

CHAP. IV.

Of the public Revenue.—Revenue arising out of the Crown Monopolies of Tobacco.—Of the Coco and Nipa, or Palm Wine.—Royal Custom-House.—Import and Export Duties.—Monopoly of the Bonga, or Areca-Nut.

PUBLIC REVENUE.—This Asiatic colony, although considered as conferring great lustre on the crown and name of our monarch, by exhibiting the vast extent of the limits of his dominions, has in reality been, during a long series of years, a true burden to the government, or at least, a possession whose chief advantages have redounded in favour of other powers, rivals of our maritime importance. Notwithstanding all that has been said on the score of real utility, certain it is, that the Philippine establishment has cost the treasury large sums of money; although, within the last twenty-five or thirty years, it must be confessed that the public revenue has experienced a considerable increase, and, of itself, has become an object of some consequence to the state.

Among the various causes which have contri-

buted to produce so favourable an alteration, the chief ones have been the establishment of the tobacco-monopoly, on behalf of the crown, and the opening of the port of Manilla to the flag of other nations, at peace with Spain. The first has considerably increased the entries into the public treasury, and the second has tended to multiply the general mass of mercantile operations, independent of the other beneficial effects this last measure must have produced in a country, whose resources, trade and consumption had, from the time of the conquest, experienced the fatal shackles imposed by jealousy and ignorance.

The improved aspect the colony soon assumed, by the introduction of this new system, as was natural, awakened the attention of ministers, and induced them more easily to consent to the measures subsequently proposed to them, principally intended to place those distant dominions on a footing of permanent security, so as to enable them to repel any fresh attempts on the part of an enemy. As, however, the productions of the country increased, the public expences also became greater, although always in a much smaller proportion, with the exception of the interval between the years 1797 and 1802, when the government, fearful of a second invasion, was compelled, at its own expense, to provide

against the danger with which these islands were then threatened. If, therefore, as appears from the official reports of the treasurer-general, Larzabal, in my possession, the receipts at the treasury, in 1780, amounted only to 700,000 dollars, including the *situado**, or annual allowance for the expenses of government sent from New Spain, and after the ordinary charges of administration had been paid, a surplus of 170,000 dollars remained in the hands of the treasurer; at present we have the satisfaction to find that the revenue is equal to 2,625,176 dollars, 4 rials,

* The *situados*, or yearly allowances, which Mexico was obliged to furnish, for the support of other parts of the king's dominions, were in the following proportions: viz.

Florida.....	151,000
Puerto Rico	377,000
Philippine Islands.....	250,000
Louisiana	557,000
Island of Trinidad.....	200,000
Spanish part of St. Domingo	274,000
Total Dollars	<u>3,635,000</u>

These allowances were increased according to exigencies; but, of late years, they have nearly all been dispensed with, owing to several of the countries having fallen into other hands, and because the various insurrections which have taken place in New Spain, since 1810, have been so expensive, that, after supplying his own wants, the viceroy has had no surplus revenue to dispose of.—Ta.

and the expenses do not exceed 2,179,731 dollars, 7 rials; by which means an annual surplus of 445,444 dollars, 5 rials, is left, applicable to the payment of the debt contracted during the extraordinary period above mentioned, now reduced to about 900,000 dollars, and afterwards transferable to the general funds belonging to the crown.

This sketch of the prosperous state to which the revenue of the Philippine Islands has been raised, within the few last years, is not less exact than it is flattering; as I shall now proceed minutely to demonstrate, by giving an idea of the nature and importance of each of the principal branches constituting the same. I am the more induced to enter on this task; from considering each article as deserving of being noticed in a separate manner, and also because an inquiry of this kind tends indirectly to convey true notions of the greater or lesser degree of opulence the inhabitants are capable of attaining, and also of the general progress they have already been enabled to make in the social state. In order, therefore, that a more complete idea may be formed of the principal, as well as secondary, branches which do not require a particular explanation, I shall collect and give a full view of all in Table, N°. VI. which, besides serving as authority for my own remarks, will furnish the

reader with general results, who does not feel inclined to enter into details.

With regard to the administrative system, it is in every respect similar to the one observed in our governments of America, with this difference only, that, in the Philippine Islands, greater economy prevails in salaries, as well as in the number of persons employed. In former times, the establishment of intendancies, or boards of administration, was deemed expedient in Manilla, Ilocos, Camarines, Iloilo, and Zebu; but they were soon afterwards reformed, or rather laid aside, on account of their being deemed superfluous*. I would not venture to state the grounds on which this opinion was then formed; but, as the sphere in which the king's revenue acts in these islands increases and extends, which naturally will be the case if the plans and improvements dictated by the present favourable circumstances are carried into effect, I do not hesitate to say that it will be necessary

* During the administration of Lope Garcia de Castro, who governed in Peru from the year 1569 to 1581, subaltern judges, under the title of *corregidores*, were established in each of the provinces, a system created in order that the distant inhabitants might find more immediate redress by judges being placed among them, without the trouble of resorting to the capital. In the course of time, these judges became possessed of the power of what were called the *repartimientos*, or the division and allotment of the Indians into a kind of fiefs, a plan re-

again to appeal to the establishment of a greater number of Boards for the management and collection of the various branches of the revenue, whether they are called Intendancies, or by any other name; as it will be extremely difficult for the administration to do its duty, on the confined and inadequate plan under which it is at present organized. Under its existing form, it is constituted in the following manner. The Governor of the islands, in his quality of Superintendent or Administrator General, and as uniting in himself the powers of Intendant of the Army, presides at the Board of Administration of the king's revenue, which is placed in the immediate charge of a treasurer and two

commanded by the laws of the Indies, in order that the unlettered natives might receive instruction and protection from the Spaniards settled among them. By this means, however, the authority of these district judges was rendered extremely despotic, and a system, originally suggested from motives of humanity became liable to the grossest abuses. In 1784, the administration of Peru underwent a new reform, the dignity of Viceroy was suspended, but soon afterwards restored on the same plan, when the seventy-seven *corregimientos*, or district governments formed of the subaltern judges above alluded to, being the whole left in the Viceroyalty after the dismemberments which then took place, were reduced into seven Intendancies, comprehending, in all, fifty-three *partidos* or districts, and in each an Intendant was placed, for the purposes of civil government, and this form still continues in Peru and Mexico.—Ta.

clerks. The principal branches have their respective general Directors, on whom the provincial Administrators depend, and the civil magistrates, in the quality of sub-delegates, collect within their respective districts, the tributes paid by the natives in money and produce, and manage every thing else relating to the king's revenue. In ordinary cases, the general laws of the Indies govern, and especially the ordinances or regulations of the Intendants of New Spain, ordered to be observed in the Philippines. It ought further to be observed, that, in these islands, the same as in all the viceroyalties and governments of America, there is a distinct body of royal decrees in force, which, in themselves, constitute a code of considerable size.

TOBACCO MONOPOLY.—The project of converting the consumption of tobacco into a monopoly, met with a most obstinate resistance on the part of the inhabitants, and the greatest circumspection and constancy were necessary for the governor, D. Jose Basco, to carry this arduous enterprise into effect*. Accustomed to the cul-

* The planting and growth of tobacco were free in all South America till the year 1752, when it was converted into a monopoly on behalf of the crown. In 1780 playing cards were put under the same restrictions, and in 1782, stamps were issued on account of government, and in the following year, gunpowder was added to the monopoly.—Tn.

tivation of this plant, without any restriction whatever, and habituated to its use from their infancy, it appeared to the people the extreme of rashness to seek simultaneously to extirpate it from the face of the greatest part of the island of Luzon, in order to confine its culture within the narrow limits of a particular district. They were equally revolted at the idea of giving to a common article a high and arbitrary value, when besides, it had become one of the first necessity. Every circumstance, however, being dispassionately considered, and the principle once admitted that it was expedient for the colony to maintain itself by means the least burdensome to the inhabitants, it certainly must be acknowledged that, although odious on account of its novelty and defective in the mode of its execution, a resource more productive and at the same time less injurious, could not have been devised. Hence was it that the partisans of the opposite system were strangely misled, by founding their calculations on false data, when they alleged that a substitute, equivalent to the increased revenue supposed to arise out of the monopoly of tobacco, might have been resorted to, by ordering a proportionate rise in the branch of tributes. In fact, no one who has had the least experience in matters of this kind, can be ignorant of the open repugnance the natives have always evinced

to the payment of the ordinary capitation-tax, and the broils to which its collection has given rise. Besides, if well examined, no theory is more defective and more oppressive on account of the disparity with which it operates, than this same wrongly boasted impost; for, however desirable it may be to simplify the method of collecting the general revenue of a state, if the best plan is to be adopted, that is, if public burdens are to be rendered the least obnoxious, it is necessary preferably to embrace the system of indirect contributions, in which class, to a certain degree, the monopoly of all those articles may be considered as included, which are not rigorously of the first necessity, and only compel the individual to contribute, when his own will induces him to become a consumer.

