rather unctuously noted by other officers.<sup>28</sup>

Local economic dislocation was not uncommon. Travelling through southern England in 1756, the British army officer James Wolfe informed his mother: 'We have ruined half the public houses upon the march, because they have quartered us in villages too poor to feed us without destruction to themselves.'<sup>29</sup> Similarly, in Germany in 1758, amid confused objectives and demarcation of authority, a lack of foresight to anticipate shortages resulted in forcible seizure of forage from peasants.<sup>30</sup> These incidents, far from uncommon, indicated that mid-eighteenth-century armies were becoming too large to be supplied by traditional methods of local procurement, and the depredations of 'living off the country' explain why locals often feared approaching armies and hid 'every portable consumable.'<sup>31</sup> As Lord Hardwicke informed Joseph Yorke, 'we understand very well sacks to forage corn in to be a kind of thieving utensil legitimated by the practice of war.'<sup>32</sup>

The scale of military expenditure in the years before and after the extensive mobilization of the Seven Years War provides some indication of escalating demands and the difficulties in providing for a larger number of troops. As Table 1 demonstrates, there was a great need for such expertise.

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	Armed	Navy	Ordnance	Total
	Forces			
1750	£1,338,095	£1,384,747	£227,520	£2,950,362
1755	£1,399,391	£1,814,324	£177,139	£3,390,854
1760	£8,249,277	£4,538,651	£681,793	£13,469,721
1764	£2,233,552	£2,149,693	£278,678	£4,661,923

Table 1. Expenditure on Great Britain's armed forces 1750-1764 (select years)

Figures (rounded off) extracted from *Parliamentary Papers*, 1868-1869, Volume XXXV (I) Public Income and Expenditure

During the war, some detected a favourable shift in popular opinion towards the army, though the extent of anti-militarism outside of the British political classes has perhaps been exaggerated. One pamphleteer noted in 1760:

'I own indeed that amidst the Dangers of this War, and the Threats of an Invasion, the vast army now on our Establishment, is necessary: But what I lament is to see the Sentiments of the Nation so amazingly reconciled to the Prospect of having a far more numerous Body of regular Troops, kept up, after the Peace, than any true Lover of his country in former Times thought, could be allowed without endangering the Constitution'.<sup>33</sup>

Nevertheless, the expense of the mid-century wars led to calls for retrenchment after 1763. Yet, while peacetime military expenditure remained higher than previously, a convincing case was made that the increase had to be offset against savings made from the reduced number of men, and by lower contract prices.<sup>34</sup> Sober and well-informed counsels such as Charles Jenkinson offered a judicious analysis and explanation of the heightened expenditure:

'If it be asked why expences of this sort were less during King Williams Wars & the War for the Spanish Succession than in the two last Wars I answer that in the first place the Dutch had the whole management of this Businesss, [*sic*] in some instances they bore the whole of the expence ... a great part was also paid by Contributions drawn from the Enemies Country, another reason was that the War was nearer at Home & therefore was more under the Inspection of the Treasury & the Government of the Country, but when we became principals in the War, & these Wars were carried on at a great distance it was then that these expences swelled to the enormous amount that We have seen of late, as a proof how much distance opperates in Cases of this nature'<sup>35</sup>

Higher costs inevitably followed from more extensive and intense warfare, undoubtedly exacerbated by Parliamentary control of military finance after 1688 which ensured sharp increases in wartime expenditure. The Navy remained the senior military service, and naval organization was characterized by clear spheres of authority and precise demarcation of functions and responsibilities. While the Treasury regulated funds issued to the Navy, they neither questioned its allocation or level of expenditure<sup>36</sup> The situation was different for the army, for unlike the large European standing armies, the army laboured under constitutional and institutional limitations which lent a makeshift, irregular, and informal character to many of its processes and operations, including its supply system.<sup>37</sup>

Outside of 'military' suppliers of weaponry and gunpowder, government proved adept at utilizing pre-existing sectors which were closely integrated within the domestic economy. While meaningful, the notion of 'military' and 'non-military' supplies does not adequately convey the extent to which they were connected. For example, providing gunpowder called for the logistical and transportation expertise and infrastructure of other domestic sectors.<sup>38</sup> The prospect of profitability was inevitably attractive, and indeed essential, if men were to risk capital and reputation. Scale and volume posed challenges ultimately overcome by expertise, specialization, intricate business networks, and the inter-connected nature of many sectors. While military needs were more episodic than the Navy, the temporary nature of military supply allows us to capture something of its evolution, and to identify those involved as well as locating their socio-economic position, sector and function.

