

# The Napoleon Series

## Wellington and Money

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### Background on Currencies

#### British Money

#### Pound Sterling

The pound sterling is the world's oldest currency still being used today.

Silver coins known as "sterlings" were issued in the Saxon kingdoms, 240 of them being minted from a pound of silver... Hence, large payments came to be reckoned in "pounds of sterlings," a phrase later shortened...— Encyclopædia Britannica, entry "pound sterling"

The origins of sterling lie in the reign of King Offa of Mercia (757–796), who introduced the silver penny. The accounting system of 4 farthings = 1 penny, 12 pence = 1 shilling, 20 shillings = 1 pound was adopted from that introduced by Charlemagne to the Frankish Empire.

Written	Charlemagne	English
£ or l.	<i>librae</i>	pound
s.	<i>solidi</i>	shilling
d.	<i>denarii</i>	pence

Therefore written as either as  $2l.3s.6\frac{3}{4}d.$  or  $£2.3s.6\frac{3}{4}d.$  = two pounds, three shillings and sixpence, three farthings

The English currency was almost exclusively silver until 1344, when the gold noble was successfully introduced into circulation. However, silver remained the legal basis for sterling until 1816 when the gold standard was adopted officially

During the American War of independence and the Napoleonic wars, Bank of England notes were legal tender and their value floated relative to gold. The Bank also issued silver tokens to alleviate the shortage of silver coins.<sup>1</sup>

#### Bank of England Notes

The Bank of England was founded in 1694 and it issued its first banknotes in the same year, although before 1745 they were written for irregular amounts, rather than predefined multiples of a pound. It tended to be times of war, which put inflationary pressure on the British economy, which led to greater note issue. In 1759, during the Seven Years' War, when the lowest-value note issued by the Bank was £20, a £10 note was issued for the first time. In 1793, during the war with revolutionary France,

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<sup>1</sup> [Pound Sterling](#)

the Bank issued the first £5 note. Four years later, £1 and £2 notes appeared, although not on a permanent basis.

### **Guinea (British Coin)**

The guinea was a coin of approximately one quarter ounce of gold that was minted in Great Britain between 1663 and 1814. "Guinea" was not an official name for the coin, but much of the gold used to produce the early coins came from Guinea in Africa. It was the first English machine-struck gold coin, originally worth one pound sterling, equal to twenty shillings, but rises in the price of gold relative to silver, especially in times of trouble, caused the value of the guinea to increase, at times by 50% to as high as thirty shillings. From 1717 to 1816, its value was officially fixed at twenty-one shillings.

Towards the end of the 18<sup>th</sup> century gold again began to become scarce and rise in value. The French Revolution and the subsequent French Revolutionary Wars had drained UK gold reserves and people started hoarding coins. Parliament passed a law making banknotes legal tender in any amount, and in 1799 the production of guineas was halted, although half- and third-guineas continued to be struck.

In 1813 it was necessary to strike 80,000 guineas<sup>2</sup> for the Duke of Wellington's army in the Pyrenees, as the local people would accept only gold in payment. This issue has become known as the Military Guinea. At this time, gold was still scarce and the guinea was trading on the open market for 27 shillings in paper money, so the coining of this issue for the army's special needs was a poor deal for the government and this was the last issue of guineas to be minted. The reverse of the military guinea is a unique design, showing a crowned shield within a Garter, with HONI SOIT QUI MAL Y PENSE on the Garter, and BRITANNIARUM REX FIDEI DEFENSOR ("King of the Britains, Defender of the Faith") around the edge, and "1813" between the edge inscription and the garter.<sup>3</sup>

In the Great Recoinage of 1816, the guinea was replaced by the pound as the major unit of currency, and in coinage by the gold 'Sovereign', with a nominal value of one pound sterling.

### **Portuguese Money**

The following is from W. G. Eliot's *Treatise on the Defence of Portugal* published in 1811, Chapter XVIII pages 344-347

All payments are made, and accounts kept in Portugal in reas, an imaginary coin, one thousand of which are denominated a mil-rea, and denoted by a mark thus, ʒ, which separates the mil-reas from the reas.<sup>4</sup> For example, 321ʒ437, is three hundred and twenty-one mil, four hundred and thirty-seven reas; or three hundred and twenty-one thousand, four hundred and thirty-seven reas. To reduce reas to Spanish dollars, divide by 800. To reduce them to testoons,<sup>5</sup> divide by 100 and to vintins, divide by 20.

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<sup>2</sup> Equivalent to £5.54 million in today's value. Individual coins have an equivalent value of £69 in today's money, but have a collector's value of £3,500 each.

<sup>3</sup> [Guinea \(Coin\)](#)

<sup>4</sup> The actual symbol had two horizontal lines – the same as the euro € but in reverse.

<sup>5</sup> A testoon was a Portuguese silver coin worth 6d 3q (farthings) – a farthing being one quarter of a penny

The calculation of comparative value in English money, in the following table, is taken at 4s. 6d. the Spanish dollar, 5s. 7½d. the milrea.

