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John J. TePaske



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ECONOMIC PROBLEMS OF FLORIDA GOVERNORS, 1700-1763

by JOHN J. TEPASKE

MANY PROBLEMS plagued the eighteenth-century Florida governor, but none vexed him more than the economic plight of his settlement. Florida was a poverty-stricken military outpost of the Spanish Empire on the northeastern fringe of New Spain. It was unable to sustain itself with mining or agricultural enterprises and was wholly dependent upon outside aid for its existence. Want, misery, and destitution were the lot of the soldiers and their families living in this unpopular community. Securing money and supplies for them was the governor's greatest single responsibility; no colonial question received his more devoted attention. ¹

THE SUBSIDY

Sole means of support for Florida came from an annual subsidy (*situado*) which before 1702 was paid from the royal treasury in Mexico City. Each year the governor of Florida and his principal military, religious, and political advisers chose an agent (*situadista*) to go to New Spain for collection of this subvention. This agent presented the governor's certified statements of the needs of Florida and bargained with the viceroy for the money and supplies required by its residents. What he obtained was then carried overland to Vera Cruz and put on ships bound for Havana, Cuba. From here the specie and goods were transhipped to Saint Augustine and distributed among the garrison there. ² The number of soldiers and royal officials actually serving in Florida determined the annual grant; by 1700 approximately

1. From 1700 to 1763 economic questions in Florida took first place with the governor, the king, and the Council of the Indies. The governors' letters, royal orders and dispatches, minutes of the Council, and opinions of its legal advisers far outweigh documents on other questions.
2. AGI (Archivo General de Indias, Seville, Spain), Audiencia of Santo Domingo (hereafter Santo Domingo), Legajo 843. Despacho del rey al gobernador de la Florida, 8 March 1702.

350 soldiers, their families, and a few royal officials - close to 1,600 people - demanded almost 81,000 pesos a year.³

Theoretically this subsidy was adequate to maintain Florida had it been properly administered, but in practice many evils cropped up. The viceroy found it profitable to delay payment, often for several consecutive years. He simply turned his back on the governor's agent until the Florida province absolutely demanded assistance to survive. The august ruler of New Spain then remitted only what was necessary to keep the Saint Augustine garrison alive temporarily while his huge debt to Florida for past subsidies continued to grow. In 1703 this debt amounted to 456,959 pesos.⁴

The complaints and entreaties of the Florida governor did little to eliminate the troublesome delays. Lack of ships in Vera Cruz to carry the subsidy to Florida, lack of exact information on the number of men actually serving there, and lack of money in his own bailiwick to pay the subvention were the viceroy's principal excuses.

A second abuse developed from these dilatory payments. The inadequacy of the Florida food supply, caused by the viceroy's procrastination, ultimately forced the governor of Florida to buy goods in Cuba on credit at high rates of interest.⁵ Thus when the subsidy was finally released, what little remained in hard money after purchase of supplies in New Spain was quickly gobbled up by usurious Havana merchants. Additional delays in payment then began the same cycle over again. Had the subsidy been remitted regularly, the governor could have avoided these exorbitant interest payments and used the money for the needs of the colony.

Price and quality of supplies furnished to Florida with money from the annual subsidy were other facets of the same problem. The governor needed specie badly. If his agent could buy supplies at a low price, more money remained to meet his other obligations. Unfortunately, the Florida agent made few bargains. The viceroy, probably in collusion with merchants in

3. AGI, Santo Domingo, Legajo 836. Despacho del rey al gobernador de la Florida, 28 May 1700. The grant for 1700 was 80,842 pesos, 2 reales, 16 maravedis.

4. AGI, Santo Domingo, Legajo 853. Testimonio de los autos fechos sobre la paga de San Agustin de la Florida: ano de 1703.

5. AGI, Santo Domingo, Legajo 840. Carta del provincial Fr. Simon de Salas del orden de San Francisco al rey, 14 June 1705.