### **Contractors and military efficiency**

Historians have long recognized that contractors were a crucial component of the war-making capacity of the state.<sup>39</sup> In terms of scale, they were perhaps the greatest 'middlemen' of the eighteenth century. Trust in the creditworthiness, ability, and character were important factors in awarding contracts. Equally, patronage, clientage, and political cronyism could also influence, often decisively, the

appointment of contractors.<sup>40</sup> For government, risk-aversion was the uppermost consideration when negotiating contracts, and terms and conditions were carefully-constructed to ensure contractors were responsible for all uncertainties and vagaries, including heightened costs. Indeed, risk applied not only during performance of a contract. Contractors bore the risk of over-stocking, and subsequent loss, which might need to be sold in a glutted, post-war market after demobilization. The need for rapid movement between peace-time establishments and wartime military mobilization ensured contracting represented the most efficient means to achieve this transformation.<sup>4</sup> The transition from war to peace often proved difficult for contractors, especially given the government's eagerness to renegotiate contracts with the return of peace. At the end of the Seven Years War, one contractor complained of suffering caused by contract terms and 'most uncommon and unforeseen events.'42 Ultimately, given the state of economic development, and the considerable risks and disincentives attached to state assumption of responsibilities for the military apparatus, private contracting represented the most rational and effective supply method in the mid-eighteenth-century.

Sir Lewis Namier famously related how 'Fortunes were made and the greatness of families founded in army magazines and bread waggons'.<sup>43</sup> In fact, many contractors, especially merchants possessing financial and victualling contracts for foreign garrisons, were already wealthy and financially and politically well-connected before they engaged in military contracting. Proximity to metropolitan political authority was one reason why contractors tended to be men with London connections, but pre-existing wealth was equally important. The procedures for tendering proposals aimed at testing applicants' viability, respectability and integrity. A combination of practical ability, commercial experience, and personal respectability and creditworthiness were required to secure contracts, which introduced an inherent bias towards London merchants who most readily possessed the requisite attributes, as well as other advantages such as geographic location and political connection.<sup>44</sup> Given the nature of eighteenth-century political culture, none of this is particularly surprising. Clearly, the performance of vital military

services by inexperienced people predominantly seeking political and social advancement was not the happiest conjunction of factors. Yet, despite the prevalent culture of clientage and patronage, care was taken to award contracts only to those who possessed the ability to perform them, and patronage was rarely the only factor in awarding contracts.<sup>45</sup>

The competent, honest, and diligent performance of contracts was a major concern for government. Opportunities for fraud and collusion existed but allegations of malpractice and financial irregularities were investigated thoroughly, accounts were audited carefully, and penalties and sanctions applied if abuses were discovered. The Comptrollers of Army Accounts was established in 1703 'to keep an Account of all Money issued from the Exchequer to the Paymaster General of the Forces; register the uses to which it was to be applied, and examine the Vouchers and acquittances justifying the payments made by him'.<sup>46</sup> Fraud allegations were also investigated by other government departments connected to Army, Navy and Ordnance and while there was substance to some allegations, many were found to be vexatious and motivated by envy and jealousy.<sup>47</sup> Not content to leave such important matters to officials, Ministers themselves became concerned, with the Duke of Newcastle and William Pitt well aware of the political significance of contract performance, especially where clientage relationships were involved, with Pitt even allegedly threatening Newcastle with impeachment if provisions or money were deficient.<sup>48</sup> If political influence featured in awarding garrison contracts, 'sharp practice' in the form of manipulation of competitive tendering could also be problematic. Advertisement promoted competition for encampment contracts and introduced unpredictable elements into the procedure.<sup>49</sup> While the Treasury was intent on awarding the contract to the lowest bidder, pending adequate security clearance via sureties, potential contractors had to submit applications which were realistic: securing an unprofitable contract was a prospect which had to be avoided.<sup>50</sup>

