

SECTION V.

REFLECTIONS ON THE TRADE OF MEXICO.—ITS FORMER, AND PROBABLE FUTURE IMPORTANCE.—HOW AFFECTED HITHERTO BY REVOLUTION.

AFTER passing in review the great Public establishments by which the present Government is supported in Mexico, and examining the tenor of her New Laws, and the state of the Army, the Church, and the Revenue, it only remains for me to inquire into the commercial wants of the Community thus constituted, and to point out the influence which they are likely to exercise upon the manufacturing industry of the Old World.

It will not, I hope, be attributed to any affectation of modesty on my part, if I confess that I enter upon this task with great reluctance, and this, not merely because I feel myself incompetent to treat, properly, a subject, to which my earlier professional duties did not lead me to pay particular attention,

but because it has been extremely difficult, during the last three years, to obtain data, in Mexico, sufficiently exact to warrant any definitive opinion.

It will, therefore, often be impossible for me to demonstrate satisfactorily the correctness of the conclusions which I may be inclined to form, even where general appearances are sufficiently strong to justify them to myself; and this must give an appearance of vagueness to the results of my enquiries, which I have endeavoured, in the preceding Sections, most studiously to avoid.

Having pointed out the difficulties with which this part of my undertaking is attended, I shall enter upon it without farther preamble, commencing, as I have always done, my account of the present state of the Mexican trade, with a retrospective view of what it was before 1810.

From the time of the Conquest until the commencement of the Revolution, the Trade of Mexico was confined to the two Ports of Acápūlcō and Vērācrūz, through which a very limited supply of Chinese, and European manufactures was introduced for the consumption of the inhabitants. The Acapulco trade was conducted by one Royal Galleon, of from twelve, to fifteen hundred tons; and, until the year 1778, when a certain freedom of trade was conceded to the Colonies, the European imports were, in like manner, conveyed to the Eastern coast of New Spain in fleets of Register ships, chartered expressly by Government for the purpose, and placed

under the orders of a Royal officer; which fleets only sailed from Seville or Cadiz once, in a term of four years.

The intercourse with Europe, which, as infinitely the most important, I shall make the first subject of my enquiries, was managed, during this period, almost entirely by a few great houses, (established in the City of Mexico,) which bought up the cargoes of the Register ships at the Fair, which was then held at Jalapa, on the arrival of the Fleet, and afterwards regulated, at their pleasure, the retail price of the different importations from Europe, which they disposed of to the merchants of the Interior.

In 1778, an important change occurred. The abolition of the Register ships, and the freedom of communication allowed with most of the principal ports of the Peninsula, put an end to the exclusive monopoly of Mexico, and induced a number of Spanish capitalists to establish themselves at Veracruz, which continued to be, under the new system, what it had been under the old, viz: the only port of entry on the Atlantic side of the Mexican dominions.

These new houses, which were either branches of other houses in Spain, or agents, or importers at their own risk, soon engrossed the whole trade.

The Capital, (with the exception of what was actually consumed there,) became a mere place of transit: the fair of Jālāpā was discontinued, and the wholesale dealers, (who multiplied rapidly in the

Interior,) came down to the coast, and purchased, at Veracruz, the supplies which the retailers, and inland consumers, in the different districts, were thought to require.

This state of things, though bad enough, from the manner in which the importations were confined to one spot, and consequently the value of every article enhanced by the expence of additional land-carriage, was infinitely preferable to the system previously pursued, when, from the total want of competition, "the supplies of a great empire were (to use Humboldt's expression) introduced with as much caution as if it had been a blockaded town."

Monopoly, though not abolished, was, at least, compelled to extend its operations to a less circumscribed circle; and to the beneficial results of this change, a gradual rise in the industry, the produce, and the Revenue of Mexico, may be traced.

The effects of the impulse thus given to the country, Humboldt has recorded in Book VI., chapter XII., of his *Essai Politique*, by which it appears:—First, that, upon a comparison of two distinct terms of four years, (from 1774 to 1778, and from 1787 to 1790,) there was a difference of 8,928,293 dollars on the amount of the exportations alone, in favour of the new System;* and Secondly, that, on

* The first four years, (which were the last of the Fleets and Register ships,) gave an exportation of only 2,470,022 dollars; while the exportation of the Second term, (when the Decree of

a farther comparison of two terms of twelve years, before, and after, the Decree of Free Trade, the revenue rose from 131,135,286 dollars, to 233,302,557 dollars; and the exportation of dollars alone, from 155,160,564 to 224,052,025.

