

three years have enabled the country to effect. The whole arrears of Contingent, up to January 1827, did not exceed 538,143 dollars, and there was every prospect that, in the course of the present year, a part of this debt would be liquidated.

The States of Dürāngō, Chihūahūa, Yūcātān, Ōājācā, Lā Pūēblā, Sān Luis Pōtōsī, Vērācrūz, and Zācātēcās, owed nothing to the Federation. The debt of several other States, (as Guānājuātō, New Lēōn, Cōhāhūilā, and Sōnōrā,) was very inconsiderable; while those whose arrears were largest, (Jāliscō, Mexico, Quērētārō, and Vāllādōlīd,) are precisely the States which, from the amount of their population, and the superiority of their internal resources, are best able, ultimately, to meet their engagements.

The arrears due to the Federation for Tobacco are much more considerable than those due on the account of the Contingent. By the official returns it appears, that, up to June 1826, the States had received Tobacco, wrought and unwrought, to the amount of 3,950,890 dollars.
and had paid 1,343,539

Balance 2,607,351

The repayment of which will require time. The amount of the deficit, however, proves the importance which this branch of the Revenue has already acquired, and, as all the establishments connected with it are now organized, its produce must

henceforward increase both in regularity and amount. I do not, therefore, conceive that I estimate it too high, in giving two millions and a half as the probable gross receipt, in the year 1828.

I likewise think that the full *half* contingent, or 1,573,756 dollars, may be reckoned upon during the same period; and I am of opinion that, from the increasing home consumption of the country, the produce of the custom-houses will not fall short of the eight millions of dollars, at which Mr. Esteva estimates them, in his report for 1827.

Upon this supposition, I shall hazard a calculation of the probable revenue of Mexico in 1828; taking the gross receipts of the ten months ending the 1st of July, 1826, as the basis, with allowances for such moderate increase, as I conceive the general aspect of affairs to warrant; but omitting all the items included in the official returns of receipts for 1826, which originate in eventual or accidental causes, and are not included, by the law of the 4th of August, amongst the ordinary revenues of the Federation.

Estimate of Mexican Revenue in 1828.

	Gross Receipts in 1826.	Net Produce in 1826.	Probable Produce in 1828.
	Dollars.	Dollars.	Dollars.
Importation Duties	7,043,237	6,854,633	8,000,000
Tobacco	1,582,616	1,361,626	2,500,000
Contingent	1,368,452	1,368,452	1,573,756
Gunpowder	159,840	132,522	250,000
Post-office	224,543	87,462	320,000
Lottery	106,887	49,153	120,000
Salinas	65,813	44,921	75,000
Mint	170,670	15,607	250,000
Inquisition (Property of)	26,440	15,010	30,000
Temporalidades (Convent property, &c.)	34,456	21,475	40,000
Duty on Silver exported	48,525	48,525	75,000
Stamps	14,840	434	20,000
Pulque	29,353	29,353	35,000
Assay and Apartado Duties	21,074	19,128	21,074
Fondo de Californias	11,247	11,197	12,000
Averia	539,886	529,850	540,000
Peages (Turnpikes)	66,740	45,542	70,000
	11,514,619	10,634,890	13,931,830

Or, in round numbers, Fourteen millions of dollars, (allowing 68,170 dollars for arrears due, and other contingent receipts), which sum, I am convinced, that the country can only be prevented, by very great mismanagement, from producing.

Indeed, if Mr. Esteva's calculations can be depended upon, the Revenue has *already* very nearly equalled my estimate for the year 1828.

The 11,514,619 dollars given in the preceding

table, are the receipts, not of a year, but of a term of *ten* months.

Mr. Esteva, who includes in his general statement many eventual items, which I have omitted, (*Diezmos, Reintegros, Donativos, &c.*) makes the *net* produce amount to 11,389,698 dollars.
To which he adds one *fifth*, for
the two remaining months 2,277,939

Thus making the sum total 13,667,637

But, in a country where the duties on foreign goods form so important a part of the revenue, it is a fallacy to take the receipts of all the months of the year as equal. Nearly the whole supply of European goods for the Mexican market, is imported during the winter months, on account of the sickness that prevails upon the coast from April to October. It is, therefore, a palpable error to suppose that the receipts of July and August, (the two months *not* included in the statement presented to Congress), must be equal to those of two of the winter months; and to add to the sum total of the produce of the custom-houses (7,043,237 dollars) one *fifth*, (or, 1,173,872 dollars), as a fair equivalent for the omission.