While many of the most lucrative contracts were held by financiers and merchants, contracting required inputs from many other sectors. Possessing a more humble but nevertheless respectable status encompassing a modicum of pre-existing wealth were those like Richard Oswald whose broad mercantile portfolio included financial, colonial, and shipping interests—as with other merchants, contracting was a profitable sideline which contributed to but was not the main component of his wealth.<sup>51</sup> For remittance and victualling contracts, expertise in resource allocation and in accessing capital and credit might be sufficient but political connections could be useful and in some cases were necessary. However, for trade-related contracts where work was partially conducted or at least closely-coordinated by the contractor they were far less important. Further down the social scale were perhaps those closest to Namier's description, with farmers, millers, and others keen to extend their activities from the base of their primary business. For the domestic camps of the early 1740s, a joint proposal to supply Hounslow Heath camp, made by two bakers, a miller, a mealman, and corn chandler reveals the integrative aspects of related but separate occupations, and the applicants' readiness to cooperate and assume responsibility for a large contract indicates the existence of considerable confidence among men in this sector <sup>52</sup>

#### Sub-contractors: the hidden wiring of military contracts

In the area of sub-contracting one can find relevant and convincing evidence for the impact of war in expanding commercial operations. Victualling contractors used a large number of suppliers acting as sub-contractors as part of their routine wholesale and retail business. Given the weekly rations for troops, including a range of products like bread, beef, peas, butter, and flour, it could be no other way.<sup>53</sup> That was nothing new, for similar practices were evident in earlier wars. What was notably different in the mid-century wars was the closer cooperation and coordination between merchants and tradesman, and the capability of men lower down the social scale to perform extensive contracts. Given the scale of tasks involved, the vibrancy and cross-fertilization of skills, innovation and personal connections across and within various sectors of the domestic economy is fully apparent.

Horse dealers and the transportation industry are a case in point. The raising of large number of troops meant transport infrastructure must be improved. In September 1756, the London Evening Post reported a 'great Number of Horses were bought at Newbury Fair for the Use of the Government.' (4-7 Sept. 1756). A month earlier, requested any 'Countrymen' advertisement an formerly apprenticed to smiths and farriers to contact the Friendly Society of Master Farriers where they would be 'immediately employed.' (London Evening Post, 29-31 July 1756). With no Government studs, horses, even for cavalry and dragoon regiments, were procured on the open market.<sup>54</sup> Horses were clearly a vital component of the pre-industrial economy and the military machine but it was also the case that men skilled in horseflesh enjoyed a degree of scarcity value and were highly-esteemed. The need for skilled men becomes readily apparent, given the estimate of an eightfold increase in horses in London between 1752 and 1765.55 As the St. James's Chronicle for 29-31 March 1764 reported, an estimated 6,000 quarters of oats were consumed weekly by approximately 32,000 horses in London in 1764. Reputable midcentury estimates, most notably William Owen's An Authentic Account published by the King's Authority, of all the Fairs in England and Wales (1756) demonstrate the thriving nature of the trade, with approximately 42% of the 3,200 fairs including horses.<sup>56</sup> The emergence of great London horse repositories, as reported by the London Evening Post (2-5 April 1757) was another sign of vibrancy though in other respects the trade retained many earlier traits, notably the prevalence of partnerships.<sup>57</sup>

The contrast between horse contracts and victualling contracts is striking, for whereas victualling contractors' co-ordinated supply, the supply of horses was in the hands of specialist dealers in London, and procurement could be problematic for those outside those circles.<sup>58</sup> There was a distinct community of London horse-dealers, and partnerships among them were common and almost certainly necessary to meet demand; for example, John Warrington and William Baldwin supplied horses for the Artillery Train in England between 1755 and 1757. Initially supplying one hundred

and thirty horses, the number rose to five hundred after a rapid escalation in mobilization. This contract was made by private approaches, a method not dissimilar to victualling contracts, since the leading horse-dealers were well-known, obviating any need for advertisement. George Grisewood and John Warrington supplied horses in Germany and French coastal expeditions as well as the Artillery Train between 1760 and 1762, where horses moved entrenching tools, artillery guns, and ammunition. Warrington was the named contractor but five others, William Hollamby, John Benson, George Grisewood, John Willan, and Joseph Gibson also supplied horses. of these men were Several substantial businessmen working in the nexus between horse-racing, horsebreeding, inn-keeping and mail-coach operations.<sup>59</sup>