But notwithstanding the advantages which the Government itself derived from the concessions made in 1778, and the consequent probability that, by a farther relaxation in the old Colonial Policy, still greater advantages might be obtained, the wealth, which speedily accumulated at Veracruz, combined with an intimate knowledge of the wants, and intrigues of the Court, enabled the merchants established there successfully to oppose every project, by which their own monopoly was likely to be affected, and to defeat the plans, which were occasionally submitted to the Spanish Ministry, for opening a communication with the Interior through other ports, easier of access to the inhabitants of the Central and Northern Provinces than that of Veracruz.

The whole Trade with Europe was concentrated on this one spot; and it is, consequently, in the returns of its Consulado, (or Corporation of resident Merchants,) established by a Royal Cedula, in 1795, that we must seek the only authentic data that can now be obtained respecting the former commerce of New Spain.

Free Trade began to take effect,) was 11,394,664 dollars; thus averaging 2,840,000 dollars on each year, in lieu of 617,000 dollars, which was the average from 1774 to 1778.

The period comprehended in these returns, is a term of twenty-five years, (from 1796 to 1820;) and although it is to be regretted that the various items, of which the importations consisted, are not specified in the *Balanza General*, or General Balance of Trade, (which is the name given to the Consulado Report,) still, as these may be ascertained from other sources, and more particularly from Humboldt, the General Balance is important, in as much as it gives the total annual amount of the registered Exports and Imports on a long term of years.

According to Humboldt's estimate, in 1803, the first of these (the Exports) consisted annually of

	Value.
Gold and Silver	17,000,000
Cochineal	2,400,000
Sugar	1,300,000
Flour	300,000
Indigo (native)	280,000
Salt Meat	100,000
Hides	80,000
Sarsaparilla	80,000
Vanilla	60,000
Jalap	60,000
Soap	50,000
Campeche Wood	40,000
Tabascan Pepper	30,000

or 21,780,000 dollars, which he fixes as the *Average* amount of the Exports, as given by the Custom-house Registers during several years of peace.

The Average Imports of each year, according to the same author, were—

	Value in Dollars.
Ropas, (linens, cottons, cloths, and silks)	9,200,000
Paper, 300,000 reams	1,000,000
Brandy	1,000,000
Cacao	1,000,000
Quicksilver	650,000
Iron	600,000
Steel	200,000
Wine	700,000
Wax	300,000
Total	14,650,000
Or, more generally, Average Exports	22,000,000
Imports	15,000,000
Amount of Trade	37,000,000

(*Mouvement du Commerce.*)

This includes the silver exported on the account of the King, as well as the paper and quicksilver imported for the Royal Monopolies; which circumstance it is necessary to bear in mind, because the analysis of the Consulado Reports would, otherwise, give a result so different from that given by Humboldt, that the one would seem to contradict the other, and thus render any calculation founded upon the two illusory. But the Consulado never included

in the Balanza General the Imports or Exports on the account of the Royal Treasury, which must, therefore, be added to each year, in order to give the total amount.

During the twenty-five years comprehended in the Veracruz annual report, the Trade of New Spain, exclusive of smuggling, was as follows:—

	Exports.	Dollars.
Value in dollars to Spain,	197,853,520	
Ditto to Cuba, and Spanish America,	49,388,246	
Foreign Countries direct	32,292,457	
Total	279,534,223	
	Imports.	
From Spain	186,125,113	
Cuba, &c.	51,008,190	
Foreign Countries direct	21,972,637	
Total	259,105,940	
Total Exports and Imports of 25 years	538,640,163	
The Exports consisted of,		
The precious metals,	209,777,206	
American Produce,	69,757,017	
Total	279,534,223	

	Dollars.
Brought forward	279,534,223
The Imports were—	
European productions	
from Spain and her	
Dependencies	224,447,132
American Produce	34,658,808
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Total	259,105,940
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Exports and Imports	538,640,163

Above nine-tenths of this were monopolized by the Mother-country, as will appear by the following statement:—

Value in dollars of Trade between Spain, and her Dependencies, with Mexico, from 1796 to 1820.	484,375,069
Value of Trade, during the same period, with other countries direct	54,265,094
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Total	538,640,163

Even this small amount of direct trade was due to accidental circumstances, which compelled the Court of Spain to deviate, occasionally, from all ordinary rules; as was the case in 1807, 1808, and 1809, when foreign ships received licences to trade with Veracruz, and exported, in the short space of three years,—

	Dollars.
In Gold and Silver	27,825,504
In Cochineal	2,043,480
In Sugar	554,652
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	30,423,636
The direct Imports in the same time were,	19,202,912
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Exports and Imports,	49,626,548
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The remainder of the direct trade was distributed amongst the years 1817, 1818, and 1820, when it amounted to	4,638,546
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Total of direct trade	54,265,094
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The average annual value of the commerce of Veracruz, appears, by the foregoing statement, to have been :	
<i>Exports.</i>	
Precious Metals	8,391,088
Other Produce	2,790,280
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	11,181,368
<i>Imports.</i>	
European Manufactures and Produce	8,977,885
American Produce	1,386,352
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	10,364,237
Total Imports and Exports	21,545,606

