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# Fiscal Transfers between Buenos Aires and the Viceregal Interior at the End of the Colonial Period: Fall of the *Situado* and the Relation with the Regional Royal Treasuries (1800–1810)

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## Abstract

This study reconstructs remittances from different regional haciendas to the main treasury of the Viceroyalty of the Río de la Plata, located in Buenos Aires, between 1800 and 1810. It estimates the extent and periodization of the decline of the *situado* of Potosí during the last colonial decade, determining whether the contributions from regional treasuries made up for it. It also estimates the impact of transfers on the regional treasuries. By drawing on the accounting books of various treasuries, the article identifies the main mechanisms that the Royal Treasury of Buenos Aires implemented to seize surplus resources of the viceroyalty's interior haciendas at the end of the colonial period. The ability of the Royal Treasury to seize those surpluses was significant and implemented through various mechanisms of the ancien régime.

**Keywords:** taxation; Río de la Plata; royal treasury

## Resumen

La investigación reconstruye las remesas enviadas desde las distintas haciendas regionales a la tesorería mayor del Virreinato del Río de la Plata, ubicada en Buenos Aires, entre 1800 y 1810. Estima la extensión y periodización de la caída del “situado” de Potosí durante la última década colonial, determinando si los aportes de las haciendas regionales lo compensaron. También se estima el impacto de estas transferencias en las haciendas regionales. A partir de los libros de contabilidad de las distintas tesorerías, se identifican los principales mecanismos implementados por la Real Hacienda de Buenos Aires para captar los recursos excedentes de las haciendas interiores del Virreinato a fines del período colonial. Se concluye que la capacidad de la Real Hacienda de Buenos Aires para hacerse de los excedentes de las haciendas del interior fue significativa y se implementó a través de diversos mecanismos propios de una administración de antiguo régimen.

**Palabras clave:** fiscalidad; Río de la Plata; Real Hacienda

At the beginning of the nineteenth century, the Spanish monarchy was in a secular crisis characterized by two principal issues: the imperial wars and the expenses required to cope with them. Since the Seven Years' War (1756–1763), the empire had prioritized its finances and

found in the Spanish-American territories a place to implement the Bourbon reforms until the end of the century in order to improve the empire's institutional and fiscal performance.

During the first decade of the 1800s, the urgency of these issues increased, powered by the troubled European monarchies' relationships, which brought changed imperial alignments, with important consequences for America. In just a few years, Spain went from engaging in naval wars against Great Britain and frontier conflicts with Portugal (1796–1802) to plunging into a deep imperial crisis unleashed by the French invasion of 1808. These events had a powerful impact on Hispanic America, especially the Río de la Plata region. The region became isolated from the metropolis in 1803 with the supremacy of the Royal Navy. However, the viceregal capital successfully resisted English invasions in 1806 and 1807, financing instead through its own South American resources (military and fiscal). This experience gave way to a convulsive revolutionary process, accelerated by the monarchic crisis caused by the Napoleonic invasion and the subsequent fall of the Junta de Sevilla. This revolutionary process began in May 1810 and culminated in the independence of the United Provinces in 1816.

On October 16, 1802, the viceroys of New Spain, Lima, and Buenos Aires were notified of the serious situation of the monarchy's finances because of the war. They were instructed to make "the greatest efforts to remit money" to the peninsula.<sup>1</sup> A reserved order with the same message was sent to similar recipients on January 17, 1804. Fiscal emergencies were not new to the Spanish monarchy, but they intensified during that decade in America and would only increase over the years. I demonstrate how, until the empire entered its final crisis, the main treasury of the Viceroyalty of Río de la Plata employed various mechanisms typical of an old regime tax administration to obtain fiscal resources from the treasuries of the viceregal interior.

Until a few decades ago, part of the historiography dedicated to colonial tax studies emphasized the extractive and predatory nature of the Spanish tax system in America. According to this perspective, this character of the system was pronounced at the end of the eighteenth and beginning of the nineteenth century, given the Crown's urgent fiscal and military needs. Studies of economic divergence in the United States and Latin America emphasize the image of a voracious Bourbon treasury in contrast to the British Crown, with its representative institutions that limit the king's discretion over political economy. Thus, a balanced British tax system would have been constructed to make economic development possible in the long term (North 1990; North, Weingast, and Summerhill 2000; Acemoglu, Johnson, and Robinson 2001). The differences in these trajectories would only deepen in the heat of the imperial crisis, as the Spanish-American countries inherited a fiscal voracity based on a tradition of absolutist power and high institutional transaction costs for business that hindered economic development over the long run.

Current historiography has widely discussed views on the taxation of the Spanish Empire in America based on research that considers the negotiated nature of the American tax system between the monarchy and local elites. Researchers in the 1980s argued that the mere extraction of fiscal resources was a rather limited benefit of colonialism for the Spanish Empire (Klein and Barbier 1988).<sup>2</sup> More recently, studies of Hispanic American imperial taxation have stressed the redistributive character of the imperial fiscal system, which favored reducing costs for maintenance of the American colonies.<sup>3</sup> Before sending remittances to Spain, it was more important that the Crown reallocate resources between different regions

<sup>1</sup> Archivo General de Indias (henceforth AGI), Indiferente General, 1348, N° 1, p. 42.

<sup>2</sup> According to Marichal the cost of "being a colony" for New Spain was translated into large exports of resources to the Iberian Peninsula especially after 1762, reaching 250 million pesos in transfers at the end of the colonial period. This outlet of resources negatively influenced the possibilities for economic development of the region (Marichal 1999). But this reality is hardly generalizable to the rest of Hispanic America.

<sup>3</sup> Lynch (1969) had already pointed out this topic when analyzing the supposed crisis of the 17th century in Spanish America.

in Latin American colonies (and the Philippines) to secure imperial borders and maintain social order.<sup>4</sup> This perspective emphasizes the necessary participation and benefit of Latin American elites in the management and distribution of fiscal resources (in the management of the so-called colonial *situado*, a transfer of fiscal resources from surplus treasuries to other royal treasuries), thus demonstrating the wide margins of action with which American oligarchies participated in the imperial treasury (Irigoin and Grafe 2006, 2013).

Thus, scholars have revised the dominant image of the monarchy and its tax system, which was based on negotiations between different powers to collect taxes, execute expenditures, and transfer resources from one region to another. This new image does not represent the Spanish Crown as an unopposed depredator of fiscal resources. Instead, it underlines the jurisdictional functioning of the imperial treasury and the difficulties for the Crown, even under the Bourbons, to centralize decisions and tax resources on both sides of the Atlantic with the resistance and autonomous institutional spaces of the Hispanic American elites and royal treasury officers.<sup>5</sup>

However, from this perspective, a discussion topic revolves around the Crown's negotiations and its incapacity to fiscally centralize. Recent historiography considers the negotiated government with local Spanish-American elites the necessary counterbalance for allowing the fiscal system to function, given limitations on the king's discretion in managing finances (Irigoin and Grafe 2006; Grieco 2018). In contrast, the perspective associated with the neo-institutional model of Douglas North (1990) is that negotiations between the Spanish Crown and its subjects had negative effects. This perspective especially underlines the heterogeneous, noninstitutionalized, and corporate characteristics of fiscal negotiation that resulted in the monarchy's incapacity for fiscal centralization, thus increasing financing costs and opening up opportunities to the king's discretion, above all in taking out loans (Summerhill 2008; Bohorquez 2022).