Let this be as it may, certain it is, that to Governor Basco we are indebted for having doubled the annual amount of the revenue of these islands, by merely rendering the consumption of tobacco subservient to the wants of the crown. It was he who placed these islands in the comfortable situation of being able to subsist, without being dependent on external supplies of money to meet the exigencies of government. It ought, however, to be remarked that, although they have been in the habit of receiving the annual allowance of 250,000 dollars, for which

a standing credit was opened by the government at home on the general treasury of New Spain, considerable sums have, nevertheless, on various occasions, been remitted from the Philippines to Spain, through the channel of the Captain-General, as may be seen by Table VII., exhibiting the total amount of the proceeds and expenditure of the branch of tobacco, from the year 1782, the period when it was established into a monopoly. If these remittances have been suspended for some years past, it has evidently been owing to the imperious necessity of applying the ordinary proceeds of the revenue, as well as other extraordinary means, to unforeseen contingencies arising out of peculiar circumstances.

The planting and cultivation of tobacco are now confined to the district of Gapan, in the province of La Pampanga, to that of Cagayan, and to the small island of Marinduque. The amount of the crops raised in the above three points and sold to the king, may, on an average, be estimated at 50,000 bales, grown in the following proportion—Gapan, 47,000 bales; Cagayan, 2, and Marinduque, 1. This stock, resold at the monopoly prices, yields a sum equal to about one million of dollars, and deducting therefrom the prime cost and all other expenses, legally chargeable on this branch, the nett proceeds in favour of the revenue amount to 550,000 dollars, or upwards of 122 per cent. This profit

is so much the more secure, as it rests on the positive fact that, however great the quantity of the article sold furtively and by evading the vigilance of the guards, as the demand and consumption are excessive and always exceed the stock on hand, a ready sale cannot fail to be had for all the stock placed in the hands of the agents of the monopoly*. From this it may also be inferred how much the nett proceeds of this branch would be increased, if without venturing too far in extending the plantations and consequent purchases, care was taken to render the supplies more proportionate to the consumption; for, by a clear profit of 122 per cent. falling on a larger capital, it follows that a corresponding result would be obtained. In a word, the sales, far from declining or being in any way deemed precarious, are susceptible of a great increase, consequently, this branch of revenue merits the

* The nett revenue derived from the tobacco-monopoly in New Spain, was equal to 3,993,834, in 1801, and in the following year, to 4,092,629 dollars, of which the prime cost paid the planters, in the dearest season, did not exceed 626,319 dollars. The total sales in both years exceeded 7½ millions of dollars. The tobacco is chiefly made into segars, on account of the revenue, and the great manufactory of Queretaro affords employment to upwards of 3000 persons, two-thirds of whom are women. The greatest part of the segars are enveloped with paper, supplied from Spain, no other quality serving for this purpose. The Queretaro manufactory consumes 130 reams per day.—Ts.

serious attention of government beyond all others.

It is, however, to be lamented that, instead of every facility being given to the sale of tobacco and the consumption thus encouraged; the public meet with great difficulties and experience such frequent obstacles and deficiencies in the supplies, that with truth it may almost be said, the sales are effected in spite of the administrators themselves. In the capital alone it is a generally received opinion that a third part more would there be consumed, if, instead of compelling the purchaser to receive the tobacco already manufactured or folded, he was allowed to take it from the stores in its primitive state; and if the minor establishments in the provinces were constantly supplied with good qualities, an infinitely larger quantity might be sold, and by this means a great deal of smuggling also prevented. Such, however, is the neglect and irregularity in this department, that it frequently happens in towns, somewhat distant from Manila, no other tobacco is to be met with than what the smugglers sell, and if, perchance, any is to be found in the monopoly-stores, it is usually of the worst quality that can be imagined.

I pass over, in silence, the other defects gradually introduced, as evils, in a greater or lesser degree, inseparable from this part of public ad-

ministration in every country in which it has been deemed necessary to establish monopolies; but I cannot refrain from again insisting on the urgency with which those in power ought to devote themselves, firmly and diligently, to the destruction of abuses which have hitherto paralyzed the progress of the branch in question, because I am well persuaded, that whenever corresponding means are adopted, it will be possible in a short time to double the proceeds. What these means are, it is not easy, nor indeed essential, to particularize in a rapid sketch, like this, of the leading features and present state of the Philippine Islands. I shall, therefore, merely remark, that it will be in vain to wish the persons engaged in the management of this department, to exert their zeal and sincerely co-operate in the views of government, as long as they are not placed beyond the necessity of following other pursuits and gaining a livelihood in another way: in a word, unless they have a salary assigned them, corresponding to the confidence and value of the important object entrusted to their charge, no plan of reform can be rendered efficient.

At the same time steps are taken to augment the revenue, arising out of tobacco, it would be desirable, as much as possible, to improve the method used with regard to those who gather in

the crops, by endeavouring to relieve them from the heavy conditions imposed upon them ; conditions which, besides exposing them to the odious effects of revenue-laws, by their very nature bring upon them many unpleasant consequences, and often total ruin. In order that a correct opinion may be formed of these defects, it will suffice to observe that, under pretext of preventing smuggling, the guards and their agents watch, visit, and, if I may use the expression, live among the plantations from the moment the tobacco-seedlings appear above ground, till the crops are gathered in. After compelling the Indian planter to cut off the head of the stem, in order that the plant may not become too luxuriant, the surveyors then proceed to set down, not only the number of plants cultivated on each estate, but even the very leaves of each, distinguishing their six different qualities, in order to call the farmers to account, respectively, when they make a defective delivery into the general stores. In the latter case, they are compelled to prove the death of the plants and even to account for the leaves missing when counted over again, under the penalty of being exposed to the rigour of the revenue laws.

It cannot indeed be denied that by this means two important objects are attained, at one and the same time ; the one, the gradual improve-

ment of the tobacco, and the other, the greater difficulty of secreting the article; but, on the other hand, how great are the inconveniencies incurred? Independent of the singularity and consequent oppression of a regulation of this kind, as well as its too great minuteness and complication, it is attended with very considerable expences, and renders it necessary to keep on foot a whole army of guards and clerks, who tyrannize over and harass the people without any real motive for such great scrupulosity and profusion. I make this observation, because I cannot help thinking, that the same results might nearly be obtained, by adopting a more simple and better regulated system. I am not exactly aware of the one followed in the island of Cuba, but as far as I understand the matter, it is simply reduced to this; the growers there merely present their bales to the inspectors, and if pronounced to be sound and good, the stipulated amount is paid over to them; but if the quality is bad, the whole is unavoidably burnt. Thus all sales, detrimental to the public revenue, are prevented, and I do not see why the same steps could not be taken in the Philippine Islands. It must not, however, be understood, that I presume to speak in a decisive tone on a subject so extremely delicate, and that requires great practical information, which, I readily acknowledge,

I do not possess. I merely wish by means of these slight hints, to contribute to the commencement of a reform in abuses, and to promote the adoption of a plan that may have for basis the relief of the growers, and at the same time advance the prosperity of this part of the royal revenue*.

* On this subject, Humboldt, *Essai Politique*, liv. iv. chap. x. makes the following remarks.—*Ua.*

“The cultivation of Mexican tobacco might become a branch of agriculture of the highest importance, if the trade in this article was free; but since the introduction of the monopoly on the part of the crown, not only a special permission is necessary for planting of tobacco; not only the grower is compelled to deliver it into the monopoly-stores, at the price arbitrarily fixed by the Directors, according to the goodness of the article; but the cultivation is restricted to the vicinity only of Orizava and Cordova, and to the districts of Huatusco de Songolica, situated in the Intendency of Vera Cruz. Clerks, bearing the title of *guardas de tabaco*, scour the country, in order to root up the tobacco planted out of the districts above named, and to fine the farmers who have dared to grow what is necessary for their own consumption. It has been thought that the contraband would be diminished, by confining the cultivation to an extent of country of four or five square leagues. Before the establishment of the monopoly, the Intendency of Guadalupe, more particularly the districts of Antlan, Exatlan, Ahuxcatlan, Tepic, Santixpac and Acaponeta, were celebrated for the abundance and excellent quality of the tobacco they produced. These countries, once

Monopoly of *Coco* and *Nipa*, or Palm, Wine.

