

total reduction would have amounted to nearly fifty per cent.

This project was adopted by the Lower House, but rejected by the Senate, and the sessions of 1826 terminated without any understanding between the two Chambers having been effected.

In the present Congress, nothing has yet been done, but as the Tariff appears to be one of the principal objects of the extraordinary sessions, (November 1827,) there is reason to suppose, that, early in the ensuing year, some new arrangement will take place.

In addition to the modification of the Duties, which, for their own sakes, the Mexicans must, sooner or later, adopt, there are other essential points, in which a change is hardly less requisite.

Very great inconvenience has been occasioned by that part of the existing regulations, by which the Coasting trade is reserved to National vessels; for, by a strange misinterpretation of this article, Foreign merchant ships arriving on the coast of Mexico with a cargo of goods consigned to different ports, and different correspondents, are forced to discharge the whole, at the first port which they enter, and to procure, at an enormous expense, Mexican small craft to convey the goods intended for other ports to the place of their destination, or to send them overland, which, in most cases, from the total want of roads, and the greatness of the distance, is impracticable.

The mischief done by such a regulation as this, in a country where, both to the East and West, the population is scanty, and the extent of the line of coast enormous, is incalculable: A cargo, for instance, part of which, if landed at Tampico, or Refugio, might be disposed of to advantage, becomes of no value if landed in toto, at Veracruz, and sent inland to the already glutted market of the Capital; and yet the same vessel may have other goods on board, totally unfit for the Northern market. But, after once breaking bulk, she is not allowed to re-embark any part of her original cargo, and is, therefore, compelled to re-ship one portion of it on board a Mexican coasting vessel, which process is attended not only with great loss of time, but considerable additional risk.

On the Western coast, another regulation prevails, of a still more oppressive nature: merchant vessels proceeding from Europe round Cape Horn, generally carry out an assorted cargo, calculated to answer the demand of all the different ports at which they may touch. Many of the articles prohibited in Mexico are not contraband in Chile, Peru, Colombia, and Guätēmälä, all of which have ports upon the Pacific.

A vessel may, therefore, naturally have on board goods for all these different markets; and if there be no attempt at concealment, these goods cannot fairly be assumed to be brought into a Mexican port with any fraudulent intention. But such is not the spirit of the present code of Mexico; for, should a

vessel thus circumstanced, from a wish to dispose, first, of the Mexican part of her cargo, enter a Mexican harbour, the whole of the property on board, not included in the Tariff of the Republic, is confiscated, although the invoice may prove this property to be destined for another market.

The case actually occurred in 1826 with the Peruvian brig "Huasco," bound from Callao, to Güyāquīl, and Rěälējō, (in Guatemala). After discharging the part of her cargo destined for Guyaquil, she proceeded to San Blas with a freight of Cacao for the Mexican market, intending to touch, on her return, at Rěälējō, with the rest of her cargo; which, on her arrival at San Blas, was duly manifested, and deposited in the National warehouses. The Cacao was disposed of; but, on making the usual application for leave to re-embark the goods destined for Gūatēmālā, the Supercargo was informed that these goods were contraband, and confiscated to the State. An appeal was made to the tribunals in vain; and, after a law-suit of four months, during which time the vessel was incurring a very heavy expense, the rainy season having set in, the Supercargo was compelled to return to Peru with the total loss of a part of his cargo, and the abandonment of his intended voyage to Rěälējō.

Another very general cause of complaint is the Warehousing system, more particularly as practised upon the Western coast. At Veracruz, and Tampico, there are proper magazines for the re-

ception of the goods when landed; but at St. Blas, the only warehouse is situated in the town, at a considerable distance from the landing-place, and upon the top of a very steep hill; whereby much delay, inconvenience, and loss, is unavoidably occasioned. The damage to fine goods; the breakage of glass and crockery; and the leakage in spirits and wine, in discharging, carrying inland, warehousing, unstowing, carrying back again to the beach, and re-shipping, in the event of re-exportation, independent of the expence incurred in mule hire and labour, amounts, upon each cargo, to a very large sum. Nor is this all: the magazines themselves are infested by a species of white ant, called *el comajen*, which attacks every thing, and destroys, in an incredibly short time, whatever it does attack. All these disadvantages, combined with a difference in the mode of levying the Derecho de Internacion, which is exacted upon all goods at San Blas, (whether sent into the Interior, or not,) at the expiration of a term of ninety days, and an additional duty of two and a half per cent, (under the name of *Ávērřā*) paid upon the exportation of Specie, have nearly destroyed the trade of San Blas, which, at one time, had acquired considerable importance. Merchant vessels, latterly, have proceeded, almost uniformly, to Māzātlān and Gūāy-mās, where, from there being no Government establishments, the warehousing of goods, and even the payment of duties at all, have not been very

strictly enforced. It is to be hoped that the Executive will take warning by the fate of San Blas; for, otherwise, the establishment of a Custom-house at the new ports will only serve as a signal to the importers of foreign goods to seek other channels of communication with the Interior; and the Revenue will be defrauded, at the same time that all the security of fair commercial enterprise will be destroyed. The evil can only be corrected by the reform of abuses, which compel even the most respectable houses to have recourse to smuggling, as the only means of saving their property from destruction.