This research is inserted into the context of these studies to identify the capacity of the Royal Treasury of the Viceroyalty of the Río de la Plata to collect surpluses from the regional treasuries in its jurisdiction beyond the *situado* of Potosí. Because the imperial treasury was constituted as a jurisdictional treasury of the old regime, the article presents an analysis of mechanisms of this type of system that allowed the Royal Treasury of Buenos Aires to attract surplus funds from the regional haciendas of the viceregal interior. Although historiography has identified the different resources that served to offset the fall of the *situado* of Potosí from the perspective of the Buenos Aires treasury (Halperín Donghi 1982; Grieco 2018; Amaral 2014; Kraselsky 2016; Wasserman 2017), I examine and reconstruct the extent to which transfers to the capital affected the main treasuries of the interior in relation to their incomes.

Next, I present some commentaries on the accounting books with respect to their importance as documents of the reconstruction of colonial accounting. I then analyze the volumes of the *situado* received in Buenos Aires from Alto Perú between 1780 and 1810. Finally, I examine the contributions of the interior haciendas and the mechanisms through which it sent funds to the capital during the last colonial decade (1800–1810).

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<sup>4</sup> Marichal and Von Grafenstein (2012) highlight the weight of the fiscal transfers from New Spain to the Philippines and the Caribbean by virtue of solving the Spanish defense military system in these territories. Research indicates similar operations between Lima and places like Portobelo, Panamá, and Valdivia (Flores Guzmán 2012) and Cartagena, which received fiscal transfers from other treasuries like Santa Fe in the viceroyalty of Nueva Granada (Meisel Roca 2002).

<sup>5</sup> Some research argued that the impossibility of characterized the Spanish case like a successful “fiscal-military state” is based on the limited fiscal centralization and the incapacity of implement reliable credits systems to face of the war expenditure, unlike the British and Dutch empires, successful in this regard (González Enciso 2008; Torres Sánchez 2013).

### The use of accountability documents and their possibilities

Like any language, the language of the accountant has its own peculiarities. TePaske and Klein (1982–1990) researched the structure of all the royal treasuries of the Spanish fiscal system in America. Based on the documentation known as *cartas-cuentas*, this monumental examination rebuilt the incomes and expenses of each treasury, but with the accounting summaries' own limitations, an issue that has generated many discussions among economic historians about the reliability of the information contained in these sources (Klein 1984; Amaral 1984; Sánchez Santiró 2015).<sup>6</sup> Although the studies based on these documents were very valuable in terms of showing general trends in tax collection, they were limited in their ability to appreciate the values of transfers between royal treasuries, in part given the particularities of the colonial accounting language of double and simple entry.<sup>7</sup> In this way, the possibility of estimating and characterizing aspects like transferred volume of resources, links between different treasuries and fiscal jurisdictions, and capacity of the principal royal treasuries to channel the regional surplus, among other questions, becomes problematic if working only with the database of Klein or the same sources. Precisely because many transfers between treasuries were recorded as entries and exits in each *ramo*, transactions can be identified only by examining the ledger and manual books together. For this reason, new works have retraced the reconstruction of the operation of *ramos*, the income and expenses of different treasuries, and special rents from accounting books, demonstrating the potential of such sources to estimate fiscal collections and transfers between treasuries and to engage in dialogue with other research on economic circuits and contribute to reconstructing regional economic performance (Wayar 2011; Sánchez Santiró 2015, 2016; Pinto Bernal 2015; Biangardi 2016; Wasserman 2017; Galarza 2019a, 2019b). All the values reconstructed here are based on fiscal primary documentation (major and manual books) to improve the precision in estimates of the different figures (e.g., tax collection, transfers).

### The Royal Treasury of Buenos Aires and the arrivals of the *situado* of Potosí

In South America, the *situado* of Potosí is the case that has received the most attention, given the importance of silver production to Potosí and the impact of the injection of related resources on the taxation and economy of Buenos Aires (Klein 1973; Halperín Donghi 1982; Mira and Gil Lázaro 2003; Cuesta 2009; Wasserman 2017). Studies underline the increasing flow of money to Buenos Aires from this *situado* after 1776 and until 1805, which then declined and finally disappeared between 1811 and 1813. In “Guerra y finanzas,” Halperín Donghi (1982) identified a significant decrease in the volume of the *situado potosino* collected at the principal treasury of the viceroyalty, particularly between 1801 and 1810, and it had already started to decrease in previous years. Other research has confirmed this downward trend and tried to understand the reasons for the decline. Mira and Gil Lázaro (2003, 52) retrieve data prepared by TePaske and Klein (1982–1990) from sources known as *cartas-cuentas* to assert a decreasing evolution in shipments of *situado* during the same period. The authors attribute the fall in shipments to a combination of an extended drought and a

<sup>6</sup> “In each treasury office, daily registers of incomes and expenditures were entered into a monthly manual. The monthly books in turn reorganized daily receipts into their respective taxes or *ramos*. At the end of the year, a final *libro mayor* was produced that organized all accounts into income and expenditure categories in yearly totals. At the end of this detailed *libro mayor* came a one-page *relación jurada*, *tanteo*, or *carta-cuenta*, which was sent to the next higher authority and ultimately to Spain” (Klein and Barbier 1988, 42).

<sup>7</sup> Klein and Barbier (1988, 43) stated in reference to these discussions: “It reminds all scholars of the necessity of using the annual summary figures in a provisional and cautious manner. The lesson seems to be that the annual statements are a crude, but faithful, measure of the colonial fiscal situation. More detailed use of the documentation at the micro level can be expected to yield sharper understanding without necessarily altering the essence of the original interpretation.”

shortage of both mercury and workers in Potosí between December 1801 and May 1805, which hindered silver production.<sup>8</sup> Klein estimates that this decline spanned the entire eighteenth century, until 1809, with a brief rebound during the 1780s. Unlike Mira and Gil Lázaro, Klein (1998, 60) identifies the causes of the deterioration of Potosí silver production post-1780 as the influence of the European wars on trade and mercury supply.

However, along with the dropping income on behalf of the *situado*, the Buenos Aires treasury also stopped sending large money transfers to the metropolis. As Halperín's research shows, the shipments to Spain declined from \$8.6 million pesos between 1791 and 1805 to \$162,000 pesos (in "hard silver") between 1806 and 1810. In addition to this, and a point relevant to this research, the documentation studied by Halperín shows another offset to the arrival of lower volumes of *situado*: the increase of transfers from other treasuries in the interior of the viceroyalty of the Río de la Plata, especially during 1806 to 1810. In fact, Halperín's examination of the major books allows him to claim that the volume of funds contributed by the regional treasuries went from 151,762 pesos between 1801 and 1805 to 692,217 during the last five years of the colonial period, 1806–1810. The problem with the information thus presented is that the five-year organization makes it difficult to estimate the evolution of volume year by year (or by fiscal exercise). A major difficulty is identifying the origin of fiscal contributions from the different interior regions. As I demonstrate later, these values can be adjusted and corrected by consulting the accounting books of the different treasuries.