—This branch of public revenue is of sufficient magnitude to merit the second place among the resources rendered available to the expenditure of these islands. Established into a monopoly some years ago, in like manner as the consumption of tobacco, it has experienced several changes in its plan of administration, this being at one time carried on on account of the king, at others, by the privilege being let out at auction; till at length the Board of Control, convinced of the great profits gained by the contractors, resolved at once to take the direction of this department under their own charge, and make arrangements for its better administration. Having with this view established general deposits and licensed houses for the sale of country wine, with proper superintending clerks, they soon began to reap the fruits of so judicious a determination. In 1780, the privilege of selling the *coco* and *nipa* wine was farmed out to the highest bidder, for no more than 45,200 dollars, and subsequently the increase has been so great, owing to the improvements adopted, that at present nett

so happy and flourishing, have decreased in population, since the plantation was transferred to the eastern slope of the Corollera."

proceeds, equal to 200,000 dollars, on an average, may be relied upon. In proof of this, the proceeds of this branch, in the year 1809, may be quoted, when the total balances received at the Treasury, after all expences had been paid, amounted to 221,426 dollars, in the following manner.

Administration of Manilla and district	201,250
Id. of La Pampanga and district	- 12,294
Id. of Pangasinan and district	- 7,882
	<hr/>
Dollars	221,426

The prime cost and other expences that year amounted to no more than 168,557 dollars, by which means, on the whole operation, a nett profit of 131½ per cent. resulted in favour of the Treasury.

The monopoly of country wine comprehends the whole of the island of Luzon, excepting the provinces of Cagayan, Zambales, New Ecija, Camarines and Albay, and is under the direction of three administrators, who act independently of each other in their respective districts, and have at their disposal a competent number of guards. These administrators receive in the licensed establishments the *coco* and *nipa* wines, at prices stipulated with the growers. That of the *coco* is paid for at the rate of two dollars per

jar, containing twenty *gantas*, equal to twelve *arobas*, seven *azumbres* and half a *quartillo*, Castilian measure *, and at fourteen rials in the places nearest the depots. The *nipa* wine is laid in at 6½ rials the jar, indistinctly; prices which, although extremely low, are still considered advantageous by the Indians themselves, more particularly when it is besides understood, that, from the circumstance of their being growers of this article, they are exempted from military service, as well as several other taxes and public charges.

The *coco*-wine is a weak spirit, obtained in the following manner †. The tree that produces this

* *Ganta* is a local measure, and in Castile the *aroba* is equal to 25 lbs. weight; the *azumbre* is equal to $\frac{1}{2}$ of an *aroba*, and the *quartillo* $\frac{1}{4}$ of an *azumbre*, in wet measure, and of a *celemin* in grain, &c.—Tn.

† This must mean the *gomati* palm, described by Crawford in his *Indian Archipelago*, vol. I. in the following manner.—Tn.

"One of the most useful and abundant of all the palms, is the *saguire* or *gomati* (*borassus gomatus*). This affords the principal supply of that saccharine liquor which is used so much by the natives as a beverage, or for the extraction of sugar. The *gomati* is the thickest of all the palms, but shorter on that account. It is readily distinguished from all the other palms by its rude and wild aspect. The fruits, which are about the size of a medlar, and of a triangular form, grow from the shoots of fructification, on long strings of three or

fruit is crowned by an assemblage of large flowers or *corollas*, from the centre or calix of which issues a fleshy stem, filled with juice. The In-

habitant of the island of Mindanao, who is called

the *gomuti* *palm*, is a tree which grows to the

four feet. The fruit is in such abundance, that the quantity depending from a single shoot is more than a load for a man.

The fleshy outer covering of the fruit is of a poisonous quality, or at least, affords a juice of a highly stimulating and

corrosive nature, which, when applied to the skin, occasions great pain and inflammation. The inhabitants of the Mo-

luccas were in the practice of using, in their wars, in the defence of posts, a liquor afforded by the maceration of the fruit

of the *gomuti*, which the Dutch appropriately denominated *hell water*. The principal production of this palm is the

toddy, which is procured in the same manner as from other palms; or in the following mode: one of the *spathe* or shoots

of fructification is, on the first appearance of fruit, beaten for three successive days with a small stick, with a view of de-

termining the sap to the wounded part. The shoot is then cut off, a little way from the root, and the liquor which pours out

is received in pots of earthenware—in bamboos—or other vessels. The *gomuti* palm is fit to yield *toddy* at nine or ten

years old, and continues to yield it for two years at the average rate of three quarts a day. When newly drawn, the liquor

is clear, and in taste resembles fresh must. In a very short time it becomes turbid, whitish and somewhat acrid, and

quickly runs into the vinous fermentation, acquiring an intoxicating quality. A still larger quantity is immediately ap-

plied to the purpose of yielding sugar. With this view, the liquor is boiled to a syrup, and thrown out to cool in small

vessels, the form of which it takes, and in this shape it is sold in the markets. The sugar is of a dark colour and grossy con-

dian cuts the extremity of this stem, and inclining the remainder in a lateral manner, introduces it into a large hollow tube which remains suspended, and is found full of sweet and sticky liquor, which the tree in this manner yields twice in every twenty-four hours. This liquid, called *tuba*, in the language of the country, is allowed to ferment for eight days in a large vessel, and afterwards distilled by the Indians in their uncouth stills, which are no other than large boilers, with a head made of lead or tin, rendered tight by means of clay, and with a pipe frequently made out of a simple cane, which conveys the spirit to the receiving vessels, without passing, like the serpentine tube used in ordinary stills, through the cooling vats, which so greatly tends to correct the vices of a too quick evaporation. The *tuba*, obtained in level and hot situations, is much more spirituous than that produced in cold and shady places. In the first, six jars of juice are sufficient to yield one of spirit, and in the latter, as many as eight are requisite; a much greater number, however, would be wanted to rectify this spirit so as to render it

sistence, with a peculiar flavour. It is the only sugar used by the native population (morling of Java). The wine of this palm is also used by the Chinese residing in the Indian Islands in the preparation of the celebrated Batavian arrack."

equal to what is usually known by Hollands proof. I am not positively certain what degree of strength the coco brandy, or as it is usually called coco wine, possesses, but it is evidently inferior to the weakest made in Spain from the juice of the grape. The only circumstance required for it to be approved of, and received into the monopoly-stores, is its being easily ignited by the application of a lighted candle*.

The *nipa* is a small tree of the class of palms, which grows in a very bushy form, and multiplies and prospers greatly on the margins of rivers and watery tracts of land†. The *tuba*, or

* The coco negro, as it is called by the Spaniards, is also obtained from the *gouafi*, and resembles black horse hair. It is found between the trunk and branches, in a matted form, interspersed with black twigs. When separated from the latter, it is manufactured into a cordage of a cheap and durable nature, chiefly used for cables and standing rigging. A single palm in its life-time yields two crops of this material, each amounting to about 2 lbs. The twigs are used as writing pens, and also as arrows. Under the hair-like material a soft substance is besides collected, used as oakum for caulking, and as such exported to China.—Ta.

† The following is the description given of this palm by Crawford, vol. I.—Ta.

"The *Nipah* is a low palm, the trunk of which never exceeds a man's height. It is the inhabitant of low marshy situations. Like other palms it yields a wine by the usual process, and in some parts of the Archipelago, particularly in the

juice, is extracted from the tree whilst in its flowering state, in the same way as that of the coco, and afterwards distilled by a similar process; but it is more spirituous, from six to six and a half jars being sufficient to yield one of wine. The great difference remarked in the prices of these two species of liquor, arises out of the greater number of uses to which the fruit of the *cocal* or coco tree is applicable, and the increase of expence and labour requisite to obtain the juice, owing to the great height of the plant, and the frequent dangers to which the *caritanes*, or gatherers, are exposed in passing from one tree to another, which they do by sliding along a simple cane *.

Philippines, it is cultivated for this purpose. Its principal use, however, is for the leaf, usually called *Atap*, the common term for thatch among the Malays, specifically applied to the leaves of this palm, because, among that people, it is almost the only material used for that purpose. The *Nipak* leaf is also used for the fabrication of coarse mats. The small, insipid pulpy kernels are sometimes preserved as sweetmeats.

* Nature has been extremely provident to man in the southern hemisphere. On the Andes mountains, where poisons abound, the antidote is always met with. On their declivities, where the tertian fever is endemic, the febrifuge is particularly placed; whilst on the coasts where the dysentery marks the climate, the *simaruba*, *epicacuanha*, and other tonics are found. In the parched regions of the southern coast, for

The impost on, or rather monopoly of country wine, is in itself little burdensome to the community, as it only falls on the lower and most dissipated orders in society, and for this reason it is not susceptible of the same increase as that of tobacco, of which the use is more general, and now become an object of the first necessity. The Indian of the Philippine Islands is, by nature, so sober, that the spectacle of a drunken man is seldom noticed in the streets;

the convenience of the exhausted traveller, the calo or Guayaquil cane raises its refreshing form, and serves even to allay the thirst of cattle. This remarkable plant is high, thick, and the hollow partitions of the cane, as the moon increases, are filled with a clear and good water. At the full of the moon, even the smallest of the upper branches are filled with fluid, though at the wane found only in the trunk, whence it is extracted by a bore, and in these tubes or natural divisions of the cane carried to the distant workmen. The *utricularia* of the Philippine Islands is a plant of this kind. It is a tree from the joints of which issues a tendril like that of a vine, at the extremity of which is placed a small receiver, resembling a cruet with a neck, and on the top is placed a valve, which serves the place of a stopper. The receiver always stands erect, and is filled with a sweet and pleasant water, except at certain hours, when the valve naturally rises, to give room for evaporation, otherwise the repletion could not take place. The contents of four or six of these little vessels are sufficient to quench the thirst of one person. This plant is found in the province of Bisayas, in the island of Luzon.—Ta.

and in the capital, where the most corrupt classes of them reside, it is admirable to see the general abstinence from a vice that degrades the human species. The consumption of the *coco* and *nipa* wine is, nevertheless, considerable, which takes place in all their festivities, cock-fights, games, marriages, &c.; wherefore, if any scheme is devised to augment the annual sale of these liquors, none could be more efficient than to increase the number of their festive meetings, and seek pretexts to encourage public diversions, if, on the other hand, this were not contrary to the well-regulated order of society, and the duties of those who are intrusted with its superintendence.