One of the most serious defects of the present regulations still remains to be mentioned,—the power given to the Vista, or Inspector, of admitting articles not expressly included in the Tariff, at a valuation, regulated by that of the article most analogous.

The extent to which this provision might operate, was not, at first, foreseen; but, in the course of the last three years, so many articles of European manufacture, formerly unknown in Mexico, have found their way to its shores, that very great room has been left for the exercise of the discretionary powers, with which the Vistas were intrusted.

Amongst the articles not included in the old Arancel, were British Plain Cotton\* goods, for

\* The cotton goods here alluded to, are those known in Manchester by the name of "Long Cloths," being an imitation of those imported from India formerly, and indeed at present to a

which no specific valuation was fixed, and which were, consequently, estimated by the valuation of India Cottons, (to which they were supposed most to approximate,) with a reduction in the valuations in proportion to the inferiority of the goods.

Thus, India Cottons were estimated at four and five reals per vara, and British, (of the same widths) at two and three reals; on which valuations the duties were calculated, and paid.

This arrangement remained in force for upwards of two years, with the implied (though not specific) approbation of the Government; and was regarded, by the merchants, as equally valid with the other articles of the Tariff, upon the faith of which the Trade with Mexico was conducted: Cottons became one of the principal articles of importation, and the sale was so favourable in 1825, that very extensive orders were given for 1826, no less than five vessels with cargoes principally of Cotton goods, having entered the ports of Veracruz, and Tampico, in October and November of that year.

But, at the very moment when these vessels were about to clear, a question was raised in the Senate,

limited extent. But in this important article of commerce, England is likely to be outdone by the recent manufacturing establishments of the United States. Their coarse, grey, or unbleached long cloths already supersede the British in the markets of the Brazils and Mexico.

A considerable trade in this article is now carried on with the Indian Archipelago; such has been the extraordinary revolution of the cotton trade of the East Indies.

respecting the legality of the reduced valuations adopted in 1824; and the Minister of Finance was desired to state, by what authority British Cottons had been allowed to be imported on terms more favourable than India cottons, for which alone a valuation was fixed by the Arancel?

The Minister, in lieu of explaining the circumstances of the case, and pointing out the impossibility of levying the same duties upon articles, the intrinsic value of which differed so materially, threw the whole responsibility of what had been done upon the Custom-house officers on the coast, who, in self-defence, were compelled to inform the merchants, that no Cottons would be thenceforward admitted, but upon the payment of the full duties, in lieu of those payable upon the reduced valuations.

The injustice of such an innovation, (which amounted in fact to a prohibition) at the very moment when great importations were about to be made, in full confidence that no change could take place in the established Tariff, without due warning being given, was strongly represented to the Mexican Government; and the Executive was so far convinced of the impolicy of the measure, that an appeal to Congress was made against it, and the goods recently imported were allowed to remain in Deposit, until the point at issue should be decided.

The discussion was protracted, and the result long doubtful, for the question involved private, as

well as public, interests. Nothing was determined by the Congress of 1826, nor was it until the end of February, 1827, that a return to the old duties of two and three reals per vara, was decreed by Chamber of Deputies. The concurrence of the Senate was subsequently obtained, (16th of March,) but, from the vague terms in which it was worded, another doubt arose as to whether the Import duties were to be paid on the goods being "dispatched," at the Custom-house on the coast, (most of them having been in Deposit three and four months,) or whether the ninety days, allowed by law for the payment of the duties, were to be reckoned from the date of the decision of the Congress respecting the valuations.

Upon this point, a verbal promise had been given by Mr. Esteva, who agreed, at a very early period of the discussion, that, from the moment that the appeal against the increased valuations was entered, and admitted by the Government, the time which might intervene between the date of this appeal, and the decision of the Chambers respecting it, should not be included in the legal term of Deposit.