Cooperation, collaboration, and coordination were essential to meet heightened demand. Over the wartime period, one thousand seven hundred and ninety two horses were provided between 1756 and 1762.<sup>60</sup> With skills in product knowledge and resource allocation, horse-dealers also sought involvement in supplying camps, with John Warrington submitting numerous proposals throughout the war.<sup>61</sup> The farmer and horse-dealer John Willan made an unsuccessful proposal to supply wood and straw in 1757.<sup>62</sup> In estimating rations and delivery times, the proposal familiarity with supply operations but suggested since governmental priorities were cheapness and the ability to supply all articles to all camps, Willan did not obtain the contract. In 1759 he was awarded the contract after meeting these criteria. The extensive contract consisted of supplying 215,167 loaves of bread, 55,394 rations of wood and straw, and 310,536 rations of hay and oats. In addition, upwards of eighty wagons, three hundred and thirty-six horses and eighty-four drivers were employed over the period 19 July 1759-6 June 1760.63

The business life of John Willan not only demonstrates the important practical and financial legacy of family connection in the eighteenth century, but more pertinently illustrates close business networks in London based on inter-related interests in coaching inns, horses, farming, and military supply. Those standing surety for Willan's 1759 contract worked in the same sector. William Baldwin was a partner in the contract for artillery horses of 1755-7, while William Godfrey was a commissary responsible for procuring wood and straw in 1756-7.64 By 1756 Willan had acquired farming land, stables, and residence on the Grosvenor Estate, and while successful, was not notably or ostentatiously wealthy.<sup>65</sup> After 1760, he acquired land at Marylebone Park and Hornsey Wood which allowed him to continue his business and help his nephew, also John Willan, to build a successful mail-coach business from the Bull and Mouth Inn, London.<sup>66</sup> More widely, Willan's participation in encampment contracts was followed by others engaged in agriculture. The contractors in 1761, John Boghurst and John Martyr, were Kent yeomen farmers while Samuel Tewkesbury, the contractor in 1762, was a Winchester farmer who had leased land for camps throughout the war.<sup>67</sup> The large number of proposals for encampment contracts is testimony to the vibrancy of local sources of supply, and the confidence of local tradesmen in their capability in resource procurement, allocation, and distribution.

Sub-contracting and the business networks which provided the infrastructure for it were complemented by partnerships, which were a way of spreading risk, procuring wider access to capital reserves, and utilising expertise, knowledge, and connections in a mutually-beneficial way. Most remittance and victualling contracts were performed by partnerships, for, despite diminishing profit margins, partnerships augmented capital and reduced the risk of potentially catastrophic losses. It was also a sensible strategy for government not to tightly over-concentrate contracts in a small number of hands.<sup>68</sup> Partnerships were particularly suitable for merchants whose trading connections were primarily attached to particular parts of the world, with Gibraltar, Portugal, and North America particularly notable.<sup>69</sup>

Similar financial imperatives underpinned contracts for the army in encampments or on campaign. With the outbreak of hostilities in 1756 Lawrence Dundas, after successfully conducting supply operations in Scotland and Flanders in the 1740s, renewed his career in military supply.<sup>70</sup> Dundas worked alongside Robert Haldane, an East India Captain, and Richard Oswald, a London merchant, in supplying English encampments.<sup>71</sup> Oswald was the named contractor but the contract was performed by all three men, part of a wider network of Scottish merchants in London, in partnership.<sup>72</sup> While Oswald, Haldane, Hume and Dundas worked in the same sector, the Scottish element in domestic contracting did not arise from favouritism as John Wilkes and others suggested, but emanated from experience, knowledge, and practical ability. Close business relationships were also indicative of a degree of clannishness Scottish merchants in London. While this particular among collaboration later broke down amid personal discord and legal dispute, with Dundas stating his determination 'never to have Partners', for merchants conducting larger, more capital-intensive ventures, partnerships had considerable value.<sup>73</sup>

Sub-contracting and partnerships were essential features in the multifaceted configuration of contacting. Yet, together with the competition surrounding the award of contracts, these arrangements can often make contracting appear as cloak-and-dagger affairs. Unfortunately for historians, it seems likely many agreements were verbal, informal, or unorthodox, and therefore unrecorded. Yet enough evidence has emerged to show the complexity of contracting, for, behind a simple agreement between a government department and named signatories were a host of agents, correspondents, suppliers, assistants, and labourers. From the impressively broad reach of those involved, from horse-dealers and farmers to bakers and millers, it seems clear that a broad range of economic sectors participated in military supply. The various influences on the allocation and conduct of contracts should induce caution when assessing credibility, value, and performance.