I am still of opinion that, without resting the prosperity of this branch of the public revenue on principles, possessed of so immoral a tendency, it might be rendered more productive to the treasury, if the monopoly could be introduced into the other districts, adapted to its establishment. By this I mean to say that, as hitherto the monopoly has been partial, and enforced more in the way of a trial than in a general and permanent manner, much remains to be done, and consequently great scope is left for improvement in this department of the public revenue. This most assuredly may be attained, if all the local circumstances and impediments, more or

less superable, which the matter itself presents, are only taken into due account, and proper exertions made to study and discover the various indirect means of increasing the total mass of contributions, by applying a system more productive and analogous to the nature of the Philippine Islands. With regard to the revenue of the two particular articles above treated on, I merely wish to give to understand that, far from introducing by means of the monopoly, a new vice into the provinces in which I recommend its establishment, it would rather act, in a certain degree at least, as a corrective to pre-existing evils; and the government would derive advantages from an article of luxury, by subjecting its consumption to the same shackles under which it stands in the other provinces, where its administration is established and carried on for account of the royal Treasury.

ROYAL CUSTOM HOUSE.—In former times, when only vessels belonging to the Asiatic nations visited the port of Manilla, with effects from the coast of Coromandel, or the China junks*, and now and then a Spanish vessel coming from or going to the island of Java, with

* The following extract describes the trade of the Chinese junks.—Ta.

"Of all foreign nations, the Chinese have settled in the

spices for account of Philippine merchants, the receipt of duties was left in charge of a single

greatest number in the Archipelago. Their country, overflowing with inhabitants, lies close to the Indian islands, and a constant intercourse is kept up between them. The Chinese junks never fail to bring a large supply of emigrants, and the European trading ships frequently do the same thing. But for the peculiar laws of China, which check the progress of emigration, by interdicting that of women entirely, we should long ago have seen the principal portion of the Archipelago colonized by this race. Many of these Chinese return to their own country, and the first intention of every emigrant is probably to do so, but circumstances detain a number of them in the islands, who intermarrying with the natives of the country, generate a race inferior in energy and spirit to the native settler, but speaking the language, wearing the garb, professing the religion, and affecting the manners of the parent country. The Chinese settlers may be described as at once enterprising, keen, laborious, luxurious, sensual, debauched and pusillanimous. They are most generally engaged in trade, in which they are equally speculative, expert and judicious. Their superior intelligence and activity have placed in their hands the management of the public revenue, in almost every country of the Archipelago, whether ruled by natives or Europeans; and of the traffic of the Archipelago with surrounding foreign nations, almost the whole is conducted by them. From China they have imported into the Indian islands the agricultural skill which distinguishes that country above all others of Asia. This skill is advantageously transferred to the culture of tropical products, to that of the sugar-cane, pepper and indigo. In the western countries, where there is least competition from the natives, the Chinese employ themselves

royal officer, and the valuations of merchandise made by him, in concert with two merchants named by the government; but with the knowledge and assistance of the king's attorney-general. The modifications and changes which have subsequently taken place in this department, have however been frequent, as is evidently shewn by the Historical Extract from the proceedings instituted before the Council of the Indies, by the merchants of Seville and Cadiz, in opposition to those of the Philippine Islands, printed in Madrid, 1736, in folio, by order of the said council; but as it does not enter into my views to speak of times so remote, I shall confine my remarks on this branch, considered under its present form.

In conformity to royal orders of 15th March and 5th May, 1786, the Royal Custom House of Manilla was definitively organized on its new plan; and from 1788, was placed under the immediate charge of an Administrator-General,

in handicraft trades, and are the best and most expeditious workers in wood and iron. They very seldom condescend to work as day-labourers. They are the least conscientious people alive; the constant prospect of gain or advantage must be presented to them to induce them to fulfil their engagements, which they will always evade when their judgment is not satisfied that an adherence to them will be certainly profitable." Crawford, vol. I.

a Controller, a Treasurer, aided by a competent number of guards, tidewaiters, &c., and in every respect regulated on the plan established in the other Custom Houses. The freedom of the port being granted to foreign nations, a privilege before enjoyed only by those purely Asiatic, and a new line of trade commenced by the Company, the competition in merchandise soon began to increase, as well as the revenue arising therefrom, in such manner that, although the exportation of goods was limited to the cargo of the Acapulco ship, of which the duties are not payable till her arrival there; notwithstanding also the property imported by the Company from China and India, and destined for their own shipments, was exempt from duties, and above all, the continual interruptions experienced by the maritime commerce of the islands within the last fifteen or twenty years, the nett proceeds of the Custom House, from the period above mentioned of its establishment, till the close of 1809, have not been less than from 138 to 140,000 dollars, on an average, as manifested in Table, N°. VIII.; independent of the amount of the king's fifth on the gold of the country, which is collected by the same administrator, in consequence of its being trivial; as well as the two per cent. belonging to the Board of Trade, and by them collected under that title, and after-

wards separately applied to the average-fund, and which usually may be estimated from 20 to 25,000 dollars.

The general duties now levied in the Custom House, are the following*:

* In consequence of the complete revolution that has recently taken place in the commercial regulations of Spain, and affecting every part of the monarchy, it has been deemed advisable to add the following decree, not only as explanatory to the text, but also useful to all merchants interested in Spanish, peninsular, or colonial trade.—*Tr.*

Ferdinand VII. by the Grace of God and the Constitution of the Spanish Monarchy, King of Spain, to all whomsoever these presents may reach—know that the Cortes have decreed as follows:—

The Cortes, by virtue of the powers granted to them by the Constitution, have decreed;

Art. 1. There shall be one uniform tariff of the Custom Houses in the whole of the Spanish Monarchy, which in Europe shall begin to operate from the 1st Jan. 1821, and thirty days after the order and new tariff shall have arrived in the ultramarine provinces; but with regard to the shipments which may be undertaken after the 1st January, 1821, in observance of the new tariff, the Captains or Mates of such vessels shall carry out the necessary certificates on their clearances, in order that at the places of their destination, the regulations of the new tariff may be observed, as far as regards said shipments.

2. Every year the Cortes shall confirm or amend the tariff of Customs, as may be deemed expedient.

3. The form of the general tariff of Customs shall, for the

IMPORT DUTIES. Six per cent. duties of *almojarifazgo* on all kinds of merchandise im-

present, be the one proposed by the Special Committee of Tariffs, for this purpose created by a royal order of 13th April, 1816, and which has been presented to the Cortes by the Secretary of the Finance Department, simplified in the following manner. All kinds of merchandise shall be divided into 15 classes, as expressed in the said project, and in exact alphabetical order, shall be included those articles already therein contained, adding thereto such new ones as may occur under another form. The charges shall be laid down according to numbers, weight, measure, or value, the duty on fixed quantities being specified, conformably to the regulations of the said project. The import and export duties shall be distinguished by two divisions; the first to be subdivided into four columns, viz. in the first shall be marked the number, weight, or measure, on which is to be regulated the duty of import, export, and home consumption, without any alteration in the manner that may be established for the entry; in the second, shall be inserted the value of each article paying duty; in the third, the rate of duty shall be stated; and in the fourth, the fixed amount of duty to be paid by the article specified. The second division, under the title of General Export, shall contain three columns, which, referring to the same rate of duty on articles enumerated in the first column of General Import, shall specify the value, the rate, and the duty on fixed quantities of the articles exported. To the two explained divisions or columns of import and export duties, shall be added another for the home consumption, in countries belonging to the Spanish Monarchy, in Europe as well as beyond seas, of all national articles of the Peninsula, America, and Asia. What regards the first, shall be exhibited in three columns united to

ported in foreign bottoms, under a valuation made by the surveyors, in conformity to the

the seven of the above divisions, specifying the value, rate, and the duty on fixed quantities; and with regard to the home consumption in the ultra-marine provinces, the same shall be expressed in contiguous columns, the rate being stated in the first, and in the second the amount on each article, according to the value of national articles, specified in the eighth column. And finally, a thirteenth column shall be added, specifying the fixed amount corresponding to the two per cent. for administration, in cases in which the same is to be paid for trans-shipment, or on exportation to a foreign country, as will be explained in Article 33; the said two per cent. being calculated in conformity to the rate stated in the second or eighth column, according as the same may be national or foreign articles.