I reexamined the values of *situado* incomes at the Buenos Aires treasury between 1780 and 1810 to identify the ups and downs of the transfers. On the basis of the accounting books of the Real Hacienda of Buenos Aires, I adjusted the numbers of the *situado*—until now, estimated from *cartas-cuentas* by most other historians, except for Amaral (2014).<sup>9</sup>

From a review of the accounting ledgers, I have identified the itinerary followed by the values entered on behalf of the *situado potosino* in Buenos Aires between 1780 and 1810. Constantly fluctuating, the 1790s presented an increase in the values entered in the Caja de Buenos Aires via Potosí (a secular trend, according to other historians) to show a clear decline in the volumes registered during the first decade of the nineteenth century.

As identified in Table 1, during the final years of the eighteenth century, the million pesos constituted a floor for the values of the *situado*; during the following decade, it became a ceiling. More importantly, for the purposes of this article, the fall began in 1801, when the amount declined from more than 2 million pesos to 1.1 million; it continued to fall until 1806. However, these numbers can be adjusted further, especially for income during 1806 and 1807. My research into the contributions of the treasuries of the interior to the viceregal capital allows me to establish that, in 1807, a large volume of funds was deposited in the Caja of Buenos Aires through promissory notes of individuals to be paid in the treasury of Córdoba (something similar happened in 1806). As I demonstrate, these funds were, in fact, part of the *situado* of Potosí that arrived in Córdoba, but the Royal Treasury of Buenos Aires managed to use them by *libranzas*.<sup>10</sup>

In 1807, about 561,000 pesos were entered into the *ramo* "Real hacienda en común" of the Buenos Aires treasury to be paid to third parties in the treasury of Córdoba. How did the Córdoba treasury cope with these commitments? The examination of the ledgers and accounting manuals of the two treasuries (Córdoba and Buenos Aires) allows us to

<sup>8</sup> The authors argue that "the average number of silver marks rescued between 1802 and 1810 (287,022 marks) was 25 percent below the one recorded during the period 1781–1800 (with 384,064 marks)" (Mira and Gil Lázaro 2003, 42).

<sup>9</sup> Amaral has rebuilt the values of *situado* between 1790 and 1811, finding similar numbers to those presented here, with the exceptions of 1803 and 1806.

<sup>10</sup> A payment order given in the name of someone who has funds in favor of the issuer. In this case, private individuals deposited money in the Royal Treasury, and the Treasury issued a payment order in the name of a third-party agent of the person depositing the money (to be paid in the Córdoba treasury).

**Table 1. Incomes by *situado* according to accounting books of Buenos Aires treasury**

Revenues by <i>situado</i>					
Year	Revenues	Year	Revenues	Year	Revenues
1780	1.528.518	1790	928.097	1800	2.104.481
1781	1.088.095	1791	1.243.238	1801	1.122.609
1782	467.623	1792	1.563.784	1802	1.040.965
1783	821.778	1793	1.360.408	1803	0
1784	835.340	1794	1.326.733	1804	1.045.446
1785	681.218	1795	1.717.343	1805	806.648
1786	1.125.042	1796	1.217.378	1806	800.612
1787	912.082	1797	991.082	1807	1.078.169
1788	1.074.827	1798	1.514.387	1808	585.265
1789	1.274.330	1799	935.673	1809	1.057.770
				1810	296.479

Note: All values in tables are in silver pesos, each peso equivalent to *ocho reales*

Source: Accounting books of Buenos Aires royal treasury. Archivo General de la Nación, Sala XIII, Buenos Aires Royal treasury, major books 43-5-12(1780); 43-4-15(1781); 43-6-1(1782); 43-6-4(1783); 43-6-5(1784); 43-6-11(1785); 43-6-19(1786); 44-1-5(1787); 44-1-10(1788); 44-1-15(1789); 44-1-19(1790); 44-2-1(1791); 44-2-5(1792); 44-2-9(1793); 44-2-12(1794); 44-3-1(1795); 44-3-5(1796); 44-3-8(1797); 44-3-10(1798); 44-3-13(1799); 44-4-3 (1800); 44-4-4(1801); 44-4-8(1802); 44-4-11(1803); 44-4-15(1804); 44-4-19(1805); 44-5-7(1806); 44-5-14(1806); 44-5-18(1807); 44-5-21(1808); 44-5-26(1809); and Sala III, 39-3-3 (1810).

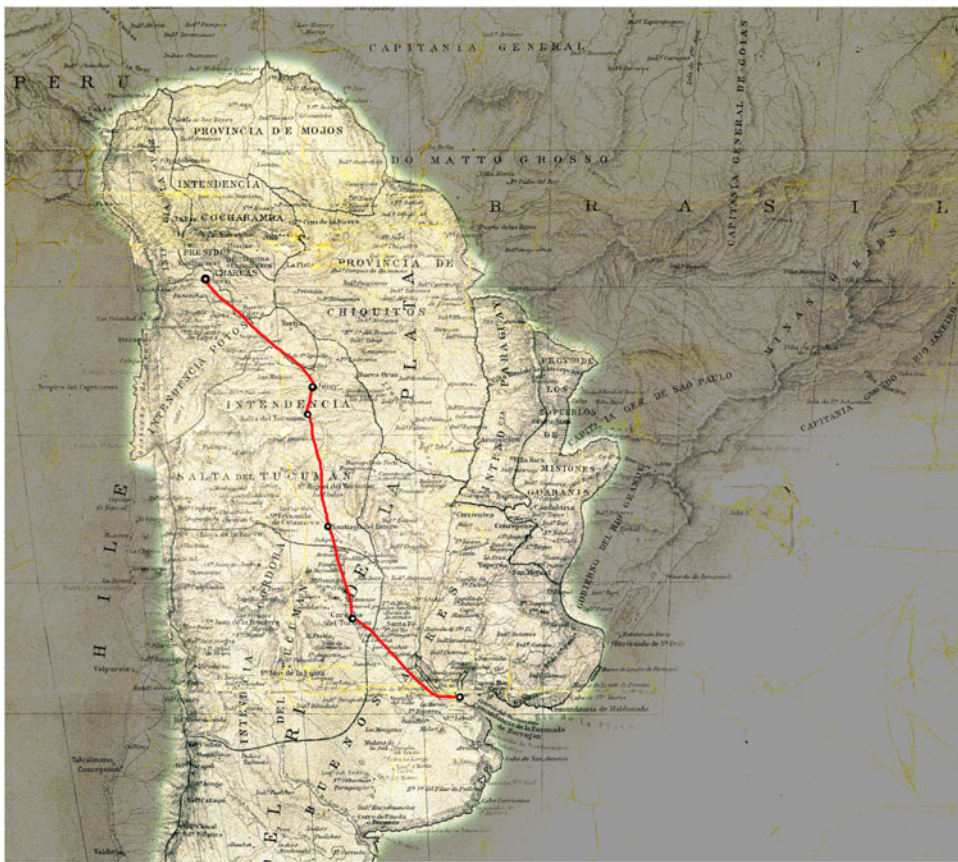
reconstruct the payment circuit. By order of the viceroy, the Caja of Córdoba took a total of 193.000 pesos from the *situado* of Potosí led by the *situadistas* (which passed through Córdoba on its way from Alto Perú; Figure 1) on January 31 and August 22, 1807. In February 1807, 95.000 pesos in silver bars were transferred from Buenos Aires to Córdoba, likely part of the *situado* received the last year in the capital and spent on payments for money deposited in Buenos Aires during 1807. This amounts to a total of 288.000 pesos of the *situado* that the Córdoba treasury managed to collect to meet the commitments assumed in Buenos Aires. This implies that the funds from the *situado* managed by the viceroy treasury in 1807 were more than those registered in the Caja of Buenos Aires. Instead of the 1.078.169 pesos that historians have assumed, the total of the *situado* managed by the Real Hacienda's treasury amounted to 1.272.051 pesos that year, including the resources brought to Córdoba.