**NB. Copper and Silver coins have not been shown here.**

<i>Name in English</i>	£.	s.	d.	<i>Name in Portuguese</i>
A Crusade or crown <sup>6</sup>	0	2	3	Crusado
A new crusade	0	2	8	Crusado novo
An 8 testoon piece or dollar	0	4	6	Oito tostoes
A ¼ of a moidore or a dollar and a half	0	6	9	Quartinho
A 2 dollar piece	0	9	0	Dezaseis tostoes
A ½ moidore or 3 dollars	0	13	6	Meia moeda
A ¼ doubloon or 4 dollars	0	18	0	Quarto de dobra
A moidore or 6 dollars	1	7	0	Moeda de ouro [gold]
A ½ doubloon or Joanes <sup>7</sup> or 8 dollars	1	16	0	Meira dobra
A 15 dollar piece	3	7	6	Meira dobraõ
A doubloon or 16 dollar piece	3	12	0	Dobra
A 30 dollar piece	6	15	0	Dobraõ

Having given the coins of the country it is necessary to mention that an officer lost very considerably selling his draft on England, not only because of exchange is generally in favour of Portugal, and particularly when a large army is in the kingdom, but because he is obliged to receive payment for his bill in legal currency, viz. one half in coin, the other half in notes issued by the Portuguese Government, the loss on which fluctuates according to the favourable or unfavourable news which may arrive, from 15 to 30 percent. Most of the officer's expenses are paid in coin, particularly in the interior, consequently he must sell his government notes at the discount of the day. For instance, an officer draws a bill on England for fifty pounds, at the exchange rate of 68d for 1000 reas for which he will receive £50 at 6d. per mil-rea gives

½ coin	88	470
½ paper	88	000
Deduct loss on the paper at 28 per cent		24
		640
Leaves in coin	Total	151
		830

or 189¾ Spanish dollar and 30 reas.

Each Spanish dollar will cost him 5s. 3d. whilst from his own Government he receives it at 4s. 6d.

Spanish and English gold suffer a depreciation in Portugal. Dollars are the most profitable coin to carry out [ *presumably from the UK* ]. From the value of the dollar being fixed at 800 reas, it is very easy to calculate the amount of any sum of Portuguese money in English.

<sup>6</sup> A crusado was a Portuguese silver coin marked with a cross on the reverse

<sup>7</sup> A Joanes was a Portuguese gold coin named after Joannes/John V. His reign from 1706 to 1750 saw an enormous influx of South American gold into the coffers of the royal treasury.

However, three years later in 1812, Robert Duffield Cooke<sup>8</sup> was able to write to his father:

“It’s a famous time for remitting; the exchange is higher than ever. I got 5s/9d a dollar and received my pay at the rate of 4s/6d per dollar making 1s/3d per dollar profit by the bill, if good. I’m so full of the bill I can’t get on with any other subject, but I forgot to tell you one thing and that is I have got 3 of them, but I suppose they are not all good.”

## Portuguese Banknotes

Portugal's first paper money was introduced in 1797 by the government. Denominations issued until 1807 included 1,200, 2,400, 5,000, 6,400, 10,000, 12,000 and 20,000 réis.<sup>9</sup>

## Spanish Money

In the 18th century, coins were issued in copper for 1, 2, 4 and 8 maravedíes, in silver for ½, 1, 2, 4 and 8 reales and in gold for ½, 1, 2, 4 and 8 escudos.

## Spanish Reales

The real (meaning: "royal", plural: reales) was the basic unit of currency in Spain for several centuries after the mid-14th century. The *real de plata fuerte* was introduced in 1737. This real was the standard and issued as coins until the early 19th century. In 1808, coins were introduced denominated in *real de vellón*. These coins circulated alongside the *real de plata fuerte*. From 1808, coins were issued in denominations of ½, 1, 2, 4, and 8 reales.<sup>10</sup>

## Spanish Dollar

The Spanish dollar (so called due to being approximately the same weight and fineness of the Dutch *leeuwendaalder*) was widely used by many countries as the first international / World currency because of its uniformity in standard and milling characteristics. It was a silver coin, of approximately 38 mm diameter, worth eight Spanish reales, that was minted in the Spanish Empire after 1598. Its purpose was to correspond to the German thaler. From its name in Spanish it was also known as the piece of eight (Spanish: peso de ocho or real de a ocho).<sup>11</sup>

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<sup>8</sup> Cooke, Robert D. *At Wellington's Headquarters: the letters of Robert Duffield Cooke Army Pay Corps 1811-14*. Gareth Glover (ed.) Godmanchester: Ken Trotman, 2009.. Robert, at the age of about sixteen, went out to the Peninsular War in 1811 as a clerk in the Paymaster General's Office at Wellington's headquarters. He rose to become senior clerk at headquarters, returning to England in 1814 when he left the service. As a clerk in the Paymasters General Office, his name would not appear in the Army Lists, his being a civilian post.

<sup>9</sup> [Portuguese Real](#)

<sup>10</sup> [Spanish Reales](#)

<sup>11</sup> [Spanish Dollar](#)

## Gold Coin

The Spanish escudo gold coin was worth 16 reales de plata fuerte. The doubloon (from Spanish *doblón*, meaning "double") was a two-escudo or 32-real gold coin. In Europe, the doubloon became the model for several other gold coins, including the French *Louis d'or*, the Italian *doppia*, the Swiss *duplone*, the Northern German *pistole*, and the Prussian *Friedrich d'or*.<sup>12</sup>

## Financial Administration

Within the convoluted structure of the British Army of this period the Paymaster General was a political office (held jointly by two persons) within the Treasury who were responsible for the distribution of pay and allowances between the various regiments.<sup>13</sup> The Army Pay Offices were located at Whitehall. In the field the post was delegated to a Deputy Paymaster General who acted as the army's banker.