4. One single duty shall be levied on account of the public revenue, on the import and export of foreign goods, as stated in the above project, and in the corresponding columns, the duty assigned to the national flag shall alone be specified.

5. In cases in which the importation or exportation in vessels bearing a foreign flag shall be allowed, the goods corresponding to such cargoes on their entry or clearance, shall pay the duties specified in the general tariff, with the addition of one-third; but in case the entry or clearance of the goods corresponding to such cargoes should be exempt from duty, it shall be the same for foreigners as well as Spaniards.

6. As soon as the goods have passed the Custom House, whether for importation, exportation, home consumption, or trans-shipment, the duties fixed by the tariff are to be paid, without any return or abatement on the exportation of those previously imported, or the re-entry of those exported, or for

respective prices of the market at the time of importation; and usually regulated by an in-

any other motive, unless it should arise out of some error in the calculations or accounts.

7. No premium, reward, or abatement of tariff duty shall be allowed in order to encourage the importation or exportation of any kind of merchandise, nor for any motive of utility or security, or any other pretext.

8. National and foreign goods of all kinds, except such as are prohibited, shall freely circulate in the interior of the line of counterpasses that may be established, without the need of certificates; and the circulation shall also be free in the intervening territory of said line, and that of the Custom Houses of the coasts and frontiers; but, in the latter case, certificates shall be requisite. In like manner the circulation outwards or coastwise, and between towns of the same province, shall be free from duties, but certificates will be required. In order, however, to circulate outwards from one province to another, the following rules shall be observed.

9. The circulation or re-shipment outwards of all kinds of goods, from one port or anchoring-place to another, for this purpose duly authorized by law, as specified in the two following articles, in the whole of the districts of the Spanish monarchy; and between each reciprocally and in a direct manner, shall be exclusively allowed in vessels bearing the national flag, according to the tariff regulations.

10. National goods which may thus circulate, or be shipped outwards, shall, in the custom-houses of the port of clearance, pay two per cent. for the expence of administration, and in the port of entry they shall be free from the duty of customs, excepting such articles to which the duty of home consumption shall be affixed.

crease of 50 per cent. on the prime cost of India goods, and of $33\frac{1}{3}$ on those from China. This

11. Foreign goods imported, and which may have paid a regular duty in the custom-house of any port of the Peninsula, may circulate and be re-shipped outwards to any other port of the Peninsula, or be exported to a foreign country, on paying two per cent. for administration in the custom-house where the clearance is made, and nothing in that of their new destination; but they cannot be conveyed to any ultra-marine port of Spain, without being subject to a second import duty as foreign goods; and the same shall be observed with regard to articles of this kind imported through any custom-house in America or Asia; nor can they be conveyed from one section to another of the latter countries, nor to the Peninsula; that is, from a port to a Spanish port of the aforesaid distant regions, without the payment of fresh duties.

12. In case that the Spanish vessels, carrying coastwise from one Spanish port to another, foreign goods already imported, or Spanish goods subject to a duty on home consumption, should touch or anchor in a foreign port, and this should be proved in some legitimate way, although the deviation should not appear in the bill of health or the muster-roll, all the cargo, on arrival at the destined port of discharge, shall pay the duties of importation and of home consumption, although it may appear by the manifest, clearances and cockets, that the said duties have already been paid, and in addition, all the penalties for contravention to the laws of quarantine, navigation, and revenue, shall be enforced.

13. All the foreign goods which may not have been imported, and which may be actually deposited in ports in which those of the first class are permitted, may be carried by a Spanish vessel only, according to the regulations prescribed in

duty may consequently be considered as, in fact, equal to nine per cent. on the former, and eight on the latter.

the establishment of deposits for importation in other ports specially privileged in the Spanish dominions, without paying the two per cent. for administration, nor any other duty outwards, and without paying the duty inwards, until the importation shall take place in the port of destination, but with observance of the provisions of Art. 18, and of the regulations of deposit.

14. In the case provided for by the preceding Article, it shall not be permitted to ship in the same vessel any Spanish goods, nor any foreign goods already imported, neither in the first port of shipment, nor in any other where the vessel may touch, unless the foreign goods intended to be shipped from the deposit shall be previously entered, cleared, and the duties paid in the first port.

15. The same rule laid down in the preceding article shall apply to the carrying of Spanish goods subject to home consumption duties, and intended to be taken out of deposit to be conveyed to another port specially authorized. In these shipments it shall not be permitted to mix goods which have already paid the duties of importation, or for home consumption, with those that have not.

16. It shall not be permitted that goods once warehoused in a port of deposit, in any of the Spanish dominions, be conveyed to another deposit.

17. Every Spanish vessel may trade from any Spanish port, specially authorized, in all the Spanish dominions, to any foreign port, and import and export goods not prohibited, subject to the rules of the general tariff, and others on the subject.

18. Foreign goods shipped from Europe for countries be-

Six per cent. or the same duty, on all foreign goods, although imported in national bottoms.

yond the seas, if they pay the duties on importation in a port specially authorized in the Peninsula, shall be valued according to the rates fixed in the general tariff; but if it should be preferred to pay the duties only on arrival in an authorized port beyond seas, it may be done according to Art. 13; but the rate or value shall be considered as increased one half, if the goods should be shipped from a foreign port; but if shipped from a port of deposit of the first class in the Peninsula, the duties shall be calculated on the rates or value of the general tariff, and a fourth part, or 25 per cent. more, besides the extra duties on foreign flags, according to Art. 5. The same rule shall be reciprocally observed with foreign goods; which may be carried from Asia to America or Europe, or from America to the other two regions.

19. Foreign vessels shall be admitted in all the ports of the Spanish monarchy, on the same footing on which Spanish vessels may be admitted in the respective foreign ports of every nation in particular, and as practised in the possessions of each one in every part of the globe, or in a similarity of cases, places, and circumstances, for the only purposes specified in the following articles.

20. The foreign vessels which may anchor in a Spanish port, not for the purpose of loading or unloading, but solely for repairing or avoiding damage, or to procure provisions necessary for the crew, shall be admitted for the time required for that purpose; being merchant vessels, they shall be subject to manifests, search, and officers, as usual; and shall be treated as Spaniards are treated in the respective ports of those nations, exacting or not exacting, with the most scrupulous reciprocity, the tonnage, anchorage, and other dues, which may be paid by

Three per cent. on Spanish goods, imported under the national flag, equal, according to the above estimate, to 4 and $4\frac{1}{2}$ per cent.

vessels in passing or remaining, either in free pratique or in quarantine.

21. Foreign vessels of more than 80 tons may import into the ports of deposit of the first class, and export from them foreign goods not prohibited, and being the produce of the country to which the vessel belongs, observing the rules prescribed in the establishment of the deposits; and on the goods which they land or load no other duty but the two per cent. of deposit shall be paid, unless they shall be imported by the same port into which alone they can be imported, or unless the term of deposit be expired, and they be considered as imported, in which cases the duties inwards shall be paid.

22. Foreign vessels of the said burthen can also export from the ports which may be authorized in the Spanish dominions foreign goods which have been imported and Spanish goods, observing what has been or may be ordered by the regulations of the general tariff.

23. Foreign vessels of upwards of 80 tons are likewise permitted to carry provisions and raw materials which cannot be used unless worked or manufactured, as their entry may be permitted, from Spanish ports to those in the Spanish territory which may be specially authorized, and also other goods, which may not be liable to more than the duty of Administration, provided always, that the said goods be the produce of the country to which the vessel belongs, and they must pay the duties without the benefit of deposit, unless they carry them to the corresponding deposits for the purpose of obtaining it.

24. By the frontier Custom-houses which shall be established for the purpose, only the importation of such goods

Two per cent. Board of Trade duty, indistinctly on all foreign property, and equivalent to 2½ or 3 per cent.

shall be permitted as are the produce, growth, or manufacture of the contiguous nation; and also the export of all foreign goods already imported, as well as national ones, conformably to the general tariff, in carts or on beasts, according to the roads, and precautions necessary to prevent smuggling.

25. Whatever shall be permitted or prohibited in any part of the Spanish monarchy, shall be equally so by general rule in all parts, with the exception of modifications, which different circumstances of place and time may require for the benefit of all Spaniards.