Mexico City, bought food for the governor's representative at outlandish prices, even for inflation-ridden New Spain. In many instances foodstuffs were of inferior quality, and it was not uncommon to find wormy flour and rancid pork among the items destined for Florida.⁶ If these supplies were not contaminated at the time of purchase, a few months on the damp wharves of Vera Cruz considerably abetted the moldering process. The exorbitant cost of the journey by land from Mexico City to the Gulf and by sea from Vera Cruz to Saint Augustine drained still more pesos from the subsidy and added to the governor's economic woes.

REVISION OF THE SUBSIDY SYSTEM

In 1702 the persistent complaints of the governor of Florida finally brought about a change in the subsidy system. In March Philip V ordered that the annual Florida grant be paid from the sales taxes (*alcabalas*) of Puebla de los Angeles, situated south-east of Mexico City on the road to Vera Cruz. Responsibility for the subsidy was taken out of the viceroy's hands and given to the Bishop of Puebla, who had to disburse the money and buy supplies requested by the governor's agent. Half of every subsidy had to be in specie. To avoid the old delays, the king ordered the Florida agent to spend no more than six months in Puebla carrying out his charge.⁷ Arrangements were also made to remit annually twenty-five per cent in specie over and above the regular subsidy to retire debts owed from past *situados*.⁸

Several advantages apparently accrued to Florida as a result of the change. Since the annual income from the Puebla excise taxes was almost 140,000 pesos and the Florida subsidy was only 80,000 pesos, there was now a reliable source of income to provide the subvention.⁹ Prices of supplies were purportedly lower in Puebla than in Mexico City, and the journey to Vera Cruz was shorter and less costly.¹⁰ Perhaps too, there was hope that a

6. AGI, Santo Domingo, Legajo 836. Despacho del rey al gobernador de la Florida, 22 May 1702.

7. See Garbiel de Cardenas y Cano, *Ensayo cronologico para la historia general de la Florida*, II (Madrid, 1829), 349-354. AGI, Santo Domingo, Legajo 843. Despacho del rey al gobernador de la Florida, 8 March 1702.

8. AGI, Santo Domingo, Legajo 843. Despacho del rey allos oficial es reales de la real hacienda de la ciudad de Mexico en Nueva Espana, 13 January 1702.

9. AGI, Santo Domingo, Legajo 836. Consulta del Consejo de las Indias, 29 August 1710.

10. Cardenas y Cano, *Ensayo cronologico*, II, 356.

dedicated religious official would administer the subsidy more equitably than the viceroy had done in the past.

Once the new system was finally established in 1708, it was at least a temporary success. For a few years ships carrying the Puebla subsidy entered Saint Augustine inlet bringing the Florida colony its yearly quota of money and food. Between 1707 and 1716, 912,290 pesos in specie and supplies left New Spain for Florida.¹¹ The twenty-five per cent payments, in addition to the regular subsidy, retired the governor's old obligations to his soldiers and to Cuban merchants and eliminated a part of the old debt for past *situados*. In 1709 this debt amounted to 273,479 pesos;¹² five years later it had been cut to 211,290 pesos.¹³

THE OLD EVILS RE-APPEAR

But the picture soon changed. Delivery of the subsidy was still irregular and a source of real trial to the governor and his hard-pressed colonists. In the spring of 1712 English capture of a supply ship bound for Florida made cats, horses, and dogs real delicacies at Saint Augustine supper tables.¹⁴ At the same time these conditions enabled the second-in-command of the Florida presidio, Don Juan de Ayala Escobar, to exploit the residents of the colony. He illegally procured several boatloads of food from the English in South Carolina and sold them to the people of Saint Augustine. Desperate for food and tired of their domestic-animal fare, the hungry soldiers flocked to Ayala's shop and bought his high-priced meat and flour with what little they had saved or on credit against their future salaries.