Of the Imports, four-tenths were the produce or manufactures of Old Spain and her Colonies, and the remaining six-tenths were the manufactures of other European countries, imported indirectly through Spain, or Cuba, the returns for which were made through the same medium.*

To the annual average amount of Imports and Exports given above, must be added 9,840,667 dollars three reals; viz., 8,340,667 dollars, three reals, which I find to be the average value (on a term of thirteen years, from 1779 to 1791,) of the precious metals exported on the King's account; and 1,500,000 dollars, which on the lowest possible computation, must have been the value of the quicksilver, and paper, introduced for the mines, and the Royal Monopoly of Tobacco.

	Dollars.	Reals.
The two together, give, on the whole twenty-five years . . .	226,016,684	3
which, added to the Imports and Exports of the Balanza General	538,640,163	0
give . . .	764,656,847	3

* I have borrowed the whole of this analysis of the Balanza de Comercio, (page 416,) from a very able report on the Veracruz trade, drawn up by Mr. Mackenzie, who was His Majesty's Consul there in 1823 and 1824, and whose investigations, with regard to that period, I have taken advantage of throughout this Section.

as the Total, or 30,586,273 dollars seven reals, as the average annual amount of the whole Exports and Imports of Veracruz.

This falls considerably short of Humboldt's estimate, (thirty-seven millions,) but is, I conceive, more correct, for in the twenty-two millions, at which he values the exports of Mexico, he includes Sugar, to the amount of . . . 1,300,000 dollars.

Cochineal, . . . 2,400,000
and Flour, . . . 300,000

4,000,000

whereas Sugar only averaged, from 1804 to 1810 inclusive, 281,025 dollars per annum; and Cochineal 1,100,327 dollars; of Flour exported, I can find no traces; so that, in these three articles alone, there was a diminution of 2,618,648 dollars, the estimate being . . . 4,000,000 dollars

the real exportation . . . 1,381,352

Difference 2,618,648

calculated on a term of seven years.*

This reduces Humboldt's estimate from thirty-

* I never venture to differ from Baron Humboldt without both diffidence and regret; but in the present instance, I am merely stating in 1827, what has actually occurred, in lieu of forming an estimate beforehand; which, however warranted by appearances at the time, might be, and has been, contradicted by the course of events.

seven millions, to 34,381,352 dollars; and, as I have perhaps underrated the value of the quicksilver and paper, which may have amounted to something more than one million and a half of dollars annually, the difference between the amount given by the Consulado Reports, and the calculations of the *Essai Politique*, although still considerable, is much reduced.

During this same period, the consumption of woollens, and cottons, of home manufacture, in Mexico, is supposed to have amounted, at least, to ten millions of dollars annually; or to two hundred and fifty millions on the whole term of twenty-five years; so that the home manufactures very nearly equalled in value the whole of the registered importations from Europe and America, (259,105,940 dollars,) notwithstanding the taste for the finer articles of European industry, (such as lace, rich silks, and fine cloths,) which Humboldt states to have become very prevalent about the beginning of this century.

It is true that the registered importation of European manufactures, does not give, by any means, the amount of the real consumption of the country; for an average importation of 8,977,883 dollars, would only give, on a population of six millions, a consumption of twelve reals, (or one dollar and a half,) for each individual, in the year; while, according to the calculations of the Veracruz Consulado, the consumption of the produce and manufactures of the

country, by each person, in the same time, averaged thirty-two dollars and three reals.

It is probable, therefore, that a contraband trade to a very great extent was carried on; and consequently, that the consumption of the home manufactures was never so nearly equal to that of the European manufactures, as would appear by the registered amount of both.

Still, it would be an extraordinary fact, that, in a country so thinly peopled as Mexico, any sort of competition between the rude industry of the natives, and the produce of European machinery should have existed, did not the monopoly of Veracruz sufficiently explain the circumstances, under which this competition took place.

This port was conveniently situated for the supply of the Capital, and the more central parts of the Table land; but the distance rendered it nearly inaccessible to the Northern States, there being few residents in Dürāngō, Sōnōrā, New Mexico, or the Eastern Internal Provinces, rich enough to afford a supply of articles, the value of which, in addition to the high duties, and the two hundred per cent. profits of the importer, was enhanced by a land carriage of from three, to five, hundred leagues.

The great majority of the population was consequently compelled to seek, in its own industry, a substitute for those necessaries, which it was unable to procure from the manufacturing nations of the Old