#### Wealth, status, and economic legacy

The acquisition of wealth and status, the commercial spoils of war, led to variable results. For some, like Richard Oswald, activity in philanthropic and charitable work aimed at aiding the local economy and improving the physical environment.<sup>74</sup> Others flaunted their wealth more ostentatiously, purchasing country estates and seeking the approbation of landed society. Obtaining art collections and fine furnishings was common, and broad gradations of wealth or at least conspicuous consumption can be gleaned from taxation of luxury items.<sup>75</sup> Personal advancement in this way was not necessarily akin to naked self-interest at the expense of the nation, of seizing the 'vitals' of the nation, as numerous polemical pamphleteers claimed. Many contractors possessed a diverse commercial portfolio, and mercantile involvement in nascent industrial projects was common, often following exploitation of the resources of landed estates. This form of activity was frequently a post-opulence strategy to spread risk by channelling investment away from often hazardous overseas ventures.<sup>76</sup>

National economic development does not appear to have been damaged by the recurrent warfare of the mid-eighteenth-century. Despite unprecedented demand for money and the continuing rise in the National Debt caused by successive wars, interest rates remained low, and government loans continued to be successfully floated.<sup>77</sup> The obvious counter-factual is one which stresses that without war the economy would have performed better. There is no reliable way of quantitatively testing this claim. For the purposes of assessing the impact of war, it seems clear that industrial development continued and few infant industries suffered as a result of conflict. While warfare always disrupted commerce to some extent, measures to curb losses, like convoys, were fairly successful. Similarly, local economic dislocations and the variable fortunes of different sectors should not be taken as indicative of an economy distorted by military activity. In terms of real wages, foreign trade, and non-military investment, a good case can be made for viewing the stimulus given to demands for military materials having only a marginal impact, with little contraction of other forms of economic activity. Throughout the war, metal industries developed and expanded, manpower resources were enhanced by troops from the Celtic fringe, debtors, criminals, and colonists, and finance was continually available.<sup>78</sup>

The personal wealth accrued by contractors was important as a means of attaining gentrification and upward social mobility, and in this process there were clear economic gains. While acerbic political comment castigated contractors for profiteering and inordinate financial gain at the expense of army and nation, it is apparent that this was far too simplistic a view. Social and economic prejudices coloured and tainted the views of political observers and social commentators. Equally, evidence of economic vibrancy generated by contracting undermines the view that war was necessarily an unproductive form of economic activity. The major problem in assessing the nature and extent of sub-contracting is evidential. Contractors' business records are scarce, inevitably leading to gaps in our knowledge relating to profitability, the relative importance of contracts within business portfolios, and the extent of sub-contracting across different sectors. While unjustifiable to claim that war was a beneficial influence in the development of the British economy in the eighteenth century, it can be suggested that the prevalent warfare of the period did not act as a brake on economic activity or the development of the infrastructure of an emerging industrial economy.<sup>79</sup> Additionally, wealth accrued from contracts often aided fledging industries and provided further capital for foreign and domestic investment.

While statistical data on capital formation and investment during war and peace in the eighteenth century is unlikely to be more than guesstimates, considerable empirical evidence exists as to the extent of economic development and industrial growth. For Adam Smith by 1776, 'the progress of manufactures, and the improvement in the art of war' rendered it impossible for troops to maintain themselves in the field.<sup>80</sup> This bracketing together of economic development and military organisation underpinning reconfiguration of the relationship between the state, private enterprise, and military forces, was perceptive but controversial. Indeed, one of Smith's later acolytes, Richard Cobden, argued that military expenditure undermined the development of peacetime commerce. For Cobden, warfare subverted economic growth by diverting savings into taxes and debts in order to pay for unproductive military operations.<sup>81</sup> As a recent writer has pointed out, this interpretation distorts Smith's view that while the labour of the armed forces was unproductive, the labour of arms manufacturers and other private sector suppliers was productive, as it replaced itself and made a profit.<sup>82</sup> While the destructive capacity of war, even in earlier periods, should not be discounted, eighteenth-century warfare was still a long way from the twentieth-century model of total war, mass mobilisation, and widespread destruction. Localised in geographical extent, limited in scope, and concentrated in nature may be a more accurate characterisation.