It was a sordid affair, which the governor was powerless to handle. One pound of Don Juan's maize cost one real; in Havana one real could buy over one and one-half bushels of the same commodity. Meat priced at nineteen pesos in Florida brought only two pesos in Cuba. When Governor Francisco de

11. AGI, Santo Domingo, Legajo 854. Carta del gobernador de Cuba al rey, 20 January 1719.

12. AGI, Santo Domingo, Legajo 853. Informe de los oficiales reales de la Florida, 17 August 1712.

13. AGI, Santo Domingo, Legajo 854. Carta del gobernador de la Florida al rey, 24 April 1714.

14. AGI, Santo Domingo, Legajo 848. Testimonio en relacion sobre la buen a obra del señor gobernador y capitan general Don Francisco de Corcoles y Martinez, 20 December 1715.

Corcoles y Martinez attempted to arrest his avaricious second-in-command, the entire garrison threatened to mutiny. In a dramatic scene in the public square of Saint Augustine, the governor prudently backed down and, to the approving cries of the assembled residents, exonerated Don Juan.¹⁵ Ayala had kept them alive and they meant to show their appreciation. After all the governor had done little to help them.

In Puebla the governor's agent soon began to experience difficulties also. Long delays made a farce of the order requiring him to conduct his business within six months; shortages in payment of the subsidy also became common. Don Joseph Benedit Horruitiner, dispatched to New Spain in 1712, was unable to secure the full amount due him because of other warrants on the sales taxes which had drained the Puebla treasury. To make up for this shortage of over 13,000 pesos, the bishop's agents saddled Horruitiner with this amount in fine china, silk, and woolen cloth. For his part Governor Francisco de Corcoles y Martinez items for specie in Vera Cruz. Their pledge was a lie. He could not unload these dainties on unreceptive Vera Cruz merchants and returned to Saint Augustine with the unwanted dishes and cloth. For his part Governor Francisco de Corcoles y Martinez was outraged and threw poor Don Joseph into prison for dereliction of duty. From all reports he was not a model prisoner and died later while his case was being considered by the Council of the Indies in Spain.¹⁶

It did not take long for other abuses to re-appear. In 1716 and 1717 a delay of twenty-one months in remitting the subsidy cut the daily ration to less than two pounds of flour - this for soldiers with large families.¹⁷ The bad condition of food bought

15. AGI, Santo Domingo, Legajo 841. Consulta de la Junta de Guerra de las Indias, 11 July 1713. See also AGI, Santo Domingo, Legajo 847. Carta del contador de la Florida (Francisco Menendez Marques) al rey, 6 June 1712.

16. AGI, Santo Domingo, Legajo 848. El señor fiscal del Consejo de las Indias contra el capitán Don Joseph Benedit Horruitiner a cuyo cargo fue el situado a la plaza de San Agustín de la Florida sobre haber dicho capitán empleado el caudal de él en generos y mercaderías y paga a los soldados de aquel presidio . . . n. d. AGI, Santo Domingo, Legajo 848. Carta del gobernador de la Florida al rey, 9 February 1713. AGI, Santo Domingo, Legajo 843. Carta del gobernador de la Florida al rey, 23 April 1714.

17. AGI, Santo Domingo, Legajo 854. Carta del gobernador de la Florida al rey 22 June 1716. AGI, Santo Domingo, Legajo 843. Carta del gobernador interino de la Florida al rey, 22 November 1717.

in Puebla and its high cost also became a common gubernatorial complaint.¹⁸ In 1735 Governor Francisco del Moral Sanchez pointed out that merchants in Puebla made a fifty per cent profit on all goods shipped to Florida. Ordinarily six bushels of wheat cost eight pesos, but the special price for his Florida garrison was twelve pesos.¹⁹ The next year the English capture of the *situado* ship carrying 97,000 pesos in money and supplies added still more to Moral's financial troubles.²⁰ In what he imagined to be a discreet move, however, he paid his soldiers in rum (*aguardiente*).²¹ If he was unable to relieve their hunger, he at least hoped to make them forget it temporarily. In that his method proved highly unsuccessful.