The management of part of the *situado* from Córdoba was not new; with the first English invasions of 1806, Viceroy Sobremonte settled in Córdoba and tried to establish his base of operations and the viceregal capital. On July 29 and September 29, 1806, part of the *situado* was given to the Córdoba treasury, which was in charge of its transfer to other haciendas (97.221 and 1.269.302 pesos, respectively). Part went to Montevideo for war and reconquest expenses (97.221 in gold ounces), and another part would be transferred to Santa Fe (16.000 *pesos dobles*) and Mendoza (10.000 *pesos dobles*).<sup>11</sup> Still, the bulk would be forwarded through cash carriers (*situadistas*) to Buenos Aires (950.000) for use in payments made by the Royal Treasury in Córdoba (for the viceroy's salary and the soldiers and Cordovan militiamen destined to reconquer Buenos Aires).<sup>12</sup> The total contributed by Potosí to the viceregal treasury in 1806 amounted to 1.366.523.<sup>13</sup> The new estimated values of the *situado* corresponding to 1806 and 1807 are included in Table 2.

<sup>11</sup> In this type of accounting, *pesos dobles* or *pesos dobles de cordoncillo* are the equivalent of the hard silver peso.

<sup>12</sup> That would arrive in Buenos Aires during 1806 and 1807, in "hard silver" and silver bars.

<sup>13</sup> This is confirmed by the deed of chartering delivered in Potosí on February 11 and recorded in Córdoba on 7/29 and 9/29 of 1806. See AGN, Sala XIII, N° 575, Manual book of Córdoba treasury 1806, folio N° 25 and 39v.



**Figure 1.** Path of conductors of trade flows from Potosí to Buenos Aires. Map by Javier Kraselsky, based on a map found in the Archivo General de la Nación, Written Documents Department, map library IV-168. See Kraselsky (2016, 224). I appreciate the author's generosity in facilitating use of the map.

As shown, the funds received by the *situado* between 1806 and 1807 were greater than historians have previously considered. A considerable portion did not enter Buenos Aires but Córdoba and was redistributed by order of Viceroy Sobremonte and disposed of in the context of the English Invasions. Especially throughout 1807, the treasury of Buenos Aires had the funds of the *situado* brought to Córdoba through promissory notes. Advancing funds to the Royal Treasury for metallic silver was a common practice, especially among traders, in the Río de la Plata (Gelman 1996; Grieco 2009). These operations highlight a few important aspects. For the Córdoba treasury, this meant establishing itself as a redistribution Caja for the resources of the *situado*, especially during 1806, when it executed an important part of the expenditures. But given that the royal treasury of Córdoba did not pay all the commitments in a timely manner, this implied a credit in favor of the Royal Treasury. The review of the accounting books (ledgers and manuals) of the Córdoba treasury demonstrates that, at least until 1810, a good portion of the funds received in Buenos Aires during 1807 to be paid in Córdoba had not yet been paid.<sup>14</sup> For

<sup>14</sup> Of a total of 561,000 pesos ingresses in Buenos Aires during 1807 against promissory notes to be paid by the Royal Treasury of Córdoba, 240,410 pesos were paid in 1807 and 6,000 in 1808, in addition to 64,000 pesos corresponding to the "Philippines Cia". Up to and including 1810 more payments were not registered in the Córdoba royal treasury on account of these funds.

**Table 2. Incomes by *situado* in Buenos Aires according to authors 1801–1810**

Volume of <i>situado</i>			
	Amaral	Halperin Donghi	Galarza
1801	1.135.200		1.122.609
1802	1.055.800		1.040.965
1803	27.800		0
1804	1.052.100		1.045.446
1805	819.500		806.648
Subtotal	4.090.400	4.089.663	4.015.668
1806	131.300		1.366.523
1807	1.078.200		1.272.051
1808	582.300		585.265
1809	1.243.600		1.057.770
1810	296.500		296.479
Subtotal	3.331.900	3.635.272	4.578.088
Total	7.422.300	7.724.935	8.593.756

Source: Amaral (2014); Halperin Donghi (1982).

individuals, there was the possibility of obtaining the silver of the *situado* from Potosí, from advancing funds in *pesos dobles de cordoncillo* in Buenos Aires (to meet the emergencies of the treasury), in addition to acquiring silver in Córdoba through agents.<sup>15</sup> This was a practice that allowed the benefits from currency arbitrage prizes to be privatized, albeit not without risk, since payments could take a long time to process

Last but not least, for the treasury of Buenos Aires, the use of promissory notes meant quickly raising funds to pay off military expenses. In this way, private individuals deposited a total of 465.000 pesos in the Buenos Aires treasury, an amount that should be paid in Córdoba for war outlays. The examination of the data (outputs) of Real Hacienda en común of the main treasury of the viceroyalty shows that it used these resources to pay institutions such as the navy in Montevideo or kept them in the capital's treasury. Above all, using this mechanism in these circumstances granted the Caja of Buenos Aires the possibility of continuing to manage the resources of the *situado* even when, by order of the viceroy, funds had arrived at Córdoba. After the experience of 1806, when the distribution of *situado* and a significant part of the expenditure execution were under the authority of the Córdoba treasury, the money received by the Buenos Aires treasury by 1807 through promissory notes was used to more directly and quickly dispose of the Potosí funds, delegating the payment of the commitments assumed in the Córdoba treasury.