This observation does not apply equally to the other branches of the revenue; nor does it affect my estimate of the probable produce of the custom-houses in the year 1828: but it may serve to ex-

plain the apparent contradiction of a *surplus* revenue of 304,538 dollars, as given by Mr. Esteva, in his Report of January 1827, and the difficulty in covering the actual engagements of the country, which certainly has been experienced.

To take a fair view of this subject, it will be necessary to consider the expenditure of Mexico, as compared with its receipts, according to the estimates for the present year, to which it seems neither necessary, nor probable, that any great addition will be made.

	Dollars.
Ministry of <i>Relaciones</i> : (Home and Foreign Department)	264,082
Department of Justice and Ecclesiastical Affairs, including Supreme Tribunal	226,098
The Army	9,073,932
The Navy	1,309,045
The Congress, (salaries of Deputies and Senators; clerks, office expenses, &c.)	402,064
Interest on Goldschmidt's loan at five per cent.	973,600
Interest on Barclay's Loan at six per cent.	1,136,000
Finance Department, including salaries of President and Ministers, and all Federal officers, and charges of Tobacco, Gunpowder, &c.	2,574,021
Total	15,958,842

From this amount, Mr. Esteva deducts, (with the alleged concurrence of the Minister of War) 2,595,744 dollars, for reductions to be made in the Army and Navy estimates; thus bringing the total expense of the year to 13,363,098 dollars: viz.—

	Dollars.
Total expenditure	15,958,842
Reduction in War department	2,595,744
Remain	13,363,098

	Dollars.
Receipts, according to estimate given in Mr. Esteva's Report	13,667,637
Expenditure, as above	13,363,098
Balance, or Surplus Revenue	304,539

Such is the result given by Mr. Esteva's official Report, of January 1827, and repeated in the Manifesto published by him, at the President's desire, on quitting the Ministry shortly afterwards.

It is unfortunately but too evident that this result is incorrect; for how, (it will be asked,) can Mexico, with a balance, however small, in her favour, have allowed her credit to be destroyed in Europe, as it has been during the present summer, by the non-remittance of the funds required for the payment of the dividends due upon her loans?

It is by no means easy to answer this question,

unless by supposing, (as I have done,) that some miscalculation must have been made, both with regard to the actual receipts of the ten months, (although upon that subject there is less room for doubt,) and in the estimate of the contemplated produce of the other two. It was generally stated in Mexico, in 1826, that great exertions had been made in every branch of the Revenue department, as the time for making up the accounts approached, in order to give the most favourable view possible of the Finances of the country, by including in the receipts every thing that could in any way be comprehended in the term, which was to be submitted to Congress, as the basis of the Minister's calculations.

It is by no means improbable, therefore, that some of the inferior officers may, (intentionally, or inadvertently,) have augmented the receipts of the *first ten months*, by adding to them a part of the sums known to be due in the two last; in which case, the *fifth* added afterwards as the produce of these same months, would give a result *doubly* erroneous as the total produce of the year.

But even allowing 11,389,698 dollars, to have been the net *bonâ fide* receipts of *ten* months, still the *fifth*, which Mr. Esteva adds for the remaining two months, is, if not supposititious, at least not borne out by any positive data. Yet it is upon this supposition, that the fact of Mexico having ever yet had a *surplus* revenue, of one single dollar depends.

Take for instance the actual expenditure, as given by the Finance Report: . 13,363,098 dollars
 And the actual Net Receipts . 11,389,698
 There will be a deficit of . 1,973,400

Add to the receipts one *tenth*, in lieu of one fifth, (as assumed by Mr. Esteva,) and there will still be a deficit of nearly one million, viz. :

		Dollars.
	Expenditure . .	13,363,098
Receipts . 11,389,698	}	. 12,528,675
One tenth . 1,138,969	}	. <u>834,423</u>
Deficit . .		834,423

Add a *seventh* even, and still there is a deficit of 346,296 dollars. It is, therefore, upon the fact of the produce of the last two months having been *equal*, or very nearly so, to that of the other ten, that Mr. Esteva's whole calculation turns; and this, from all that I have stated, must, I fear, appear very doubtful.

Besides, it must not be forgotten, that while the receipts (upon paper) have been carried as high as possible, in order to produce the favourable result given by Mr. Esteva's Report, the estimates of the War Department were reduced considerably below the lowest estimate given for the year by the Minister of War, in the Report of which the Third Section of this Book contains an analysis.