The episodic nature of military activity meant the impact of military spending fluctuated, and was often highly localised when fixed on garrisons and barracks, and temporary when based on the transient use of resources and services. However, in terms of individual wealth and industrial development there was clearly a more long-standing influence. Greater integration between the state and private individuals, a higher degree of administrative rigour, and greater familiarity and capability towards large-scale operations were notable features. While technological progress was not particularly marked, traditional and modern techniques co-existed within many sectors and combined pre-existing methods evolved which production specialisation with technological innovation. Equally, although wars may not contribute towards economic growth in any direct or systematic way, what they tend to reveal is the extent of economic capability and capacity. The impressive range and scale of commercial activity was indicative of an expanding capitalist economy, drawing on traditional processes and practices while also financial instruments utilising innovative and harnessing technological advances. These diverse skills and practices reveal the complex skein of rural and urban resources within a highly-stratified economy.

#### Conclusion

The endurance and strength of the 'contractor state' largely rested on its responsiveness to the unpredictability and unforeseen demands of wartime. The expertise which the British state could draw upon was indicative of the vibrant nature of highly-productive agricultural and a rapidly-developing proto-industrial economy economy. Improvements in production and distribution, alongside moderate technological progress facilitated more efficient supply methods. Yet the human element was perhaps the most important of all, for only with expertise in coordination, planning and execution could the different elements involved in contracting be made to work together. Behind every contract was a myriad of people, trades, processes, and techniques. The named contractor acted as the coordinator, facilitator and middleman, but the largely hidden world of sub-contracting reveals many men who were diligent and who used their considerable expertise in the service of the state. The economic interests of many contractors surprisingly diversified, were encompassing traditional agricultural pursuits, high finance, and infant industrialism. While it cannot be denied that contracts were often lucrative and were often a means of social advancement, they were not sinecures, and skilled work based on knowledge and experience was necessary to their performance. From the vantagepoint of the early twenty-first century, the British supply system of the eighteenth-century appears to have been characterised by an intelligent use of available resources, and decidedly modern in its rigorous and rational approach to resource allocation and distribution.

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#### Notes

- <sup>1</sup> Knight and Wilcox, Sustaining the Fleet, 2-3; Parrott, Business of War, 300-304.
- <sup>2</sup> Knight and Wilcox, *Sustaining the Fleet*, 176.
- <sup>3</sup> Parrott, "Cultures of Combat," 527.
- <sup>4</sup> Ibid., 526-528.
- <sup>5</sup> Parrott, *Business of War*, 21-3, 300.

<sup>7</sup> For a concise explanation, see Francis papers, BL, Add Ms. 40759 fols 238-40 [undated].

<sup>8</sup> Guy, "Regimental Agency," 423-453; Smith, "Army Clothing Contractors," 156; Parrott, *Business of War*, 297.

<sup>9</sup> Bannerman, *Merchants and the Military*, 50-51, 117; Smith, "Army Clothing Contractors," 156.

<sup>10</sup> Parrott, *Business of War*, 300.

<sup>11</sup> Ibid., 303.

<sup>12</sup> Torrance, "Social Class and Bureaucratic Innovation," 58.

<sup>13</sup> Parrott, *Business of War*, 224; Perjes, "Army Provisioning," 1-52; Childs, *British Army of William III*, 230, 249-50.

<sup>14</sup> Carteret to Stair, 8 Apr. 1743, N.A., SP 87/12/ fols 8-10; Stair to Carteret, 12 Apr. 1743, SP 87/12/ fols 11-16.

<sup>15</sup> Parrott, Business of War, 224-226.

<sup>16</sup> Guy, Oeconomy and Discipline, 9.

<sup>17</sup> Demarcation of types of contract is evident from undated documents in the Chatham papers, National Archives [hereafter N.A.] PRO30/8/231/12-15; Baker, "Treasury and Open Contracting," 444.