THE GOVERNOR SUGGESTS REFORMS

Throughout the early part of the eighteenth century, different governors of Florida offered various solutions to the economic problems of their colony and presented reforms for the subsidy system. In 1715 Governor Corcoles suggested that two hundred Galician families be sent from Spain to Florida to farm the rich land near Apalache. Foodstuffs ordinarily purchased in New Spain or Cuba could thus be grown within the colony and relieve the garrison of its perpetual supply problem.²² This plan obtained ready acceptance from all but the poor Galicians, who refused the crown's offer of free passage to Florida and of aid in money, seed, and implements once they arrived. They protested to the captain general in Galicia that if they were to die of hunger, they would rather starve in Spain than in Saint Augustine.²³

A later effort to bring families from the Canary Islands proved more successful. Between 1757 and 1761, over seven hundred islanders migrated to Florida to aid in developing the

18. AGI, Santo Domingo, Legajo 854. Carta del gobernador de la Florida al rey, 24 April 1720.
19. AGI, Santo Domingo, Legajo 2530. Carta del gobernador de la Florida al rey, 6 March 1735.
20. AGI, Santo Domingo, Legajo 845. Carta del gobernador de la Florida al virrey de Nueva Espana, 26 March 1743.
21. AGI, Santo Domingo, Legajo 848. Carta del obispo auxiliar de la Florida al gobernador de Cuba, 22 December 1736.
22. AGI, Santo Domingo, Legajo 833. Consulta del Consejo de las Indias, 12 February 1715.
23. AGI, Santo Domingo, Legajo 2530. Consulta del Consejo de las Indias, 15 July 1739.

country agriculturally.²⁴ For the most part, however, they were a troublemaking group without real farming experience.²⁵ Their only real contribution was in aiding Governor Alonso Fernandez de Heredia in the establishment of a naval stores industry.²⁶ This enterprise, which gained impetus about 1757, had a bright future, but the Spaniards left Florida in 1763 before they could obtain any real results.

Immigration, aimed at making the Florida colony less dependent upon the subsidy, was a move toward self-sustenance, a basic reform. But other suggestions from the governor worked toward correction of the lesser evils of the subsidy system. In 1724 the able and beloved Governor Antonio de Benavides requested that the subsidy be sent by land instead of by sea. By maintaining a land route between New Spain and Florida, he hoped to eliminate the delays occasioned by the lack of ships in Vera Cruz. He envisaged a line of Spanish presidios on the Gulf Coast from Vera Cruz to Apalache. Initially these forts would serve as a protection for the land route, but eventually they might open the way for a lucrative coastal trade.²⁷ But to this far-sighted proposal, the Council paid little heed.

In 1735 and again in 1736 Governor Moral advocated another reform, which a predecessor had already promulgated.²⁸ Moral asked that the entire subsidy be remitted to Florida in hard money. This would then enable him to bargain for supplies more advantageously in Havana, Yucatan, or Vera Cruz. This, in turn, would destroy the monopoly of Puebla merchants, one cause of high prices.²⁹

On the surface, the proposal appeared sound, but Moral's motives were less than noble. Under his rule Saint Augustine had become a center of illicit trade with the English, an almost unpardonable Spanish colonial offense. In 1736 one resident wrote that Englishmen walked the streets of Saint Augustine

24. Francisco Morales Padron, "Colonos canarios en Indias," *Anuario de Estudios Americanos*, VII (1951), 429.

25. *Ibid.*, p. 403.