The expenses of the Army and Navy, were there

calculated at 10,378,678 dollars; while Mr. Esteva gives only 7,787,233 dollars; thus assuming as *effective* in 1827, the reductions which are pointed out as *probable* in 1828, and for which the expense of the squadron under Commodore Porter, and the reinforcements sent to Texas, can have left but little room in the present year.

It is, therefore, strongly to be presumed, that if the Receipts have been *less*, the Expenses of the present twelvemonth have been considerably *more*, than was foreseen at its commencement; and if to this circumstance we add the amount of bills drawn upon the loan account, and protested here, which it was necessary to provide for in Mexico, although they were not included in the Estimates of either 1826 or 1827, and the total loss of 1,458,496 dollars, which still remain of the second loan, but of which the late embarrassments of the house of Barclay, have deprived the Mexican Government,—it will become evident, that a temporary embarrassment may have occurred, without there being any reason to consider it as likely, seriously to affect the credit, or resources of the country.

As the amount of the assistance which Mexico has received from foreign capitalists, is of some importance in considering the capability of the country to cover its own expenses, I shall conclude this Section with a short account of the Loans contracted in England, with the houses of Goldschmidt and

Barclay, and a statement of their nominal value, and real produce.

The first Loan which was concluded with the house of Goldschmidt in 1823, for the sum of 3,200,000*l.* sterling, produced at 50, (at which price it was disposed of, though brought out at 58,) £1,600,000 or *Eight millions of dollars*, of which the Firm reserved for commission, payment of interest, &c. &c. 419,936*l.*, which reduced the net produce of the loan to 1,180,064*l.* or 5,900,323 dollars; this being the whole amount received by Mexico, in return for having pledged her credit for *Sixteen millions* of dollars, bearing interest at five per cent.

The terms, it must be admitted, are usurious enough.

The second loan which was taken by the house of Barclay, in 1824, was for the same amount as the first, viz. 3,200,000*l.* sterling, bearing interest at six per cent.

	£.	s.	d.
It was sold by commission, and produced at $86\frac{3}{4}$			
			2,776,000 0 0
Deduct.	£.	s.	d.
Commission	166,560	0	0
Interest on first eighteen months retained	288,000	0	0
Sinking Fund	48,000	0	0
Ditto for first loan	694,000	0	0
Contingent Expenses	8,942	9	3
Money previously advanced with interest	200,000	0	0
			1,405,502 9 3
Net Produce	1370,497	10	9
Or dollars	6,852,487.		

It appears farther, that from	£.	s.	d.
this net produce of	.	1,370,497	: 10 : 9
We must deduct	.	291,699	: 5 : 8

which the house of Barclay has not been able to make good, so that . 1,078,792 : 5 : 1 or 5,393,991 dollars, will be in reality, found to be the only portion of the second loan, that has been applied to the internal wants of Mexico, during the last three years.

Of the mode in which this has been expended, nothing certain can be known, until the accounts of the last two years are laid in detail before the Congress: much has been said of injudicious expenditure; and it is by no means improbable, that in this respect, a sudden command of money may have produced its usual effects; but some good has at all events been mingled with the evil. By the statements which Mr. Esteva has already published, it appears that a considerable part of the proceeds of the loans has been employed in the following manner.

Purchase of Tobacco and paper for <i>Fabrica</i> , with arrears due on preceding years	Dollars.
Old Credits paid	1,616,256
Arms, Shipping, Clothing for troops, &c.	439,287
Foreign Missions	917,549
Remittances to California, and for defence of frontiers	108,995
	400,000
In all	3,482,087

This, at least, is money usefully spent, and, however dearly the accommodation may have been purchased, it ought not to be regretted, since without it, Mexico could never have risen from the state of general depression, into which the country was thrown by the long continuance of the civil war.

It now only remains for me to recapitulate the leading facts contained in the preceding pages.

The Revenue, for twenty years before the Revolution, (from 1790 to 1810,) averaged, according to the most authentic returns, twenty millions of dollars annually.

Two of the principal sources of this revenue, the Duties on gold and silver, and the Indian Capitation tax, which produced, the first . 5,500,000 dollars
and the second . 1,300,000

In all 6,800,000

have been abolished under the present System, (the one temporarily, the other for ever;) but their place is supplied by the Importation and Exportation duties, which, from the importance that the trade of the country has already acquired, have actually produced, as we have seen, 7,043,237 dollars in one year, in lieu of the 500,000 dollars, at which they were estimated under the Viceregal Government.

The Monopolies of Tobacco and Gunpowder, the Post-office, the Lottery, and the duty upon Pulque, (in the Federal City,) remain unchanged: the monopoly of Salt has been added. The confiscated pro-