<sup>18</sup> Hancock, *Citizens of the World*, 221-39; Bannerman, *Merchants and the Military*, 73-88.

<sup>19</sup> See account-book of the commissary Jacob Gomez-Serra [n.d. c. 1746], N.A. T1/322/29.

<sup>20</sup> Bowen, *Business of Empire*, 262-268, 285-288.

<sup>21</sup> Warrant, 13 Mar. 1756, N.A. T1/368/22.

<sup>22</sup> 'List of persons employed by Mr. Hume, 28 Apr. 1756', Cumberland papers [hereafter CP], Box 47/31; 'List of persons employed in Services relating to the intended Encampment', 6 July 1756, N.A., T1/367/38.

<sup>23</sup> Cumberland to Oswald, May 1756, CP, Box 47/36, CP, Box 47/37.

<sup>24</sup> 14 Oct. 1756, Ilchester, *Letters to Fox*, 94.

<sup>25</sup> Hume to Barrington, 25 Sept. 1756, T1/369/45; Treasury to Oswald, 6 Jan. 1757, N.A. T27/27/256.

<sup>26</sup> Parrott, Business of War, 20.

<sup>27</sup> Abraham Hume to Andrew Fletcher, 30 Mar. 1746, Saltoun Papers, NLS MS. 16627 fols
111-12; Bannerman "Abraham Hume," 268-285.

<sup>28</sup> Humphrey Bland to [Henry Pelham?], 9 June 1746, Newcastle Papers (Clumber), Ne C 1725.

<sup>29</sup> 1 June 1756, Willson, *Life and Letters of Wolfe*, 292.

<sup>30</sup> Lord George Sackville to Pitt, 11 Nov. 1758, Taylor and Pringle, *Correspondence of William Pitt*, 369.

- <sup>31</sup> Keegan, *History of Warfare*, 302.
- <sup>32</sup> 10 Oct. 1742, Yorke, *Life and Correspondence*, 308.
- 1 June 1756, Willson, Life and Letters of Wolfe, 292.

<sup>33</sup> Douglas, Letter Addressed to Two Great Men, 45-46.

<sup>&</sup>lt;sup>6</sup> Ibid., 2-3.

 $^{34}$  North Briton 42 (19 Mar. 1763), 141; 'State of the Diminution that may be made in the expense of the Army, Navy & Ordnance' [n.d. c.1763], Liverpool papers, Add MS 38331 fols 218-20

<sup>35</sup> Liverpool papers, Add Ms. 38383 fols 22-23 [n.d. *c*.1778]

<sup>36</sup> Baxter, Development of Treasury, 73-74; Baugh, Naval Administration, 469-470.

<sup>37</sup> For the momentum towards larger, permanent forces in the late seventeenth century, see Parrott, *Business of War*, 284-286.

<sup>38</sup> West, *Gunpowder*, *Government and War*, 16, 30-41, 85.

<sup>39</sup> Childs, Army of William III, 175.

<sup>40</sup> Namier, *Structure of Politics*, 45-58.

<sup>41</sup> Parrott, *Business of War*, 304.

<sup>42</sup> Joseph Smith to Charles Jenkinson, 3 July 1764, Liverpool Papers, Add Ms. 38203 fols 4-5; 'State of the several subsisting contracts for supplying His Majesty's Forces serving abroad with Provisions and for the Remittance of their Pay', [n.d. *c*.1764], Liverpool papers, BL Add Ms. 38338 fols 109-11

<sup>43</sup> Namier, *Structure of Politics*, 47.

<sup>44</sup> Bannerman, *Merchants and the Military*, 41-58.

<sup>45</sup> Ibid., 47-51.

<sup>46</sup> Memorandum of John Dick, Comptrollers' Office, 20 Nov. 1782, Chatham papers, N.A. PRO 30/8/231 fols 130-4

<sup>47</sup> See Ordnance investigation into unproven fraud allegations, Report Book, 8 Feb. 1760, N.A. WO47/55/114, 117-18; Bannerman, *Merchants and the Military*, 83-85.

<sup>48</sup> Extracts from Retrospection of Reminiscences addressed to Henry Thomas Colebrooke by Sir G. Colebrooke, 1729-1809 [n.d.], Fox Papers, Add Ms. 47589 fol. 6

<sup>49</sup> 26 Apr. 1758, N.A. T29/32/41-43; 3 May 1758, N.A. T29/32/44-45; Legal opinion, 29 May 1756, Dundas papers, ZNK X1/1/138

<sup>50</sup> Bannerman, *Merchants and the Military*, 60-65.