But Mr. Esteva having quitted the ministry, his successor (the present minister) did not, at first, conceive himself to be bound by this promise, and refused to interpret the silence of the Senate with regard to a point, upon which, as far as British interests were concerned, the whole question turned; —as, to most of the houses concerned, the immediate

payment of the duties, which amounted to no less a sum than Seven hundred thousand dollars, (£140,000,) would have been hardly less disadvantageous than the re-exportation of the goods.

The Collectors upon the coast, left again to act upon their own responsibility, insisted, of course, upon the payment of the duties as soon as the goods were withdrawn from the Government Magazines, and, in some instances, actually proceeded to enforce it. The consequence was, that new representations to the Government became necessary, and business was, once more, at a stand, until the point was referred by the Ministers to the President himself, who, immediately, decided it in favour of the merchants, and directed orders to be given to the Collectors upon the coast, so clear, and definitive, that no doubt or difficulty afterwards occurred, and things resumed at once their usual course.

All this unpleasant, and tedious discussion, originated, (as has been shown) in the exercise of a discretionary power in a case where every article of the mutual compact ought to have been most explicitly defined. Fortunately, the disadvantages inseparable from such a state of things were corrected, in the instance under consideration, by a strong sense of justice in the Executive; and it must be admitted, that, however good the abstract right of the merchants might be, to claim the indulgence which they at last obtained, it does no little credit to the Mexican government that it should, at a

moment of some pecuniary embarrassment,\* have given up, for three months, so large a sum as seven hundred thousand dollars, which were almost within its grasp.

The fairness with which I have stated, in this Section, the disadvantages under which the commerce with Mexico is, at present, carried on, may be regarded as some proof that I have not, intentionally, overrated its importance. Many of the present abuses will, I trust, be gradually removed, for, in the reports of the Commissioners who have been employed by the Government to inspect the Custom-house establishments upon the coast, I observe that most of the grievances mentioned in this Section, are noted as requiring immediate redress. This is more particularly the case in a printed report lately published by Mr. Valdez, who was sent, as a Special Inspector to San Blas, and whose opinion concurs entirely with that of His Majesty's Consul, Mr. Barron, with regard to the causes which have reduced the trade of that port, in two years, from 500,000 to 94,000 dollars. It is from such investigations as these, originating at home, and conducted by natives, that conviction and improvement may be expected; but time is necessary to bring them to maturity, and on this account I

\* The dividends for the July quarter, remitted by the Primrose, were then making up, and the government was very anxious, on this account, to augment, as much as possible, the funds at its disposal upon the coast.

should regard it almost as a desirable event if the present Tariff were allowed to remain a little longer unchanged. The commercial interests of the country will be better understood in 1828 than they are in 1827; although, since 1821, great progress has, undoubtedly, been made: and as, when a reform is effected, it is to be wished that it should be permanent, the more time that is allowed for reflecting upon it the better.

The revenue of Mexico, however, (of which the Customs form so important a branch,) will never attain its full extent, until the system has received all the ameliorations of which it is susceptible.

If changes are judiciously made, and the duties so reduced as to bring the imports more within the reach of the great body of consumers, (who are now either excluded from the market, or forced to purchase their supplies from the illicit trader,) I am inclined to believe that the whole expenses of the Republic may be provided for by the produce of the Customs alone. Under all the disadvantages of the present system, they have yielded, in ten months, 7,043,238 dollars, and I have estimated their produce for the ensuing year at eight millions.

Without pretending to fix the ratio of increase afterwards, or to determine the period within which it may be expected to take place, (for both of these depend upon the proceedings of the legislature,) the facts contained in the preceding pages will, I think, demonstrate its possibility. The rest,

time, and the gradual influence of experience upon the Mexicans themselves, must determine. I must repeat, however, that during the last three years the way has been prepared for the introduction of a better order of things. Communications have been opened between the most distant points; the post-office has been re-organized, (although much room for improvement in that department still remains,) and a system of general passports established, by which foreigners are secured against the petty persecutions to which they were formerly exposed, on the part of the local authorities. The prejudices originally entertained against them are likewise subsiding, and it is my belief that, with these prejudices, no small portion of the jealousy felt with regard to their supposed fraudulent intentions in trade, will likewise disappear.

Happy indeed will Mexico be when the Congress discovers that the interests of the Government, if rightly understood, are not only not incompatible with those of the established merchant, but are so far identified with them, that commerce and the revenue must stand or fall together. Then, and then only, will Mexico attain that station which she seems destined to hold hereafter amongst the great communities of the world; for then, and then only, can the wonderful capabilities of her soil, and the not less wonderful abundance of her mineral treasures, be turned to full account.