26. AGI, Santo Domingo, Legajo 2530. Consulta del Consejo de las Indias, 5 April 1758.

27. AGI, Santo Domingo, Legajo 865. El acuerdo del Consejo de las Indias, n. d., 1724.

28. AGI, Santo Domingo, Legajo 840. Carta del gobernador de la Florida al rey, 15 October 1701.

29. AGI, Santo Domingo, Legajo 2532. Carta del gobernador de la Florida al rey, 30 June 1734.

as if they were in London.³⁰ A Cuban official stated that during his short sojourn in Florida six English vessels had entered the harbor with supplies.³¹ Thus, with extra specie from Puebla, Moral hoped to bargain for food, not with merchants in Havana or Campeche, but with English traders. The Council was aware of his actions, however, and refused Moral's request. He was ultimately ousted in 1737 for deliberately flaunting royal strictures against such commerce.

Governor Manuel de Montiano, who succeeded to the governorship in 1737, advocated other innovations to cure the economic ills of Florida. In 1744 he shocked the king and the Council of the Indies with the news that the Bishop in Puebla owed his colony 530,140 pesos, a figure which aptly demonstrates the failure of the Puebla system to keep pace with the needs of the colony. To eliminate this exorbitant debit, Montiano set forth an elaborate devaluation scheme. He asked that 132,523 pesos be minted in special coins solely for use in Florida. Their value in relation to Mexican specie would be four to one—that is, the silver in one Mexican peso would be contained in four Florida pesos. While he admitted that the scheme would not work for the rest of the Empire, Montiano saw definite advantages for Florida. Not only would the new coins confuse English traders and make illicit trade difficult but also the new monetary system would prevent the flight of hard money from the colony since it had no value outside of Florida. In a spirit of unbounded optimism, he pointed out that a large debt could be completely paid off by a quarter of the amount actually owing. In Florida he could use the money for the needy, the construction of new buildings and defense projects, and payment of debts to Cuban merchants.³² He did not, however, propose any price-fixing system.

The Council of the Indies took up Montiano's proposal but agreed that a change in the intrinsic value of money was always a delicate point. Still, its members saw a chance to retire an outstanding debt by only a quarter of the amount due and the opportunity to eliminate illicit trade practices in Florida. Upon

30. AGI, Santo Domingo, Legajo 862. Carta de Don Philippe de Yturrieta al gobernador de Cuba, 28 August 1736.

31. AGI, Santo Domingo, Legajo 862. Carta del gobernador de Cuba al obispo de Cuba, 26 October 1736.

32. AGI, Santo Domingo, Legajo 849. Carta del gobernador de la Florida al rey, 8 February 1744.

the Council's recommendation the king ordered the Viceroy of New Spain to mint 150,000 pesos and escudos to be worth 600,000 pesos in Florida.³³ He also provided for an exchange of old and new money with merchants of the Royal Havana Company, which then had the responsibility of supplying the Florida garrison.³⁴ Again nothing resulted from these grandiose plans. There is no evidence that the viceroy minted the coins, which could have relieved the desperate economic plight of the Florida colony.

Two years after his proposal of the devaluation scheme, Montiano advocated another plan, which surely must have raised the royal eyebrows of the newly crowned Ferdinand VI. Montiano argued that the plight of those serving under him could only be alleviated by free trade with English colonies in America. He was, of course, aware of the laws against such a trade, but in his opinion, the only salvation for Florida lay in such a plan. Besides, it had certain very obvious advantages. Goods brought into Saint Augustine on English ships removed the risks and expenses involved when they were transported by Spanish vessels. Molded bread, wormy flour, spoiled corn, and rancid meat would be a thing of the past since he would be able to examine the goods to be purchased. In addition, English traders furnished supplies at lower prices than their Spanish counterparts. Twenty five pounds of English flour cost eleven reales while the same item cost sixteen reales in New Spain.