## Financial Administration at Regimental Level

It has been stated that a Regimental Paymaster was generally appointed by the colonel to act as such in addition to his other duties. Paymasters were commissioned, with or without purchase, usually in the rank of lieutenant or captain.<sup>14</sup> However the Instructions for Regimental Pay-masters of 19 January 1798 states that civilian paymasters are to be appointed by the Treasury who nominally ranked as captains:

Pay-masters of regular regiments, not being allowed to hold regimental commissions, will receive a special military commission, under the sign manual. ... but they are in no shape whatever to have claim to any military rank in the army.

*The pay-master is to be amenable, in ordinary course, to martial law for every part of his conduct which may appear inconsistent with military discipline, the rules of service, or the obedience due to the colonel or commanding officer of the corps or his other superior officer; but he shall not be liable to receive orders touching the manner of making up his pay-lists and accounts, unless under a special instruction, in writing, from the officer commanding in chief on the station, if abroad.*

So, the Regimental Paymaster had a commission in the army, thereby bring him under the jurisdiction of the Mutiny Act, but not a 'regimental commission' as such. He had no claim to any military rank in the army but was, however, ranked as the most junior captain of a battalion.

There was one substantial pay-rise in our period, in 1797 when the infantryman's pay went up from 8d to a shilling a day, where it was to remain unaltered for the next seventy years. But up to 6d. of the soldier's pay was taken for subsistence, and other deductions were made for the regulation uniform, medical treatment, the upkeep of

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<sup>12</sup> [Doubloon](#)

<sup>13</sup> 1807: Charles Long (afterwards Lord Farnborough) and Lord Charles Henry Somerset.

1813: Charles Long and Frederick John Robinson (afterwards Viscount Goderich and Earl of Ripon).

<sup>14</sup> Holmes, Richard. *Redcoat: The British Soldier in the Age of Horse and Musket*. New York: W.W. Norton, 2002. Page 120

Chelsea Hospital, breakages, barrack damages and the regimental agent. As can be seen from the pay scales, after paying 'Subsistence' and 'Stoppages' there was little or nothing left over.

It was not until 1847 that it was ordered that all soldiers had to receive at least 1d. per day, regardless of all deductions.<sup>15</sup>

### ***A Treatise of Military Finance by John Williamson 1799***

*These extracts have been reduced and solely focused on the Infantry Regiments of the Line.*

#### **p.6-10. Of the Pay of the Forces**

The gross pay of a regiment, whether of horse or foot, is divided as follows :

1. The full pay of each officer and soldier
3. The allowance to the agent.

The daily allowance to the agent, which is issued with the subsistence of the regiment, is for infantry, 1 warrant man per company .... and 2d in the pound on the full pay of the regiment.

Pay-masters have now 15s per diem.

Regiment were formerly allowed 30l. per annum for an hospital in Great Britain and North America.

The off-reckonings for clothing are 6d. per diem from each serjeant, 4d. per diem from each corporal and drummer, and 2d. per diem from each private soldier : from which after the above mentioned deductions of poundage, hospital and agency, have been made, the remainder is called the nett off-reckonings.

As the pay is intended to provide for the maintenance of the troops, so the clearings and nett off-reckonings are intended as a fund for the clothing of them.

The agent of each regiment received the clearings and nett off-reckonings at the pay office [of the Paymaster General]. *Note : with a regiment overseas this procedure was modified.*

p.65 Daily Pay of Non-commissioned Officers and Privates serving at Home, as ordered by Warrant dated May 25, 1797:

	Full Pay	Subsistence	Stoppage*
Serjeant	1s. 6¾d.	1s. 4¼d.	0s. 2½d.
Corporal	1s. 2¼d.	0s. 11¾d.	0s. 2½d.
Drummer	1s. 1¾d.	0s. 11¼d.	0s. 2½d.
Private	1s. 0d.	0s. 9½d.	0s. 2½d.

\* Stoppage accounted for monthly – see separate schedule

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<sup>15</sup> Holmes; page 309

p.60. His Majesty is further pleased to order that the like addition of 2d. per diem shall be made to all of his soldiers serving out of Great Britain.

p.69-83. Instructions for Regimental Pay-masters of Regulars, Fencibles and Militia  
January 19 1798.

- I. The Pay-master is to make out monthly pay-lists of the corps to which he belongs to the 24<sup>th</sup> of each month inclusive, being the day to which the men are required to be accounted with according to the King's regulations. He is also to make up monthly, under their respective heads, accounts of the different regimental services for which payments have been made within the period.
- II. The Pay-master, whose office includes that of Muster-master, is also to muster the corps he belongs to, by his pay-list, on the 24<sup>th</sup> of each month. The Adjutant is to produce, at the said musters, monthly rolls, made up by himself, which are to be compared with the pay-lists and to be certified by the commanding officer.

*One copy of the pay-list was retained by the Pay-master, one was sent to the Deputy-Paymaster-General at Wellington's headquarters and another to the regimental agent.*

*Similarly a copy of the muster roll was retained by the Adjutant whilst another copy was sent to the Adjutant-General at headquarters.*

- III. The Pay-master's monthly lists and adjutant's monthly rolls are to be made out by troops of companies ....
- IV. The names of the serjeants, corporals, trumpeters, drummers and privates are each to be arranged in their several troops or companies, in alphabetical order, without any regards to the period, whether complete or broken, for which that may have been paid.
- V. Opposite to the name of each individual for whom a charge is made are to be inserted the dated from, and to, and the number of days for which he has been paid; also the amount paid to him.
- XIX. Orders have been given to the War Office for the supply of pay-masters' lists and adjutants' rolls, adapted to the different establishments, upon application from the respective agents\*. And the expenses thereof, not exceeding the numbers hereafter mentioned, will be allowed to be charged in the public accounts:

Three books of pay-masters' lists, two of adjutants' rolls and two separate copies of the general state, per month, for each regiment stationed abroad

\* The agents are to apply to Mr John Walter, bookseller, Charing Cross, and state to him in writing the number of troops or companies of each corps for which their requisition is made.