These findings demand a reassessment of the evolution of the *situado* during the first decade of the nineteenth century. As evident in Table 2, in the period 1801–1805 the *situado* suffered the biggest decline before recovering in 1806 and 1807. However, previously,

<sup>15</sup> The best example was the case of Francisco Letamendi, who ingresses in the “Real Hacienda en común”, ramo of the treasury of Buenos Aires, 100.000 pesos in March 1807 to Martín de Sarratea. On October 31st, the treasury of Córdoba paid the equivalent to Dámaso Gómez, to name of Letamendi, in 55 silver bars that had been deposited in the Royal treasury by the *situado*. AGN, Sala XIII, N° 584, Manual book of Córdoba treasury 1807, folio 56 and Sala XIII, N° 44-05-18, Major book of Buenos Aires treasury 1807, folio N° 17. Similar operations were carried out by agents of Anselmo Sáenz Valiente, Gerónimo Merino, Ambrosio Funes, Antonio Lezica, and others.



specialized historiography had affirmed that the most important fall took place between 1805 and 1806 and in 1810. It had confused the funds introduced through promissory notes with contributions of the Córdoba treasury when those actually came from Potosí.<sup>16</sup> For the period 1801–1805, the differences between the estimations of Amaral (2014) and Halperín Donghi (1982) and my own research are because those authors recorded contributions from other Cajas in the interior within the *situado*.<sup>17</sup> Even if the amounts arrived together, the funds of other haciendas belonged to the surplus of each treasury and *ramo*.

If during the period 1801–1810 the income per *situado* reached 8.593.756 pesos, the decline in this period with respect to the previous decade amounted to 5.382.751 pesos. In the first five years of this period, however, silver arrivals from Potosí fell the most. How did the Real Hacienda of Buenos Aires manage to counterbalance this drop in income? What role did the funds of the regional treasuries of the viceregal interior play in the process?

### The contributions of the regional treasuries between 1801 and 1810

A combination of resources and factors contributed to or allowed for the fall of the *situado potosino* beginning in 1801 and the rise in war-related expenditures with the English invasions. The most important factor was the consumption of accumulated funds in the *ramos* of the Real Hacienda (“Depósitos”; “Bienes de difuntos”) funds coming from Chile, transfers and loans from special rents (like tithes or tobaccos), and private loans through entities like the consulate and the *cabildo* (Halperín Donghi 1982; Amaral 2014; Kraselsky 2016; Grieco 2018).<sup>18</sup> The contributions of the Cajas of the viceregal interior were a factor, but a less important one. According to historians, the greatest contribution of the treasuries of the interior took place between 1806 and 1810, to help compensate for the presumed fall of the *situado*. But these figures confuse the contributions from Potosí during 1806 and 1807 with contributions originally from Córdoba. Research in the accounting books from different treasuries locates the biggest fall of the *situado* between 1801 and 1805, in line with the production crises in Potosí found in other studies, and its subsequent recovery to higher levels. In the following, I reconstruct the contributions of the royal treasuries of the viceregal interior of Río de la Plata to demonstrate that these shipments were more important during the first years of the century, when the *situado* fell and the monarchy repeated the requests for funds transfers. I also describe the different mechanisms through which the main treasury of Buenos Aires collected funds from the interior. Finally, I estimate the impact of remittances on the origin treasuries.

I have managed to identify all the entries of funds from the viceregal interior treasuries for the period 1801 to 1810 in the *ramos* that made up the Real Hacienda of Buenos Aires. Thus, it is possible to identify the amount that each regional hacienda contributed to mitigation of the effects of the fall of the *situado* during the period 1801–1810 while pinpointing the income collected by the Buenos Aires treasury year after year.

The reconstructed figures allow for corrections of the values estimated in the specialized historiography, demonstrating that the resources provided by the interior treasuries [without Alto Perú] were less than those previously assumed but show a different moment of arrival.<sup>19</sup> If we observe the total funds deposited on behalf of these

<sup>16</sup> Amaral estimates the values of *situado* in 1806 at only 131.000 pesos, because he does not count incomes from the *situado* from quicksilver sales, silver bars ingresses in *ramo* “effects and jewels in deposit”, and the funds received in Córdoba (Amaral 2014, 401).

<sup>17</sup> Something that started to be common during the final of 1770 decade. See Wasserman (2017).

<sup>18</sup> Such was the relevance of the loans channeled by the *Cabildo* that authors such as Grieco (2009, 2018) postulate that they displaced the Royal Treasury as the main supporter of viceregal spending, consolidating its political role in the process that would lead to the May Revolution of 1810.

<sup>19</sup> Halperín Donghi (1982) estimated the contribution of the interior treasuries around 843.979 pesos between 1801 and 1810.

**Table 3.** Real Hacienda of Buenos Aires, incomes by treasuries of the viceregal interior (without Alto Perú)

Totals per year	
Year	Remittances amount
1801	53.843,5
1802	59.324,3
1803	65.254,6
1804	48.406,3
1805	34.267,7
1806	64.522,8
1807	13.230
1808	40.606,1
1809	51.850,2
1810	38.625
<b>Total</b>	<b>469.930,5</b>

treasuries during the period in which the *situado* declined (1801–1810), the value reaches 469.930.52 pesos (Table 3). This amount represented only 5.4 percent of the value contributed by the *situado* during the same period. If the amount references the values that the hacienda of Buenos Aires ceased to receive for this item compared to the income during the previous decade of the 1790s, that is, the 5.380.751 pesos in decline, then the resources contributed by the viceregal interior covered 8.7 percent of that total amount.<sup>20</sup>

I want to emphasize that the biggest surplus arrivals took place between 1801 and 1805, when the *situado*'s fall was more significant and the authorities of the royal treasury repeated their request for remittances as a result of imperial financial urgencies. During the following five years, this type of contribution became smaller as the *situado potosino* recovered. The main difference with the existing specialized research is this: the reconstruction of the circulation of *situado* only from the perspective of the Buenos Aires treasury meant that resources acquired through promissory notes were registered from Córdoba instead of Potosí. This led historians to believe that between 1806 and 1807, there was a greater decrease in the *situado*, which was compensated by loans from the Cabildo and other corporations together with an increase in contributions from the interior treasuries.

My research in the ledgers of the treasuries of Buenos Aires, Córdoba, Mendoza, and Santa Fe allowed me to reconstruct payment circuits, identifying and differentiating the funds that originated in the *situado* from contributions by regional treasuries. It also allowed me to understand how the Real Hacienda of Buenos Aires collected the surplus of these regional treasuries, which, between the years 1801 and 1805, served to feed the funds that were used to compensate for the fall of the *situado*. I explain this mechanism next.

### Transfer mechanisms: An old regime treasury

In addition to the use of promissory notes to acquire funds from the *situado* received in Córdoba, the Royal Treasury of Buenos Aires had other mechanisms for acquiring resources

<sup>20</sup> The *situado* entered between 1801–1810 (period of falling values) reached a total of 8.593.756 pesos, while in the immediately previous period (1791–1800) the same item had contributed a total of 13.974.507 pesos. Between 1781 and 1790 the total of the *situado* amounted to 9.208.432 pesos. The values of 1801–1810 were the lowest in the last thirty colonial years.

under the jurisdiction of Córdoba. I identify two ways it acquired funds from Buenos Aires. First, it requested remittances with the help of carriers, who, in their journey from Potosí, added the surplus available in Córdoba to the flow rates to hand over in the viceregal capital. This was one of the main ways to send resources. The same was true in the cases of Tucumán, Salta, and the minor treasuries under the jurisdiction of Salta (Wayar 2011).