<sup>51</sup> Hancock, *Citizens of the World*, 221-239.

<sup>52</sup> 'To their Excellencys the Lords Justices', [n.d. 1740/1], N.A. SP41/21

<sup>53</sup> For a breakdown of rations, see the Louisbourg garrison contract, 30 Oct. 1758, N.A. T54/37/123-8

<sup>54</sup> Tylden, Horses and Saddlery, 3; Guy, Oeconomy and Discipline, 125.

- <sup>55</sup> Smith, Three Tracts on the Corn-Trade, 208.
- <sup>56</sup> Chartres, "Marketing of Agricultural Produce," 437.
- <sup>57</sup> Chivers, "Supply of Horses," 38.

<sup>58</sup> Lawrence Dundas to Lord Barrington, 14 Mar. 1756, N.A. T1/367/19.

<sup>59</sup> Bannerman, Merchants and the Military, 96-98.

<sup>61</sup> 26 Apr. 1758, N.A. T29/33/41; 25 Apr. 1759, N.A. T29/33/171-172; 9 June 1761, N.A. T29/34/95-97; 11 June 1762, N.A. T29/34/302-303.

<sup>62</sup> 19 May 1757, N.A. T1/375/108.

<sup>63</sup> 6 June 1761, N.A. AO1/175/515.

<sup>64</sup> 5 May 1756, N.A. T29/32/386; 'List of Commissaries of Firing and Straw', [n.d. *c*. 6 July 1756], N.A. T1/367/39.

<sup>65</sup> Unlisted in Plate Duty registers but from 1758 he owned a curricle before owning a Post-Chaise in 1761, Carriage Duty Register 1756-62, N.A. T47/3/72.

<sup>66</sup> Marshall, British Post Office, 200; Bannerman, Merchants and the Military, 100.

67 Bannerman, Merchants and the Military, 66; Baker, "Open Contracting," 444.

<sup>68</sup> Davis, Rise of the English Shipping Industry, 82-3, 100; Parrott, Business of War, 301.

<sup>&</sup>lt;sup>60</sup> Ibid., 88.

<sup>72</sup> Haldane 'who stands in the place of Mr. Oswald in the management of the Forage Contract of last year', 27 Dec. 1756, N.A. T29/32/427; Dundas to Andrew Mitchell, 7 July 1746, with £1,000 loan for Haldane if required, payable from George Ouchterlong, a Scots merchant in London: Sir Andrew Mitchell papers, N.A.S. RH4/70 (Reel 1: Bundle 53); Haldane, Haldanes of Gleneagles, 294-5.

<sup>73</sup> Dundas to George Ross, 26 Apr. 1759, Dundas papers, ZNK X1/1/48.

<sup>74</sup> Letters to Richard Oswald, Special Collections Dk1.30, letters from P. Malhench and Daniel Bloom, 28 Jan. and 23 Oct. 1766, fols 23 & 67

<sup>75</sup> Plate duties register, 1757-62, N.A. T47/5; Carriage and Silver Plate duties, 1764-66, N.A. T47/4; Bannerman, Merchants and the Military, 161-162.

<sup>76</sup> Devine, "Colonial Trades and Industrial Investment," 12-13.

<sup>77</sup> Black, *Trade*, *Empire and British Foreign Policy*, 103.

<sup>78</sup> John, "War and the English economy," 329-344.

<sup>80</sup> Smith, Wealth of Nations, 694.

<sup>81</sup> Hobson, *International Relations*, 69; Peter Cain, "Capitalism, War, and Internationalism," 230.

<sup>82</sup> Kennedy, Adam Smith, 165.

<sup>&</sup>lt;sup>69</sup> Namier, Structure of Politics, 45-64; Bannerman, Merchants and the Military, 49-50.

<sup>&</sup>lt;sup>70</sup> Bannerman, "Sir Lawrence Dundas," 102-123.
<sup>71</sup> Hume to Barrington, 19 Mar. 1756, N.A. T1/367/21

<sup>&</sup>lt;sup>79</sup> Ibid., 343.