26. Deposits for maritime commerce shall be established in the ports, which, on the proposal of Government, may be approved by the Cortes; they will be of two classes; those of the first class will serve for depositing Spanish goods, subject to the payment of home consumption duties, and foreign goods. Those of the second class will be only for depositing Spanish goods, subject to home consumption duties, but not for foreign goods. No deposit of either class can be established in an insecure or defenceless port, or such as may not have shelter for vessels in permanent roadsteads, and fortifications to defend them, and in the immediate vicinity of which there is not a Custom-house and the necessary buildings for deposits, and a maritime Consulate; and amongst the ports in which these circumstances are combined, those shall be selected which export most produce and manufactured articles of the country.

27. The further fundamental regulations for granting deposits shall form a particular object of instructions, which will be inserted in the general tariff, and will be confirmed or amended every year. The same rule shall be observed for

Twenty-five per cent. anchorage dues, levied on the total amount of the almojarifasgo duty.

pointing out, preserving, granting, or taking away, on the proposal of Government, the privilege of deposit, with respect to the ports which may suit for the purposes of this new system, so as to combine the welfare of agriculture, industry and commerce, with that of the public revenue.

28. The goods invented by necessity or caprice, or those which may not be named in the general tariff, after it shall have been published, shall be charged or rated in the Custom-houses to pay duties in proportion to others to which they are analogous or like, to be done by the Administrators without causing any delay to business, but to be reported immediately to the General Direction of Revenue, for the purposes required.

29. The prohibition of importation or exportation of goods in the dominions of Spain shall form a separate article; besides which, their denominations shall be inserted in the general tariff, in the places corresponding to them in alphabetical order, and they shall be subject to a separate determination, which will be confirmed or amended by every legislature.

30. Merchant ships, Spanish as well as foreign, shall be considered as merchandise; their purchase or sale shall be permitted or prohibited, as may be expedient, and ordered in the general tariff every year, and all those belonging to Spaniards shall be nationalized.

31. On the left margin of the printed book of rates, or general tariff, as much blank space as possible is to be left for noting down the necessary and useful observations for better explanation and successive corrections.

32. The weight and measure of solids and fluids shall be

An additional $2\frac{1}{2}$ per cent. a new and temporary duty, called *subvencion*, appropriated to the

the Castilian, for charging the duties according to the general tariff; and the money shall be effective, and not nominal or imaginary rials de Vellon.

33. The maximum of the duties on foreign goods imported shall be 30 per cent. on the valuations of the general tariff, and the minimum for administration two per cent. on importation or re-exportation and on the shipments by sea for the home trade. The maximum for Spanish goods, on exportation to foreign countries, shall be ten per cent. on said valuations; and the minimum two per cent. for administration on said exportation or for shipments by sea for the home trade, between province and province, in the proper cases. The maximum of the home consumption duties on Spanish goods that are subject to them, shall be fifteen per cent. on the respective valuations, without any limit as to the minimum, because there will be goods entirely exempt from these duties.

34. In the maximum and minimum of duties mentioned in the foregoing article, suitable gradations shall be established, according to the scientific principles which govern in similar cases.

COUNT DE TORENO, President.

J. M. SUBRIE, Secretary.

M. A. LOPEZ, Secretary.

Madrid, Oct. 5, 1820.

Wherefore, we command all Tribunals, Judges, Chiefs, Governors, and other Authorities, as well civil as military and ecclesiastic, of whatsoever class and dignity, that they observe and cause to be observed and executed the present decree, in all its parts. (Signed) JOSEF CANGA ARGUELLES.

Palace, Oct. 6, 1820.

payment of the loan made to the king by the Cadiz Board of Trade, and leviable on all kinds of imported goods, and of course equal, according to the usual mode of valuation, to about three per cent.

EXPORT DUTIES.—Three per cent. on the exportation of coined silver and gold of the country, in dust and ingots.

An additional or duty of *subvencion*, or temporary duty on the above, equal to $\frac{1}{4}$ per cent.

One and a half per cent. under the same rate, on all kinds of goods, and equal to 2 or $2\frac{1}{4}$ per cent.

One and a half per cent. on the amount of the cargo of the Acapulco ship, on leaving the port of Manilla, equal to $\frac{1}{4}$ per cent. on the real prime cost.

The Company are considered in the same light as the rest of the merchants, in the graduation and payment of duties, on such goods as they sell out of their own stores for local consumption, with the exemption only of the Board of Trade rate of 2 per cent., and 3 per cent. on the exportation of silver, according to a special privilege, and in conformity to the 61st article of the new royal decree of 1803.

Besides the duties above enumerated, there is another trifling one established for local purposes, under the name of *peso marchante*, being a

rate for the use of the king's scales, levied accordingly to an extremely equitable tariff, on certain articles only of solid weight, such as iron, copper, &c. The raw materials, as well as all kinds of manufactured articles, belonging to the islands, are exempt from duties on their entry in the port and river of Manilla; but some of the first are subject to the most unjust of all exactions, that is, to an arbitrary tax and to the obligation of being retailed out on board the vessels in which they have been brought-down, and deliverable only to persons bearing a written order, signed by the sitting members of the municipality. Among this class of articles may be mentioned the coco of Zebu, the wax and oil of Las Bisayas, which are rated as objects of the first necessity.

With regard to the respective duties on the cargo annually dispatched by the merchants of Manilla to New Spain, the practice is tolerably well regulated. An extreme latitude is given to the moderate rates at which it is ordered to value the goods contained in the manifest, by which means these are frequently put down at only one half of their original prime cost; the commission to frame the scale of valuations which is to be in force for five years, after which time it is renewed, being left to three merchants, and made subject to the revision

of the King's Attorney General and the approbation of the Governor; consequently, such being the nature of the tariff on which these operations are founded, the 33½, to which the royal duties amount on the 500,000 dollars stipulated in the permit, does not, in fact, affect the shipper beyond the rate of 15 per cent., in consequence of the great difference between the prime cost and valuation of the articles corresponding to the permit; or, what is the same thing, between the 500,000 dollars nominal value, and 1,100,000, or 1,200,000 dollars, the real amount of the cargo in question. The most remarkable circumstance, however, is, that the officers of the revenue in Acapulco collect the abovementioned 33½ per cent. in absolute conformity to the Manilla valuation, and not according to the value of the goods in America, and without any other formality than a comparison of the cargo with the ship's papers. In honour of truth, it ought to be further observed that, although the Manilla merchant by this means seeks to exempt himself from part of the enormous duties with which it has been attempted to paralyze the only commercial intercourse he carries on with New Spain, in every other respect connected with this operation, he acts in a sufficiently legal manner, and if at their return these vessels have been in the habit

of bringing back near a million of dollars in a smuggled way, it must be acknowledged that it is the harshness of the law which compels the merchant to become a smuggler; for, according to the strange regulation by which he is thwarted in the returns representing the proceeds of his outward operation, he must either bring the money to the Philippine Islands without having it declared on the ship's papers, or be obliged to leave the greatest part of it in the hands of others, subject to such contingencies as happen in trade. As long, therefore, as the present limitations subsist, which only authorize returns equal to double the value of the outward-bound cargo, this species of contraband will inevitably continue. The governors also, actuated by the principles of reason and natural justice, will, as they have hitherto done, wink at the infraction of the fiscal laws; a forbearance, in fact, indirectly beneficial to them, inasmuch as it eventually contributes to the general improvement of the colony. Indeed, without this species of judicious condescension, trade would soon stand still for the want of the necessary funds to carry it on*.

* The public of this country were made acquainted with the existence of this singular trade by Commodore Anson's famous capture of the Acapulco ship, *La Nuestra Señora de Covadonga*, by the *Centurion*, having on board 1,313,842

We shall now proceed to notice another class of defects, in their operation of sufficient importance to merit a particular consideration. It will readily be acknowledged that, in like manner as the good organization of Custom Houses is favourable to the progress of general commerce, so nothing is more injurious to its growth and the enterprise of merchants, than any un-

pieces of eight, 35,682 ounces of silver, cochineal, &c. From that time up to the present it has continued on nearly the same footing; but, of course, it is now thrown open by the re-establishment of the constitution. Acapulco, the chief shipping-port of New Spain on the Pacific, is the finest harbour on that sea, being an immense basin, as it were hollowed out of rocks, and only open to the S. S. W. The country round is extremely sombre and romantic, the climate unhealthy, and the town contains no more than 4000 inhabitants, chiefly persons of colour; though the arrival of the galleon from Manila always brings there as many more strangers, who come to attend the fair then held. This ship usually left the Philippines about the middle of July or beginning of August, and the voyage to Acapulco generally lasted about three months. The N. W. and S. W. winds are the prevailing ones in that line of the Pacific, and the trade winds serve to return. The vessel usually touched at the Island of Guam, one of the Marianas, to leave there the *sitanda* or yearly allowance of money from Mexico, for the payment of the troops, &c. to land supplies of woollens, and to obtain provisions. This is almost the only use Spain has hitherto made of this insular and secluded establishment, of which a description has been given in the Preliminary Discourse.—Th.