The other mechanism that allowed the Viceregal treasury to intercept funds was the recollection of the *nuevo impuesto* of the jurisdiction of Córdoba. Introduced during fiscal pressures with the Bourbon Reforms at the end of the eighteenth century, this tax affected the circulation of goods coming from the Northwest that crossed Córdoba to the coast (especially from Salta and Jujuy, at the south of Alto Perú, toward Santa Fe and Buenos Aires). The tax was created to cover frontier expenses, and it was under the jurisdiction of the cabildo of Córdoba city (which appointed a deputy for its collection) and the Royal treasury. The collection of the tax was divided between Córdoba and the Buenos Aires Customhouse, where a specific receiver, Domingo Hidalgo, took charge of the collection.

The funds from this tax in the Aduana of Buenos Aires were collected by the viceregal treasury from the surplus of the Córdoba treasury. The mechanism was simple: Domingo Hidalgo directly deposited part of the collection of the *nuevo impuesto* of Córdoba in the treasury of Buenos Aires. In return, the treasury of Córdoba transferred the equivalent value of its own surplus to a common fund, with which it paid the frontier expenditures. In this way, the treasury of the capital had access to the surplus of the Cordovan *caja*, drawing directly from the collection of the *nuevo impuesto* at the customs, thus avoiding the physical transfer of money and its risks. This also ensured the treasury would obtain the resources from Córdoba in a simpler and more efficient way instead of having to await the carrier's arrival. For the treasury of Córdoba, the advantage was that it could use its surpluses to cover urgent frontier expenses, making the arrival of the *nuevo impuesto* collection from Buenos Aires unnecessary.<sup>21</sup> As seen in Table 4, this method of reimbursement represented 14 percent of the shipments from Córdoba to the main treasury of Real Hacienda in Buenos Aires.

My research into regional treasuries in Mendoza and Santa Fe has allowed me to identify other similar mechanisms for transferring funds (Galarza 2019a, 2019b). In the case of Mendoza, the main mechanism for attracting resources by the Caja of Buenos Aires was the transfer of surpluses by treasury ministers. As Table 5 shows, the highest volume of transfers registered between 1801 and 1810 corresponds to this mode of shipments; a smaller percentage was made by promissory notes and private contributions in Buenos Aires charged to the Mendoza treasury (in 1809 and 1810).

Meanwhile, in Santa Fe, the shipments of surplus originating from the regional treasury represented a lower percentage of the funds channeled to the capital (see Table 6). In this case, the main mechanism for capturing money was similar to that observed in the case of *nuevo impuesto* of Córdoba: the reimbursement of funds made from the *caja de arbitrios* of the cabildo of the city of Santa Fe to the Caja of Buenos Aires.<sup>22</sup> Furthermore, a third mechanism was direct remittance of funds from smaller fiscal jurisdictions that made up the Royal Treasury of Santa Fe, especially from the receivers of *alcabalas* of Entre Ríos (the villages of Concepción,

<sup>21</sup> An example from 1803 will facilitate the understanding of this mechanism. In the Córdoba treasury, the surplus of 1802 from the ramos “inválidos”, “monte pío”, “indulto”, “donativo voluntario”, “15% Vales Reales” and “naipes” was transferred to the funds for frontier expenses. Then, Gaspar Lozano, the officer of Córdoba, send a promissory note against Hidalgo so that he could enter the equivalent of these money transferred to the Buenos Aires treasury, taking it from the fund of *nuevo impuesto* collected at customs of Buenos Aires. See AGN, Sala XIII, núm. 575, Manual book of Córdoba treasury, 1803, folio 4.

<sup>22</sup> The arbitrios were a municipal tax that the King could be granted as a prerogative to cities, especially to cover imperial border expenses. In the case of Santa Fe, taxed the trade in sugar, yerba mate and cotton from Paraguay toward the Río de la Plata. Since 1780, Viceroy Vértiz divided the collection between the ports of Santa Fe and Las Conchas, the last one located in the Buenos Aires fiscal jurisdiction, so part of the funds collected were deposited in the treasury of the capital.

**Table 4.** Funds from Córdoba treasury according to shipping mechanism

Shipments from Córdoba		
Shipping mechanism	Amount	Percentage
<b>Cash flow</b>	131.925,3	86%
<b>Refunds of <i>nuevo impuesto</i></b>	21.771	14%
<b>Total</b>	153.696,3	100%

Source: Accounting books of Córdoba royal treasury. AGN, Sala XIII, Córdoba royal treasury (1800–1810) N° 573, 574, 575, 579, 581, 582, 584, 586-A, 587 and 589.

**Table 5.** Funds from Mendoza treasury according to shipping mechanism.

Shipments from Mendoza		
Shipping mechanism	Amount	Percentage
<b>Cash flow</b>	92.705,7	92%
<b>Payrolls/individuals</b>	7.855	8%
<b>Total</b>	100.560,7	100%

Source: Accounting books of Mendoza royal treasury. AGN, Sala XIII, Mendoza royal treasury (1780–1810) N° 10-09-01; 10-09-02; 10-09-03; 10-09-04; 10-10-01; 10-10-02; 10-10-03; 10-10-04; 11-01-01; 11-01-02; 11-01-03; 11-01-04; 11-01-05; 11-02-01; 11-02-02; 11-02-03; 11-02-04; 11-02-05.

**Table 6.** Funds from Santa Fe treasury according to shipping mechanism

Shipments from Santa Fe		
Shipping mechanism	Amount	Percentage
<b>Cash flow</b>	25.682,5	39%
<b>Refunds of Arbitrios</b>	36.992,3	57%
<b>Promissory note</b>	2.480	4%
<b>Total</b>	65.154,8	100%

Note: We must point out that, since 1808, the excise tax fund collected in the port of Las Conchas was integrated as a *ramo ajeno* in the treasury of Buenos Aires, which reduced the amounts of refunds since the Buenos Aires treasury managed to get hold of these resources directly collected in Las Conchas. The amount of this collection between 1808 and 1810 extended to a total of 45,000 pesos deposited directly in the treasury of the capital. Thus, the total collected by this item for the period 1801–1810 amounted to 82,192 pesos.

Source: Accounting books of Buenos Aires royal treasury. For Santa Fe, see AGN, Sala XIII 31-04-05, “Propios y arbitrios de Santa Fe, 1777–1790” and Sala IX 03-10-05 “Propios y arbitrios de Santa Fe 1802–1808.”

Guauguay, and Guauguaychú) and from the villages of the former Jesuit missions that sent resources to the *aduana* in the capital without going through the hands of the royal officers of Santa Fe.