XXVI. The Pay-master, once appointed, shall not be removed, except by command of the King or by the sentence of a general court-martial.

XXVII. Pay-masters of regular regiments, not being allowed to hold regimental commissions, will receive a special military commission, under the sign manual ... but they are in no shape whatever to have claim to any military rank in the army.

XXVIII. Pay at the rate of fifteen shillings [per diem] will be annexed to the Pay-master ....<sup>16</sup>

X XIX. Each Pay-master will be allowed twenty pounds per annum for postage and stationary; and a clerk, who is to be an enlisted soldier, to have the rank and pay of a serjeant ....

The allowance for regimental transport was one mule to every troop of cavalry and every company of infantry to carry camp-kettles; there were three additional mules to each battalion of infantry to carry the paymaster's books, the regimental surgeon's chest, the armourer's and entrenching tools.

#### p.84. The Security Required of Pay-Masters

Pay-masters in regular regiments of cavalry and infantry are to give security to the Secretary at War for time being – themselves in two thousand pounds<sup>17</sup> and two sureties in the sum of one thousand pound each. .... The above sums become forfeit on proof of malversation,<sup>18</sup> criminal neglect of duty, or if it shall appear that any valuable consideration has been directly or indirectly given in order to obtain the appointment.

### **Regimental Paymasters**

Paymasters handled a great deal of public money, but they also had plenty of opportunities to act as unofficial loan agents - indeed they were sometimes not far off loan-sharks. They were often the only source of ready cash for officers in the regiments when on foreign duty far from home and these loans were often left outstanding for many years, indeed decades in some cases with usurious levels of interest incurred. A view the records of Paymaster William Deane of the 18th (King's Irish) Regiment of Light Dragoons (Hussars) shows that twenty and thirty years after he made loans to officers, some still remained unpaid. Paymasters were officer's best friends when they needed funds, but their worst enemy much of the rest of the time.<sup>19</sup>

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<sup>16</sup> A Lieutenant-Colonel earned 15s.11d. per diem, a Major 14s.1d., a Captain 9s.5d. and a Surgeon 10s.0d.

<sup>17</sup> Equivalent to about £240k in today's money.

<sup>18</sup> 'Malversation' signifies any violation (positive or negative) of any legal or moral duty incumbent on a person in a public capacity.

<sup>19</sup> Harley, John. *The Veteran or 40 Years' Service in the British Army. The Scurrilous Journal of Paymaster John Harley 47th Foot 1798-1838*. Gareth Glover (ed.). Godmanchester: Ken Trotman, 2017.

[Annex 1: the Paymasters](#) is a list of those serving as paymasters in 1814 and is taken from the Hart's *Army List* for 1814.<sup>20</sup> [Annex 2: the Waterloo Paymasters](#) is a list of those serving as paymasters in the Waterloo Campaign.

Of the 112 Paymasters listed, 31 (or 28%) had been commissioned officers. Of these officers, only Martin Irvine (61<sup>st</sup> Foot) would appear to have held the rank of Paymaster concurrently with their active commission. For the rest, many could well have already been placed on Half Pay as a Lieutenant when they opted to become a Regimental Paymaster. Therefore, for most, being a paymaster kept them with some employment and an adequate income.

The list is of further interest in that it appears to indicate that, on retirement, even the 'civilian/non-commissioned' paymasters were retired on Half Pay.

Whilst the other Treasury officials in the Peninsula, the Commissary Generals, were suspected and sometimes guilty of misappropriation, how were the Regimental Paymasters? Trawling through the Adjutant General's Order Books<sup>21</sup> for the whole of the war reveals that they performed rather well. These were the only two cases:

Mr Williams, Paymaster 44th Regiment, went 'absent without leave' in January 1812. The Lisbon Commandant was directed to send him back up to the Army.

Paymaster J Lancaster, 2nd Line Battalion KGL, set up his own business as a sutler in contravention of the Commander-in-Chief's orders. He was dismissed from His Majesty's Service.

So, whilst the Paymaster was a Treasury employee, the Pay Sergeant was still on the army roles. An interesting insight about the role of the Pay Sergeant comes just in passing when recounting the fate of the sergeant of the Scots Greys at Waterloo

"Sergeant Weir ... was pay-sergeant ... and, as such, might have been excused serving in action and perhaps he should not have been forward [with the regiment on the battlefield]."<sup>22</sup>

Therefore, like the Paymaster, they were not expected to be in the fighting.

### **Financial Administration at Army Level**

Robert Hugh Kennedy took over the duties of Commissary-General in June 1810 and remained at the head of the department, with a year's interval, until the end of the war. As commissary-general his concern in the fiscal sense was the control on behalf of the Treasury of the 'Extraordinaries' which enabled the army to meet the unusual circumstances of war, namely acceptance of contracts for the provision of transport, the food and forage, as well as the control of the stores.

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<sup>20</sup> *Hart's Army List*, Qa an unofficial list, produced between 1839 and 1915, containing details of war service which the official lists started covering only in 1881.

<sup>21</sup> *Wellington Papers*, Southampton University. Adjutant General's Order Books. WP/9/1/2/1 etc.