certainty or arbitrary conduct in the levying of duties to be paid by them. This arises out of the circumstance of every merchant, entering on a new speculation, being anxious to have, as the principal groundwork of his combinations, a perfect knowledge of the exact amount of his disbursements, in order to be enabled to calculate the final result with some degree of certainty. Considered in this point of view, the system adopted in the islands is certainly deplorable, since it must be acknowledged that the principles and common rules of all other commercial countries, are there unknown. For example; this year a cargo arrives from China or Bengal, and the captain delivers in his manifest. The Custom-house surveyors then commence the valuation of the goods of which his cargo is composed: I say they commence, because it is a common case for them not to have finished the estimate of the scale and amount of corresponding duties, till after the expiration of two, four, and not unfrequently six months. The rule they affect to follow, in this valuation, is that of the prices current in the market, and in order to ascertain what these are, they are seen going round inquiring in the shops of the Sangleyes, till at length, finding it useless to go in search of correct and concurrent data, in a place where there are neither brokers nor public auctions,

they are forced to determine in an arbitrary manner, and as the adage goes, always take good care to see their employers on the right side of the hedge. The grand work being ended, with all this form and prolixity, the sentence of the surveyors is irrevocable. The bondsman of the captain, who, in the meanwhile, has usually sold his cargo and departed with a fresh one for another destination, pays in the amount of the duties, thus regulated by law.

The practical defects and injurious consequences of such a system as this, it would be unnecessary to particularize. It would, however, be still less intolerable, if, once put in force, it could serve the merchant as a guide in the valuations of his property for a determined number of successive years. What, however, renders this assessment more prejudicial, is, its instability and uncertainty, and the repetition of the same operation I have just described every year, and with every cargo that arrives; but under distinct valuations, according to the reports or humour of the day. Besides these great defects and irregularity, the Philippine Custom-house observes the singular practice of not allowing the temporary landing of goods entered in *transitu* and for re-exportation, as is done on the bonding system in all countries where exertions are made by those in authority for the extension

and improvement of commerce in every possible way. Of course, much less will they consent to the drawback or return of any part of the duties on goods entered outwards, even though they are still on board the very vessels in which they originally came shipped. Beyond all doubt, the wrongly understood severity of such a system, has, and will, continue to prevent many vessels from frequenting the port of Manilla, and trying the market, unable to rely on the same liberal treatment they can meet with in other places.

MONOPOLY OF THE BONGA OR ARECA NUT.

—The *bonga*, or areca-nut, is the fruit of a very high palm-tree, not unlike the one that bears the date, and the nuts, similar to the latter, hang in great clusters from below the protuberance of the leaves or branches*. Its figure and size resemble

* The areca-palm (*Areca Catechu* of Linnæus), is a slender graceful tree, 30 or 40 feet high, producing fruit from the sixth year, and continuing to bear till after the twenty-fifth. The fruit is eaten in its unripe and ripe state, but generally in the latter, when it assumes an orange colour. The exterior part is then a soft, spongy, and fibrous substance, and the interior a nut, resembling the nutmeg, though usually larger and harder. The tree thrives at a greater distance from the sea than the usual class of palms, in elevated situations, and the plantations are highly ornamental. It yields two crops, or, on an average, 14lbs. per annum.—Tn.

a common nut, but solid, like the nutmeg. Divided into small pieces, it is placed in the centre of a small ball made of the tender leaves of the *buyo* or *betel* pepper, lightly covered with slacked lime, and this composition constitutes the celebrated betel of Asia, or, as it is here called, the *buyo*, the latter differing from that used in India, inasmuch only as it contains cardamomom*.

* The use of the prepared *areca* and *betel* is general in the Indian Archipelago, as well as among several Asiatic continental nations, who, it is thought, learnt it from the natives of the former. The preparation is made by a mixture of areca cut, the pungent and aromatic leaves of the betel, a species of pepper-vine, a small quantity of *terra japonica*, an agreeable bitter astringent, and a small proportion of quick lime. This preparation is masticated, and produces a dark colour on the teeth and gums, considered by the natives a beauty. The *gambier*, or *terra japonica*, is found in the islands, and is thence exported to Java and China. It is derived from a plant, of which the leaves yield an inspissated juice, when boiled and reduced to a syrup. After being cooled, it hardens, and when perfectly dried and solid, is cut in small cakes, and in this state used as a masticatory with the areca nut.

It is singular the Peruvians have a plant, used by them in the same way, but possessing virtues which the prepared areca does not, since the latter boasts no other than narcotic qualities. I mean the coca or *erithroxylen*, a plant deified by the ancient Peruvians, and still used and held in the highest estimation, though under no monopoly. The coca grows in what are called the *Yungas* in the Quechuan language, or hot and humid places, such as the declivities of the Andes mountains, with a

The government, anxious to derive advantage in aid and support of the colony, from the great

southern exposure. This shrub, which grows nine or ten feet high, affords leaves after the second year, and the crop depends on the goodness of the soil, abundant rains, cleanness of the grounds, and the absence of an insect, called *ulo*. Although it flowers only once a year, it is thrice covered with leaves, consequently, furnishes that number of crops, though not equally plentiful. The leaves are carefully gathered, as soon as on the inside they have assumed a transparent green, and on the outside a ruddy colour. They are then dried and packed up. In the early times of the Incas, the coca was reserved for the worship and solemnities of the gods, and the use only of those monarchs who boasted their immediate descent from them. No other person was allowed to use it, unless his heroic and distinguished services entitled him to share this honour with his sovereign, who frequently thus rewarded merit. When the Spaniards arrived in Peru, the use had become general, even among the plebeians. The coca was also made the representative of value, and served the purposes of money. Of these leaves 400,000 baskets are now annually produced in La Paz and other districts of Upper Peru, three parts of which are gathered in the district of Chulumani. Lower Peru yields about 22,000 baskets, chiefly grown in the district of Panacritambo. The usual value on the spot, is from 6 to 8 dollars per basket, weighing 75lbs. though the planters, owing to distance and difficulties of conveyance, usually contract to deliver it at the mines, for 6 dollars per *arroba*, or 25lbs. The use is similar to that made of the prepared areca in the East Indies, and hence some authors have ventured to deduce the common origin of the Peruvians. At present, the Indians weave small ornamented bags or purses, which they

use the inhabitants make of the *buyo*, many years ago determined to establish the sale of the *bonga*, its principal ingredient, into a monopoly, either by hiring the privilege out, or placing it under a plan of administration, in the form in which it now stands. Both schemes have been tried, but in neither way has this branch been made to yield more than 30,000 dollars; indeed the annual proceeds usually have not exceeded 25,000. In 1809, the total amount of sales was

fill with coca and carry hung to their girdles. In some provinces, they use small calabashes filled with lime, but the most usual method is, to form from the ashes of the quicua stalk, a species of millet, small cakes, called *lipts*, and this, or lime, serves as an alkaline masticatory with the coca. To take his quid, the Indian seats himself very composedly, although on a journey, or engaged in hard labour, pulls out his *chuspa*, or bag, and leaf by leaf, puts the coca into his mouth, masticating and turning it round till it forms a ball, which he places in the corner of his mouth. He then takes a spoonful of lime or a bite of his alkaline cake, to add to his quid. The natives usually chew five or six times a day, always when they begin work, or when tired. The coca is a bitter tonic, and its balsamic virtues prevent the bad effects of the arsenic dust with which the air is charged in the interior of the mines; indeed without this plant, the Indians would never be induced to work in them, and hence the miners are obliged to keep regular supplies. A great number of other curious facts and particulars will be found in a descriptive and historical account of this plant, furnished by the translator to the last series of the Colonial Journal.—Th.

48,610 dollars, and deducting from this sum the prime cost and expences of administration, the nett profit in favour of the treasury was equal to no more than 27,078 dollars, or upwards of 125½ per cent. In 1780, the privilege of selling the *bonga* was let out at public auction for the sum of 15,765 dollars, and this, compared with the present proceeds, clearly shews that, although the increase has not been adequate to that of the other branches of the revenue, it is far from having declined. It must nevertheless be confessed, that on the present footing on which it stands, the smallness of the proceeds is not worth the trouble required in the collection, and even if the amount were still greater, it could never serve as an excuse for the oppression and violence to which this monopoly frequently gives rise.