Regarding refunds by *arbitrios*, as historians have reconstructed in previous works (Galarza 2019a), this mechanism allowed the Buenos Aires treasury to manage to retain part of the collection of this tax collected in the Port of Las Conchas, under the jurisdiction of the Caja de Buenos Aires. As these funds belonged to the Cabildo of Santa Fe and were used to pay expenses to the imperial frontier (especially military ones), the Buenos Aires treasury ordered the royal officers of the Santa Fe regional treasury to send their surpluses to the cabildo of

**Table 7.** *Caja de Buenos Aires*, incomes from interior treasuries 1801–1810

Treasury	\$	%
Córdoba	153.696,3	32,7%
Mendoza	100.560,7	21,4%
Salta	74.443	15,8%
Santa Fe	65.154,8	13,9%
Tucumán	29.612	6,3%
Jujuy	14.775	3,1%
Entre Ríos	10.85,2	2,3%
San Juan	7.567	1,6%
Santiago del Estero	6.657,6	1,4%
Misiones	6.228,3	1,3%
Corrientes	377,6	0%
Total	469.930,5	100%

Santa Fe to discount, in turn, the equivalent amounts of the *arbitrios* collection in Las Conchas and integrate them into their own coffers. In practice, this compensation mechanism was identical to the *nuevo impuesto* and served to channel surpluses from the treasury of Santa Fe to the treasury of the viceregal capital, avoiding the physical transfer of money.

These reimbursements represented 57 percent of funds that the Buenos Aires treasury managed to collect from the regional treasury of Santa Fe during the first decade of the 1800s, constituting the main mechanism for raising funds. The remaining volume of resources was channeled through transfers of remittances, especially in 1802, as I explain in detail in the next section. The three cases show the diversity of mechanisms implemented by the administration of the Royal Treasury of the viceroyalty to collect resources or surpluses from the royal treasuries of the interior.

With reference to the regional distribution of these contributions, the inputs realized by Córdoba stand out, followed by Mendoza, then Salta and the treasury of Santa Fe (Table 7). If the organization of resources is established based on the fiscal jurisdictions and their contribution to the main treasury of the viceroyalty, then the Córdoba treasury leads, with 33 percent, while the Salta treasury is a close second, reaching 27 percent of the total, leaving the Cuyo region with the smallest contribution of 23 percent. Meanwhile, the coastal region, led by Santa Fe, reaches 18 percent with a figure close to 83.000 pesos. Moreover, the *Cajas* of Paraguay and Montevideo demonstrate their character as recipients of funds from Buenos Aires (especially the latter) (see Table 8).<sup>23</sup>

If in Buenos Aires the funds for moderating the fall of the *situado* of Potosí are consistently about 8.7 percent of the total resources, this pattern changes when we focus on the treasuries of the interior. The shipments from the regional treasuries of the viceroyalty changed composition throughout the decade, showing in different years the prominence of some treasuries that concentrated greater volumes of remittances. Although remittances from the interior were not voluminous for Buenos Aires, they were significant from the point of view of the income structure of the haciendas in the interior.

<sup>23</sup> Neither the treasuries of Paraguay or Montevideo record contributions to Buenos Aires between 1801 and 1810, only 150 and 45 pesos during 1800, respectively.

**Table 8.** *Caja de Buenos Aires*, incomes from interior by fiscal jurisdiction, 1801–1810

Fiscal Jurisdiction	\$	%
Treasury of Córdoba (and Rioja)	153.696,3	33%
Treasury of Salta (Tucumán, Santiago, Jujuy, Catamarca)	125.487,6	27%
Treasury of Mendoza (San Juan y San Luis)	108.127,7	23%
Treasury of Santa Fe (Misiones, Corrientes, Entre Ríos)	82.618,9	18%
Total	469.930,5	100%

**Table 9.** Shipments to Buenos Aires as percentage of incomes in regional treasuries of Mendoza, Santa Fe and Córdoba, 1801–1810

	Mendoza			Santa Fe			Córdoba		
	A	B	% (B/A)	A	B	% (B/A)	A	B	% (B/A)
1801	30.071	25.244	84%	30.873	0	–	25.273	15.488	61%
1802	32.813	1.616	5%	42.991	22.417	52%	27.543	21.574	78%
1803	31.633	36.686	116%	33.271	0	–	28.935	21.561	75%
1804	41.975	0	–	40.272	17.873	44%	35.464	25.321	71%
1805	15.726	18.429	117%	48.557	8.179	17%	43.274	6.685	15%
1806	45.032	0	–	49.062	5.508	11%	52.487	14.492	28%
1807	25.057	0	–	39.453	9.130	23%	56.830	4.015	7%
1808	46.682	10.731	23%	32.255	0	–	70.349	17.067	24%
1809	31.214	4.444	14%	39.452	47	0,1%	82.367	11.426	14%
1810	21.422	3.411	16%	42.892	2.001	5%	78.935	16068	20%
	<b>Average 1801–1810</b>		<b>38%</b>			<b>15%</b>			<b>39%</b>

A: effective incomes of the treasury // B: funds collected by/send to Royal Treasury of Buenos Aires. Note: The column entitled % B/A represents remittances sent to Buenos Aires as a percentage of the annual income of the originating treasury.

As Table 9 shows, the average percent was greater in the treasuries of Córdoba and Mendoza and smaller in Santa Fe. In this case, it was influential that part of the collection of *arbitrios* was placed directly under the jurisdiction of the Buenos Aires treasury in 1808 (and that the amounts collected were entered directly in the *Caja principal*). However, the amount of funds acquired by different mechanisms of the Royal Treasury of the viceregal capital was more important for the origin treasuries than the Buenos Aires treasury. It should be noted that in the period 1801–1805, which we emphasize as the greater fall of the *situado* of Potosí, the pressure that the remittances exercised on the incomes of the interior treasuries of Mendoza, Santa Fe and Córdoba was greater than the period from 1806–1810. In the first case, the average increased to 64 percent over the effective incomes of the *Caja*. As a result of these, for example, the Mendoza coffer went from registering a total of 37.399 pesos of remaining cash at the end of 1802, to having 8.805 pesos for the same item at the end of 1803. During that year, the funds acquired in June and December surpassed the previously accumulated funds in the coffers of the regional treasury.

A similar process had taken place in the Santa Fe treasury. Particularly in 1802 and 1804, the cash flow to the capital was very important. The shipments registered in 1802 originated

in the superior order of the royal visitor Diego de la Vega to remit the totality of the treasury surpluses to the capital, in line with the requirements from the metropolis. This value amounted to 22,417 pesos, which, when compared to the effective income in the Santa Fe treasury in 1802 (\$12,185), was almost twice as much. Undoubtedly, this also influenced the consumption of accumulated funds in the regional treasury, which at the beginning of 1802 reached \$33,445 in “hard silver” and at the end of the same year only 21,044 pesos. The average pressure over the incomes between 1801 and 1805 rose to 23 percent.