<sup>22</sup> The full account is described at the end of [Annex 1: the Paymasters](#).

His subordinate colleagues, the Deputy-Paymasters-General, who were representatives of the joint Paymasters-General in London, disbursed the 'Ordinaries', being, for the most part, pay and allowances.<sup>23</sup>

In 1811 there are two pay offices in Lisbon,<sup>24</sup> one under Deputy Paymaster General IP Boys<sup>25</sup>, the other Deputy Paymaster General Stanhope Hunter.<sup>26</sup> Remarkably, for the administrations of this period, an Account of Income & Expenditure was rendered monthly from Lisbon to the British Treasury in London.<sup>27</sup>

Wellington's departmental heads owed, therefore, a divided loyalty.

In the Peninsula all Treasury funds, on whatever account, whether metal or paper, were kept in physical chests at Headquarters, from which payment could not be made without authority, or warrant, of the Commander, except those of a routine nature.

"Mr Jones (Assistant Deputy Paymaster General Raymond Jones) is in fact acting as banker to Mr McKenzie (Assistant Commissary General John McKenzie), the commissary here [in Lisbon], for he gives orders for us to receive money and is the only person who draws on us to pay."<sup>28</sup>

The tasks of the clerks of the Paymasters General Office are amply described in a letter by Robert Duffield Cooke<sup>29</sup> to his father:

*"I have just been making a calculation on purpose to give you an insight into the business that has been done at this office by your dutiful son, Bob Cooke. We have received in metal since our arrival the sum of 423,270,400 Reis, which is equal to 529,088 Spanish dollars or £119,044 16s 0d sterling, all in different sums, different coins and at various periods, every farthing of which has been counted by me when it comes in and some of the bags consist of small pieces not amounting to a sixpence, such as 3 Vintems, ½ testoons and testoons etc, though the bulk or principal consists of [Spanish] dollars and [Portuguese] crusadoes now, all this money is obliged to be retailed out in small sums to different people, very agreeable indeed, and of course, must be recounted [i.e. recorded]. The people who receive it are boatmen, car men etc. employed by the commissary general to carry provisions to the north. Now I must do myself the justice to say that I have not made one mistake since here we have been, though all the payments are made by me, when the chest was last balanced there was not more than 100 Reis difference, which is about 7 pence or 7 ½d, besides this I have the whole of the books to keep, the monthly accounts to make out, which are only 1 month behind hand etc., and when I have 3 minutes to spare. Mr Jones amuses me with his accounts 3 years old, which are so*

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<sup>23</sup> The total size of the payroll for the British component of the Peninsular Army only increased from 32.3k in 1809 to 38.9k in November 1813.

<sup>24</sup> The Army List for 1812 names eight Assistant Deputy Paymasters General in Portugal.

<sup>25</sup> Robert Cooke was very good friends with Mr Boys' brother, Henry Boys, who was the Head Assistant Deputy Paymaster General in Lisbon.

<sup>26</sup> *The Letters of Robert Duffield Cooke*

<sup>27</sup> p.425 *Britain against Napoleon 1793-1815* by Roger Knight

<sup>28</sup> *The Letters of Robert Duffield Cooke*

<sup>29</sup> From various comment in his letters, one could conclude that the Paymaster clerks wore a single-breasted blue coat 'a la militaire' with black velvet collar and cuffs, with 'army pay' buttons. Robert Cooke was not permitted to wear a round hat and was obliged to buy a cocked hat. Deputy Paymasters wore double breasted coats.

*intricate and bothering, the devil himself can make nothing but blots and scratches of them, and I believe they will be left to him at last for they are above the comprehension of anybody in the paymaster generals department.*

*He is what you may call a little non compos [mentis]<sup>30</sup> and no great shakes at accounts.”*

It was the amount, or particularly the lack, of monies available in these chests that was a constant cause of anxiety and frustration to Wellington throughout the war. Responsibility for the supply of specie during 1808 and 1809 – the period of greatest shortage – fell on the shoulders of the Junior Secretary at the Treasury, William Huskisson, whose financial grasp was unequalled.<sup>31</sup>

The shortage of specie had reached such proportions in the autumn of 1808 the Huskisson told the Prime Minister Spencer Percival ‘I am afraid we can hardly expect that in the next three months our stores of bullion will be sufficient to keep up or replenish to enable us ... to continue our present exertions and much less to increase them. We must therefore be cautious to what we commit ourselves.’ The Cabinet decided that all available specie should be sent to Wellesley and during the whole of 1808 the army in the Peninsula was sent £2,860,000 in specie (equivalent to £240m in today’s money) and £196,000 in bills of exchange.

It would have been part of these funds that went with Sir John Moore’s campaign and was abandoned on the retreat to Corunna:

‘On 5 January, past Nogales, the two carts that were transporting the army’s treasury broke down, their bullock teams too exhausted to proceed. The last rearguard, the flank companies of the 28<sup>th</sup> and a company of the 95<sup>th</sup>, stood guard while, as ordered, the casks of dollars were pitched over a precipice rather than let them fall into the hands of the enemy; some £25,000 was disposed of in this way.<sup>32</sup>

Huskisson spent much of 1809 trying to secure Spanish dollars. Through agents he managed to obtain dollars worth £3 million from the Mexican government and thereafter the total holdings of the Mexican Treasury [Mexico was, at this time, a colony of Spain]. A further £6 million came from Mexican merchants, all against ‘Bills on the Treasury of England in favour of the Spanish Government.’ To save the public purse Huskisson sent as much specie as possible to the Peninsula rather than bills of exchange; dealing in gold was preferable because the rates of exchange had moved against the paper pound by as much as 20 or 25 percent.