To circumvent the religious damage which might result from trade with English heretics, the governor suggested that all exchanges be made on Santa Anastasia Island across the river from Saint Augustine. In this way he could insure the residents of the town against contamination by Protestant sailors. Montiano also indicated that quick discharge of English cargoes would eliminate all opportunities for intercourse between the two nations.³⁵ The arguments were all on the side of the governor, but Ferdinand VI was not yet prepared to grant such a radical departure from traditional trade policy. As a result, the Florida garrison still con-

33. AGI, Santo Domingo, Legajo 838. Consulta del Consejo de las Indias, 6 July 1745.

34. A royal *cedula* promulgated late in 1740 provided for this new trading company.

35. AGI, Santo Domingo, Legajo 848. Carta del gobernador de la Florida al rey, 15 April 1746.

tinued to receive costly and tainted supplies. Expedience had kept the garrison going since 1565, and the king and the Council were willing to continue this policy.

THE REFORM OF 1740

The multitude of complaints and suggestions about the evils of the subsidy system brought about only one change after 1702. Late in 1740 the king ordered that the entire subsidy be remitted to Cuba in hard money. Here the newly formed Royal Company of Havana would contract for supplies required by the Florida garrison, obtain the necessary money from the *situado*, and send on the remaining specie to Saint Augustine.³⁶ A similar company, established in Caracas in 1728, had eliminated the need for a subsidy in that area, and undoubtedly the king and the Council hoped the same thing might occur in Florida.

Such hopes were unfounded. The new Havana Company still required the subsidy from Puebla to buy supplies for Florida. Unless it received the money, the company refused to send on the needed goods. During the company's first years, the governor of Florida engaged its directors in a perpetual argument over the price of goods and over specific articles of the agreement to supply his colony.³⁷ But in the main, it was the recurrence of the same difficulty - procrastination in New Spain - which lay at the root of these arguments.

After 1748, however, complaints of the Florida governor about non-delivery of the annual grant diminished. From the documents it is difficult to ascertain why, but it appears that the Havana Company began to make contracts with English traders in New York and South Carolina to furnish Florida with its annual needs.³⁸ As Montiano had pointed out in 1746, English

36. AGI, Santo Domingo, Legajo 838. Consulta del Consejo de las Indias, 27 May 1741, gives the text of the royal order establishing the new company.

37. AGI, Santo Domingo, Legajo 845. Carta del gobernador de la Florida al rey, 2 October 1742.

38. AGI, Santo Domingo, Legajo 2542. Carta del gobernador de la Florida al rey, 13 July 1752. AGI, Santo Domingo, Legajo 2542. Carta del gobernador de la Florida al rey, 26 August 1756. In both letters the governor writes of the arrival of English ships in Saint Augustine from South Carolina and New York with supplies ordered by the Royal Havana Company, an indication that this was common practice.

prices were lower; their supplies were in good condition; and there were no risks involved in transporting them. These advantages were not lost on the Havana Company. The governor still had his problems, it is true, for the Havana Company retained more of the subsidy than he believed justified, but the problem of maintaining those serving under him eased to a considerable extent. With a profitable naval stores industry a very real possibility by the late 1750's, hopes for an economic awakening in Florida were high. Unfortunately, a diplomat's treaty turned the colony over to Great Britain in 1763 before these hopes were realized.

CONCLUSION

From this hasty analysis of the economic problems of the eighteenth-century governor of Florida, it is apparent that his position was no sinecure. Delays and shortages in the subsidy, capture of supply ships by foreign pirates and warships, inferior quality of foodstuffs, and their extremely high cost all contributed to the complexity of his tasks. Reforms instituted in Spain or innovations proposed by the governor of Florida failed to revive the struggling colony. With maladministration of the subsidy at the root of its economic problems, Florida was unable to develop despite the suggestions of various governors for improvement. In the end, too much depended upon the annual grant from New Spain.

The most outstanding fact of all, however, is that the Spaniards were able to maintain their foothold in Florida in the face of these almost insurmountable economic difficulties. Perennially short of food and money and without an income from trade, mining, or farming to supplement aid from Cuba and New Spain, the Spanish governor and his soldiers managed to withstand two attacks by superior forces and ultimately to retain their precarious position in Florida. It is a tribute to Spanish enterprise and endurance that the colony survived at all.