The case of Córdoba shows a larger and more persistent pressure of remittances over incomes during the period 1801 to 1804, before a decrease in 1805. These affected the remaining money available in the coffer of the treasury, which had already seen the fall of metal values from 22,880 pesos in December 1803 to 12,861 pesos one year later. The average pressure on effective incomes during the period 1801 to 1805 amounted to 60 percent, demonstrating the impact of the remittances in the treasury. Here, too, the needs or demands of the Royal Treasury facilitated the mobilization of resources.<sup>24</sup>

In the next years, the remittances to the capital decreased. In line with the possibility of the managed funds of the *situado*, at the end of 1806 the remaining money available in the coffers of the Córdoba treasury increased to 46,000 pesos. But during 1807, having to face the commitments of promissory notes ingresses in Buenos Aires made the cash in the treasury at the end of this year close to 18,000 pesos and would continue to decline especially between 1809 and 1810.

Finally, Wayar (2011, 24) mentions the Salta case and estimates 55 percent in average volume of shipments to Buenos Aires between 1784 and 1808 which was calculated not in relation to treasury income, but in relation to the remaining cash available in the treasury.<sup>25</sup> However, Wayar states that it was a decreasing percentage considering the immediately previous period (88 percent).

## Conclusions

The Royal Hacienda of the Viceroyalty of Río de la Plata attempted to obtain the surplus of the interior treasuries, according to the needs of the treasury. During the period 1801–1805, when the hacienda needed resources, the funds of the *situado* from Potosí fell sharply. However, the treasury of Buenos Aires could obtain the surplus of the regional treasuries, through different mechanisms. The royal visitor of the hacienda, Diego de la Vega, was key to channeling the surplus of the treasuries of Santa Fe, Córdoba, and Mendoza, especially between 1802 and 1803. During 1803, there were no revenues from the *situado* in the Caja of Buenos Aires. Notwithstanding, sending remittances was a mechanism that worked regularly, especially in the cases of Mendoza and Córdoba. So, the contributions of the interior treasuries between 1801 and 1805 were more important than the historiography has supposed.

The other important mechanism for channeling resources from the treasuries to Buenos Aires was the refunding of taxes of Santa Fe and Córdoba. In the first case, the refunds of the *arbitrios* of Santa Fe city and its form of recollection constituted a mechanism that allowed the treasury of Buenos Aires to recollect an important volume of

<sup>24</sup> This is how Gaspar Lozano, accountant minister of the Royal Treasury of Córdoba, expressed himself when sending in December 1801 the totality of the Royal Treasury stocks corresponding to 1800: “doy en Data Doze mil p<sup>s</sup>. S entregados a D<sup>n</sup> Ant.<sup>o</sup> Ortiz Alcalde Conductor del R.<sup>l</sup> Situado para que los conduca a la Capital de Buen.<sup>s</sup> Ay.<sup>s</sup> a disposis.<sup>n</sup> de los Sres. Mintros. Grales de aquella Thesoreria . . . , conseqüente a la Superior Orn comunicada al efecto, con motibo de las actuales urjencias de la Corona,” AGN, Sala XIII, Córdoba Royal treasury, Major book of 1801, folio 44. The underline is ours.

<sup>25</sup> We consider that estimating the amounts of shipments according to the real incomes is better than in relation to the remaining money, because the cash flows took place during the year and the remaining money was the result of accounting exercises, after discounting the remittances.

funds during those years. Something similar was put into practice in the jurisdiction of Córdoba, where the division of the collection of the *nuevo impuesto* meant that customs in Buenos Aires had resources of Córdoba available to send quickly to the coffers of the treasury of the capital. This allowed part of the surplus of the treasury of Córdoba to be received in Buenos Aires through reimbursements, avoiding the transfer of money. The distribution of resources involved communication across various fiscal jurisdictions including the municipality of the cities of Córdoba and Santa Fe, the regional haciendas, and the viceroyalty, which was represented by the Buenos Aires treasury.

Historians have traditionally attributed the low revenue of the *situado* in Buenos Aires in 1806 and 1807 to a decline in shipments from Potosí. However, the *situado* shipments remained steady, but were diverted to Córdoba rather than directly to Buenos Aires. During 1806, the Córdoba treasury was able to manage and distribute these funds, including sending funds to Mendoza, Santa Fe, Montevideo, and Buenos Aires. This meant an improvement in the money available in the coffers of Córdoba at the end of 1806. By 1807, that situation ended. Although the *situado* of Potosí arrived at Córdoba again, the treasury of Buenos Aires took resources of individuals through promissory notes to pay the Cordovan treasury. In this way, the main hacienda of the Viceroyal was able to manage an equivalent volume of funds faster, without having to wait for the money to arrive. Therefore, because in 1806 only 950.000 pesos from the total of 1.269.302 pesos of the *situado* that arrived at Córdoba were resent by carriers to Buenos Aires, the utilization of promissory notes facilitated direct access for the Buenos Aires treasury to the funds of the *situado* that arrived in Córdoba in 1807.

The participation of individuals as moneylenders through promissory notes was not new, but in this case expressed the competition between both treasuries (Córdoba and Buenos Aires) to manage the funds that came from Potosí, after the experience of 1806. The cost to the Real Hacienda was the privatization of the money prize, but the risk to the individuals was that payments could be delayed.

From 1806-1810, the income that came from Potosí improved, and the contributions from the other interior treasuries were less than the historiography today indicates. However, the mechanisms to extract surplus included reimbursing taxes between Córdoba and Santa Fe and the treasuries' remittances through carriers.

All those mechanisms allowed the Royal Treasury of the Viceroyalty to obtain resources from the interior treasuries. Although the volume of these funds was minor for the income structure of Buenos Aires, they were important for the origin of regional haciendas. We proved that in the main treasuries of the interior, such as Mendoza, Santa Fe, and Córdoba, the volume of funds finally collected by Buenos Aires represented important percentages of the real incomes of these treasuries. In some years, the amount of these resources implied a strong reduction of the available money in each regional coffer.

We conclude that all of the situations described here show the good functioning of the Royal Treasury, which is far from the traditional view characterized by disorder and corruption. This contradicts the idea that the interior haciendas had large margins of autonomy. This autonomy was always in dispute. The development of different ways of channeling resources allowed their arrival in Buenos Aires, putting pressure on the interior haciendas, especially in times of urgency for the imperial treasury, during the first five years of the nineteenth century. But the objective of extracting a greater volume of funds did not take place by a process of standardizing and verticalizing the fiscal scheme under the Bourbon reforms. Nor were the reforms carried out by a resource-hungry Crown that set its own terms without regard for its subjects. The analysis shows that the circulation of funds between treasuries was developed in a framework of tension, disputes over jurisdictions, and mechanisms of money extraction that were typical of an old regime hacienda. Where some earned little, others earned a lot, and everyone had to give up



something to protect their own interests. However, this did not mean that the system was dysfunctional; it may not have been efficient, but it was effective.

The empire worked, sending requests for resources to all corners of the viceregal treasury and exerting strong pressure on the regional treasury accounts, through the old regime mechanism. Whether or not these funds were later sent to the metropolis (and to what extent) is another story.

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