In 1809 Having pushed Soult out of northern Portugal, Wellington had marched back south and taken post at Abrantes.

### ***A History of the Peninsular War by Charles Oman***

Vol I p. 451-452. 20 June 1809.

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<sup>30</sup> not sane or in one's right mind

<sup>31</sup> He withdrew from the ministry along with George Canning (Foreign Secretary) in 1809. In the following year he published a pamphlet on the currency system, which confirmed his reputation as the ablest financier of his time.

<sup>32</sup> Haythornthwaite, Philip. *Corunna 1809*. Osprey, 2001. Page 62

Another hindrance [that detained the army at Abrantes for several days after the moment at which Wellesley had determined to start for Plasencia] was the lack of money; the army was obliged to pay for its wants in coin, but hard cash was so difficult to procure, both in London and in Lisbon, that arrears were already beginning to grow.

At first [ in 1809 ] they vexed the soul of Wellesley almost beyond endurance, but as the war dragged on, they would only grow worse and the Commander-in-Chief had to endure with resignation the fact that both the pay of the men and the wages of the muleteers were overdue for many months. In June 1809 he had not yet reached this state of comparative callousness and was endeavouring to scrape together money by every possible device.

He had borrowed £13,000 in Portuguese silver from the merchants of the impoverished city of Oporto; he was trying to exchange bills on England for dollars at Cadiz, where the arrival of the contribution from their South American colonies had produced a comparative plenty of the circulating medium. Yet after all he had to start from Abrantes with only a moderate sum in his military chest, as the treasury convoy had not yet reached him from Lisbon.

At this stage in the war, the commissariat were still relying on ox-carts. The restriction on their speed was as much due to the condition of the roads as it was to the walking pace of the beasts. They would shortly be replaced by mules.

During the whole of 1809 the Peninsula army received almost £2,500,000 and it enabled Wellesley to stay in the field.<sup>33</sup>

Mid 1810 - The army under his command had been much reduced. He had no money and was actually compelled in consequence to disband all the Portuguese Militia just at the time that it was beginning to become a serviceable force.<sup>34</sup>

Local flour, meat and fresh vegetables were essential to the British Army and had to be purchased from Portuguese and Spanish farmers, for whom the preferred means of payment was the Spanish dollar. The shortage of specie caused Wellington and the politicians in London, particular concern. By special arrangements with the Spanish authorities, Commissary Drummond went to Lima, Peru to purchase \$3million [£675,000], but the main source of specie during the years 1810-12 was the traders in Lisbon. The Paymaster's General accounts record a total of £6,066,021 (equivalent to £453m in today's money) spent in the Peninsula during 1810,<sup>35</sup> most of which was raised in bills of exchange. Sooner or later, these bills would be redeemed in London.<sup>36</sup>

By July, in the Summer 1811, the pay of the muleteers was already six months in arrears.

On 15 August 1811 Robert Duffield Cooke wrote to his father:

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<sup>33</sup> *Britain against Napoleon 1793-1815* by Roger Knight p.407-8

<sup>34</sup> *Wellington's Operations in the Peninsular* by Capt Lewis Butler Vol One. p. 289.

<sup>35</sup> As compared with £3,056,000 in 1808, of which £2.9m was in specie

<sup>36</sup> P.429; *Britain against Napoleon 1793-1815* by Roger Knight

“Mr Fell [a fellow clerk in the Lisbon Office] was ordered up the country to conduct 200,000 dollars ( £45k - equivalent of £3.5 million in today’s money ) going to [field] headquarters.

There are a set of gentlemen in the department, principally Portuguese, called conductors who escort treasure from Lisbon to the different chests with a guard of soldiers consisting of a certain number of men. The money is conveyed on mule backs, driven by muleteers and of course travel very slow. It happens at present the conductors are all up the country or else ill, excepting one, a Mr Gravely, an Englishman, a very pleasant gentleman.”

In November 1811 Swabey noted in his diary ‘Intelligence came from the paymaster to say that Lord Wellington would not allow a halfpenny to be issued to the troops but had appropriated the money to the payment of the muleteers and others concerned in the transport of the provisions for the army.’

Lieutenant General Robert Long writing in 1811:

“... each mule is paid one dollar per diem, besides a ration for the muleteer and ½ ration of forage for his beasts. Some Spaniards have 50 mules of their own thus employed. . .”

Whilst Long quotes some persons having 50 employed, SGP Ward refers to a G Dias de Lunas, to pick one name out of many, brought in five brigades, two of 28, one of 29, one of 132 and the other of 35 mules; this was 252 mules, netting £56.70 per diem.<sup>37</sup>

If he were 15 months in arrears, this would amount to the huge sum of £25,870 – in today’s value this would be almost £2.0 million !!!

By May 1812 Robert Cooke had secured a transfer to field headquarters where the department was under the management of Assistant Deputy Paymaster General [William] Gordon.<sup>38</sup>

On 29 September he wrote home:

“We have got an office here [Madrid] and are fully employed. Mr Gordon has delivered ten chests over to a Mr Whitter (Assistant Deputy Paymaster General J Rogers Whitter) and is now making up his accounts for Lisbon. The Paymasters General are not very well satisfied with certain persons high in this department out here; the Accountant General<sup>39</sup> is now in Lisbon; he has been up to headquarters. He was sent out by the Paymasters General in London to see how the affairs went on here; much depends on his report when he returns. I think myself there will be a change before long, but the less said the better.”