As the trees producing the *bonga* are not confined to any particular grounds, and indistinctly grow in all, the plan has been adopted of compelling the Indians to gather and bring in the fruit, raised on their lands, to the depôt nearest the district in which they reside. There they are paid from 2, 2½, 3 and 3½ rials per thousand, according to the distance from which they come; and, in order to prevent frauds, the surveyors belonging to the revenue go out, at certain times of the year, to examine the *bonga* plantations, and the trees being counted, they estimate the

fruit, that is, oblige the proprietor to undertake to deliver in 200 nuts for each bearing tree, whether or not, hurricanes deteriorate or destroy the produce, or thieves plunder the plantations, as very frequently happens. In case deficiencies are proved against him, he is compelled to pay for them in money, at the rate of 25 rials per thousand, the price at which the king sells them in the monopoly-stores. Besides, the precise condition of delivering in 200 sound *bonga* nuts, according to the stipulations imposed upon him, presupposes the previous exclusion of all the injured or green ones; and although the ordinary trees usually yield as many as 300 nuts each, great numbers are nevertheless spoiled. If, to the adverse accidents arising out of storms and robberies, we add the effects of the whims or ill-humour of the receivers, it is not easy to imagine to what a length the injuries extend which befall the man who has the folly or misfortune to become a planter of this article.

On the other hand, as in the conveyances from the minor to the larger depôts, frauds are frequently committed, and the heaping together of many millions of nuts inevitably produces the fermentation and rapid putrefaction of a great number of them, it consequently follows that the waste must be immense; or if it is determined to sell all the stock laid in, without any distinc-

tion in quality and price, the public must be very badly served and displeased, as in fact too often happens. Since therefore the habit of using the *bugo* is still more prevailing than that of tobacco, when suitable supplies cannot be had in the monopoly stores, the consumer naturally resorts to contraband channels, although he encounters some risk, and expends more money. It is also very natural that the desire of gain should thus lead on and daily expose a number of needy persons, anxious by this means to support and relieve the wants of their families. Returning, however, to what more immediately concerns the grower, I do not know that the oppressive genius of fiscal laws has, in any country of the globe, invented one more refinedly tyrannic, than to condemn a man, to a certain degree at least, as has hitherto been the case, to the punishment of Tantalus; for the law forbids the Indian to touch the fruit of the tree planted with his own hands, and which hangs in tempting and luxuriant abundance round his humble dwelling.

It would be easy for me to enumerate many other inconveniences attending this branch of public revenue, on the footing on which it now stands, if what has already been said did not suffice to point out the necessity of changing the system, as long as those in authority are anxious

that the treasury should gain more, and the king's subjects suffer less. The strong prejudices entertained against this source of revenue, the inconsiderable sum it produces, and the complicated form of its organization, have in reality been sufficient motives to induce many to become strenuous advocates for the total abolition of the monopoly. I do not, however, on this account, see any reasons for altogether depriving the government of a productive resource, as this might soon be rendered, if it was placed under regulations less odious and more simple in themselves. I nevertheless agree, that the perfect monopoly of the areca fruit, or *bonga*, is impracticable, till the trees, indiscriminately planted, are cut down; and, in the same way as the tobacco plantations, fresh and definite grounds are laid out for its cultivation, on account of the revenue. I am further aware that this measure is less practicable than the first; for, independent of all the other obstacles, it would be necessary to wait till the new plantations yielded fruit, and also that the public should consent to refrain from masticating *buyo*, in the meanwhile, a pretension as mad as it would be to require that the eating of salt should be dispensed with for a given number of years. But, what difficulty would there be, for example, in the proprietors paying so much a year for each *bonga* tree, to the district magis-

trate, the governor of the nearest town, or the *cabeza de Batangay*, or chiefs of the clans into which the natives are divided, in the same manner as the Indian pays his tribute? The only one I anticipate, is, that of fixing the amount, in such way that at the same time this resource is made to produce an increased income of some moment, it may act as a moderate tax on an indefinite property, the amount of which, augmented in the sale price, may be reimbursed to the proprietor by the great body of consumers. It is not in fact easy to foresee or estimate, by any means of approximation, the alteration in the current price of the *bonga*, that would result from the indefinite freedom of its cultivation and sale, especially during the first years. Although, for this reason, it would be impossible to ascertain what proportion the impost on the tree would then bear with regard to the value of the fruit, the error that might accrue would be of little moment, as long as precautions were taken to adopt a very low rate of comparison, and a proportionably equitable one as the basis of taxation. Supposing then that the price of the *bonga* should decline from 25 rials, at which it is now sold in the monopoly stores, to 15 rials per thousand, in the general market, and a tax of $\frac{1}{4}$ of a rial should be laid on each tree valued at 200 *bonga* nuts, it is clear that this would be

equal to no more than $8\frac{1}{2}$ per cent.; or, what is the same, the tax would be in the proportion of 1 to 12 with the proceeds of each tree, and the more the value of the fruit was raised, the more would the rate of contribution diminish. It ought at the same time to be observed that, under the above estimate, that is, supposing the price of the article to remain at 15 rials, the $8\frac{1}{2}$ per cent. at which rate the tax is regulated, would not perhaps exceed five or six per cent. on a more minute calculation; in the first place, because, at the time of making out the returns of the trees, those only ought to be set down which are in their full vigour, excluding such as through the want or excess of age, only yield a small proportion of fruit; and in the second, because in the numbers registered, the trees would only be rated at 200 nuts, although it is well known they usually yield 300, in order by this means the better to avoid all motives of complaint. In this point of view, and by adopting similar rules of probability, it seems to me that the government would not risk much by an attempt to change the present system into a tax levied on the tree itself, on a plan similar to the one above proposed; more particularly by doing it in a temporary manner, and rendering it completely subservient to the corrections subsequent experience might suggest in this particular.

The difficulty being, in this manner, overcome, with regard to the prudent determination of the rate at which the proprietor of the *bonga* plantations ought to contribute, let us now proceed to estimate, by approximation, the annual sum that would thus be obtained. As, however, this operation is unfortunately complicated, and in great measure depends on the previous knowledge of the total number of trees liable to the tax proposed, details with which we are not at present prepared, it is impossible to come at any very accurate results. All that can be done, is, to endeavour to demonstrate, in general terms, the great increase the revenue would experience by the adoption of the new plan; and the real advantages resulting from it to the contributors themselves, all which may be easily deduced from the following simple calculation.

Let us, in the first instance, suppose that the consumers of *buvo*, in the whole of the islands, do not exceed one million of persons, and that each one makes use of three *bongas* per day, this consumption, at the end of the year, would then amount to 1,095,000,000 nuts. We will next divide this sum by 200, at which the product of each tree, one with another, is rated, and the result will be 5,475,000 trees. This number being taxed at the rate of $\frac{1}{4}$ of a rial, would leave the sum of 171,093 dollars, 6 rials,

and deducting therefrom the 25,000 dollars yielded by this branch under its present establishment, together with 5,132 dollars, equal to three per cent. paid to the district magistrates for the charges of collection, we should still have an annual increase in favour of the treasury, equal to 140,961 dollars, 6 rials.

It might perhaps be objected that, in this case, the proprietor, instead of receiving, as before, 2½ rials for every thousand *bongas*, would have to disburse 1½ rial in the mere act of paying ¼ of a rial for each tree; a circumstance which, at first sight, seems to produce a difference not of 1½ but of 3½ rials per thousand against him; though in reality far from this being the case, if we take into consideration the deficiencies the sworn receiver usually lays to his charge, the fruit he rejects, owing to its being green or rotten, and the many and expensive grievances he is exposed to in his capacity of grower, it will be seen that his disbursements under these heads frequently exceed the amount he in fact has to receive. If, in addition to this, we bear in mind that, on condition of seeing himself free from guards and a variety of insupportable restrictions, constituting the very essence of a monopoly, he would in all probability gladly pay much more than the tax in question, all the doubts arising on this point will entirely disappear.

Finally, considered in its true light, we shall not find in the measure above described, any thing more than a very trifling discount required of the proprietor from the price at which he sells his *bonga*, and which, as already noticed, ultimately falls on the consumer alone.

The moderate estimate I have just formed ought to inspire the more confidence, from its being well known that the use of the *buyo* is general among the inhabitants of these islands. The calculation, as it now stands, rests only on one million of consumers, for each of whom I have only put down three *bongas* per day, whereas it is customary to use much more; nor have I taken into account the infinite number of nuts wasted after being converted into the *buyo*, a fact equally well known. Indeed, as the object proposed was no other than to prove the main part of my assertions, and I trust this is satisfactorily done, I have not deemed it necessary to include in the above calculation a greater number of minute circumstances, nor attempt to deduce more favourable results, which, with the scope before me, I was most assuredly warranted in doing.

In a word, from the concurrence of the facts and reasons above adduced, the following propositions may, without any difficulty, be laid down. First, that the increase of revenue pro-

duced by the reform in question, would in all probability, exceed 150,000 dollars per annum ; secondly, that the Indian would soon comprehend, and gladly consent to a change of this kind in the mode of contributing, of which the advantages would be apparent; thirdly, that the persons employed in the old establishment, might, with greater public utility, be applied to other purposes; and lastly, that the civil magistrates would not be harassed with so many strifes and lawsuits, and so many melancholy victims of the monopoly and its officers would cease to drag a wretched existence in the prisons and places of hard labour in these islands.