By September 1812 a proportion of the muleteers had not been paid for as long as fifteen months.

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<sup>37</sup> [Wellington’s Mules](#) by R.J. Tennant

<sup>38</sup> He describes it “I like staying with head quarters. It’s nothing but fun from morning till night.”

<sup>39</sup> This could have been Nicholas Smith Esquire, Accountant General of the Court of Chancery – see portrait :

[http://www.britishmuseum.org/research/collection\\_online/collection\\_object\\_details.aspx?objectId=3046633&partId=1](http://www.britishmuseum.org/research/collection_online/collection_object_details.aspx?objectId=3046633&partId=1)

Winter 1812 "... Lord Wellington, who was in a state of destitution for lack of specie, and – being restricted by his Government as to the price which he might offer for [Spanish] dollars – had with the greatest difficulty made arrangements for the purchase of a supply at the rate of five shillings and eight-pence, was mortified by seeing the markets emptied by Bentinck [Lord William Bentinck who commanded the British forces in Sicily]; for the latter, desirous of forming a military chest and being practically unrestricted as to price, swept off 4,000,000 dollars – including those negotiated by Wellington – by offering an additional shilling per dollar, and thereby seriously endangered Lord Wellington's prospects of resuming the offensive at all."<sup>40</sup>

"To remedy the lack of specie, a clever expedient was adopted. Portuguese peasants who brought in supplies were paid in bills drawn on the Commissary-General. It was impossible to state the date on which these bills would be met, and no date was mentioned on the face of them; but the class of transaction was one to which the peasants were accustomed and popular. Bills were paid, not in turn, but on the equitable principle that original holders – more particularly the holders for the smaller amounts – should have priority of payment before traders who had bought their bills at a discount."<sup>41</sup>

The lack of specie in the army was further alleviated to some extent by a small number of British merchants who travelled up from Gibraltar through the Spanish countryside, purchasing British bills at a discount in return for silver, ensuring that Portuguese and Spanish farmers received cash, albeit at a lower price, for their produce; the traders would cash their bills in Lisbon at full value to realize their profit. Wellington did not like these merchants, but they were essential to the local purchase system.<sup>42</sup>

(The bills retained their face value until purposely and scandalously depreciated by British merchants in order to enable them to buy the paper at a discount of 20 per cent. The consequence then was that the country people were compelled to raise their prices in order to counteract the heavy discount.)<sup>43</sup>

Coin was, however, terribly scarce and, instead of being helped, Lord Wellington was thwarted by his own Government. Writing on 22<sup>nd</sup> April to Lord Liverpool he remarks :

"When I say I shall determine upon the line of operations which I shall follow, I ought to add, provided I shall have money to follow any line of operation at all. I wrote to your lordship lately on the subject of the money expected at Cadiz in the [HMS] Standard. That vessel has since arrived at Cadiz; but in consequence of the disapprobation expressed of Sir Henry Wellesley's conduct in appropriating a part of the money received at Cadiz from America on a former occasion, I have not thought it proper to request him to send me any part of this money.

The Commander-in-Chief and the Treasury have disapproved of my sanctioning bargains for importing specie from Gibraltar ... I have therefore been obliged, within these last three days, to refuse to give my sanction to an offer of 500,000 dollars upon a similar bargain. I can scarcely believe that the treasury are aware

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<sup>40</sup> Butler; Vol. 2, Page 525

<sup>41</sup> Ibid; Page 527

<sup>42</sup> Knight; page 429 *Britain*

<sup>43</sup> Butler; Vol. 2, page 527

of the distress of this army. ... The Portuguese troops and establishments are likewise in the greatest distress; and it is my opinion, as well as that of Marshal Beresford that we must disband part of the Army unless I can increase the money payments of the subsidy. The Commissary-General has this day informed me that he is very apprehensive that he shall not be able to make good his engagements for the payment of meat for the troops; and if we are obliged to stop that payment, your Lordship will do well to prepare to recall the Army, as it will be quite impossible to carry up salt meat, as well as bread, to the troops from the sea coast."<sup>44</sup>

And again on the 6<sup>th</sup> of May to Sir Charles Stuart:

"The British Army have not been paid for nearly three months; we owe nearly a year's hire to the muleteers of the Army, and we are in debt for supplies in all parts of the country; and we are on the point of failing in our payments for some supplies essentially necessary to both armies which cannot be procured excepting with ready money."<sup>45</sup>

Yet this was the time when the restrictions placed upon Wellington by his Government enabled Lord William Bentinck to carry off the available specie!<sup>46</sup>

1813. The Home Government continued, as before to provide the Commander-in-Chief in Spain with some legitimate causes for complaint. But since Vittoria he had certainly acquired an ascendancy over them, which enabled him to voice his grievances in a firmer tone. By great effort in 1813 gold enough was collected to strike, for the benefit of the army, the so called 'Military Guinea'.<sup>47</sup>

These were mostly coined from 'mohurs' and 'pagodas'<sup>48</sup> brought all the way from India, where alone in all the world, there seemed to be an abundance of the precious metal, procurable at reasonable rates. But silver was wanted for all small transactions and the difficulty about silver was even greater than that about gold.

One of the main difficulties in dealing with the French peasantry was that, though they would take gold readily in payment, they would not look at Spanish or Portuguese silver. Most of the cash in the military chest was in dollars. These Basques and Gascons would not accept, professing to be wholly unacquainted with their real value. It was in vain that Wellington issued a proclamation to the effect that the guinea was worth 25 francs 20 centimes, the dollar 5 francs 40 centimes and that a franc meant 3 reals 24 marvedis. These were very fair valuations but the peasantry would take French silver only and serious difficulty was experienced in getting them to look at dollars and reals. The solution which Wellington found for the problem was to set up a secret mint of his own at St Jean de Luz for striking Napoleonic 5-franc pieces. He caused private information to be circulated amongst the colonels of the regiments that there would be an indemnity, and good pay, for all professional coiners who would report themselves at a certain office near his headquarters. Amongst the shady

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<sup>44</sup> *Wellington's Supplementary Despatches*; Vol. 7, pages 318 - 319

<sup>45</sup> Napier, William. *History of the War in the Peninsula and in the South of France*. Vol. 2, page 444

<sup>46</sup> Butler; Vol. 2, pages 525-528.

<sup>47</sup> Vol VII. p.147. *A History of the Peninsular War* by Charles Oman

<sup>48</sup> A mohur is a gold coin that was formerly minted by several governments in the sub-continent. The word mohur or mohor is from the Persian word muhr, which means 'seal' and is cognate with the Sanskrit word mudra which also means 'seal'. The pagoda was a coin made of gold or half-gold. The most valuable was the star pagoda issued by the East India Company at Madras.

characters who had escaped from the dangers of civil life into the army there were a percentage of habitual makers of false money. Forty or fifty of them were found and were set to work to melt dollars and cast their metal into 5-franc pieces. A strict, and very necessary, supervision was kept over them to see that they did not fall into their old practice of mixed lead or pewter with good metal, an expert testing every coin.<sup>49</sup>

Care was taken to see that they were not dated 1813 or 1814 but reproduced coins of some years back of the Paris mint. . The dies were so well made that the pieces passed quite freely when mixed with genuine French money.<sup>50</sup>

To return to the career progress of Robert Duffield Cooke in October 1813

“owing to my steady behaviour (and length of service) I have for this last three months been placed in stations of the utmost responsibility which in reality was doing the duty of an Assistant Deputy Paymaster General having had charge of three different detached chests, one at Palencia of \$20,000, one at Valencia of \$100,000 and one at Vitoria of \$60,000 and at some very busy periods have been thought worthy to have a clerk attached to me, which for a person so young in the department as I am, having more than a dozen seniors to me, I think is saying a great deal. The Paymasters General in England have considered the responsibility attached to clerks in charge and have therefore been pleased to allow them the extra pay of 5/- per day during the time of their being in charge, but to cease when they again return to their respective duties, that is to say under orders.

I have now executed all the different duties of this sort on which I have been sent & of course return to 10/-,<sup>51</sup> having received the extra 5/- for three or four months. It is the wish of the Paymasters General that no clerk is placed in charge while there is an Assistant Paymaster General unemployed in the country. 2 are now ordered up from Lisbon.

I understand that it is not unlikely that more *Assistant Deputy Paymasters General will be required in this country.*”

In December 1813 Wellington wrote to His Excellency the Minister at War, Cadiz

“The greater number of the muleteers with this army have been with us from 2 to 5 campaigns. They came voluntarily to be hired; and they stay, not because they were well paid, for I am sorry to say that the debt due to them is very large, but because their accounts are regularly kept; they are worked with regularity, they are well treated and taken care of; justice is done them; and they know that the debt due to them, however large, will be paid.”<sup>52</sup>

December 1813 - Letter to Earl Bathurst

“Your Lordship is acquainted with the state of our financial resources. We are overwhelmed with debts and I can scarcely stir out of my house on account of

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<sup>49</sup> Oman; Volume VII; pages 288 -289

<sup>50</sup> Ibid

<sup>51</sup> So a Paymasters General clerk, still in his teens, earned 10/- per day, the same as a Surgeon of the Line, whilst a Captain earned 9/5d per day in basic pay.

<sup>52</sup> *Wellington's Dispatches*; Vol. 7, page 183

the public creditors waiting to demand payment of what is due to them. Some of the muleteers are twenty-six months in arrears, and only yesterday I was obliged to give them bills upon the Treasury for a part of their demands or lose their services, which bills they will, I know, sell at a depreciated rate of exchange to the 'sharks' who are waiting at Passages and in this town, to take advantage of the public distresses. I have reason to suspect that they have become this clamorous at the instigation of British merchants."<sup>53</sup>

On 11 January 1814 the government officially charged Nathan Rothchild with the task of organising the finance for Wellington's advance through France. He was to buy French gold in Germany, France and Holland, then transfer it to British vessels in the Dutch port of Hellevoetshuis, from where it would be taken to St Jean de Luz, on the French coast south of Biarritz. The enterprise was at Rothchild's risk, the commission 2 percent of the sum delivered and the project was successful. By May 1814 the government owed Rothchild well over a million pounds.<sup>54</sup>

By the middle of February 1814 Wellington was ready to advance. He had received £400,000 in gold and through the clever expedient of establishing a mint of his own, converted the gold into 'Napoleons', thus enormously increasing the circulating medium. The coins received a private mark to enable them to be called in at any time if desired; but every care was taken to avoid fraud by making them of the correct weight and fineness; and by the circulation a boon was conferred, not only to the Army, but on the inhabitants generally.

Pitt began the war by forging French paper issues. Wellington ended it by adopting a policy marked by scrupulous good faith and honesty.<sup>55</sup>

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<sup>53</sup> Butler; Vol. 2, page 773.

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