

## No. XI.

Account of the Produce of Catorce from 1816 to 1825.		
Years.	Marscs.	Dollars.
1816	39,236 2	313,890
1817	39,888 4	719,108
1818	89,095 2	712,762
1819	87,549 7	700,339
1820	88,136 3	705,091
1821	77,862 4	622,900
1822	112,519 5	900,157
1823	86,634 5	693,077
1824	78,327 6	626,622
1825	79,186 4	633,492
Total	828,432 42	6,627,438

## No. XII.

Mints.	Silver.	Gold.	Total Dollars.
Mexico	2,733,221	573,024	3,306,245
Zacatecas	2,427,844		2,427,844
Guadalajara	369,079	30,947	400,026
Durango	789,207		789,207
Guanajuato	539,978		539,978
Total	6,859,329	603,971	7,463,300

## SECTION II.

THE MINING SYSTEM OF MEXICO BEFORE 1810; CHANGES WHICH OCCURRED FROM THAT TIME TILL 1823, WHEN THE IDEA OF FOREIGN COMPANIES WAS FIRST SUGGESTED. THE NUMBER OF THESE COMPANIES NOW ESTABLISHED IN MEXICO, WITH SOME ACCOUNT OF THEIR OUTLAY,—THE EXTENT OF THE UNDERTAKINGS IN WHICH THEY ARE ENGAGED;—THE DIFFICULTIES WHICH THEY HAVE HAD TO ENCOUNTER;—THEIR PROGRESS;—MORE PARTICULARLY DURING MY RESIDENCE IN MEXICO;—AND STATE IN 1827.

IT is unnecessary for me to commence an inquiry respecting the present state of the Mining establishments of Mexico, by reverting to an epoch too distant to throw any light upon the character of the Mining laws now in force. I shall therefore merely observe that, after a period of considerable confusion and obscurity, during which all mining questions were decided by an appeal to a heterogeneous code introduced by Charles V., and composed of Old Flemish and German laws, of the fifteenth and sixteenth centuries, an entirely new form was given to the Mining institutions of New Spain, in the year 1777, by the establishment of a Supreme Council of

Mines, (denominated the Real Tribunal General del importante cuerpo de Minería de Nueva España,) which was followed by the publication of a new Code of laws, (called Las Ordenanzas de Minería,) and by the creation of Thirty-seven Provincial Councils, or Mining Deputations, (Diputaciones de Minería,) each exercising a jurisdiction independent of the civil authority, in all mining cases, in the District assigned to it, with an appeal to the Supreme Tribunal, which resided in the Capital.

The Provincial Deputations were composed of deputies, chosen annually, by the Mining proprietors of each District; and these again deputed two members of their own body to reside in the Capital, who, with a Director, appointed by the Government, an Assessor, two Fiscals, and a Civil Judge, constituted the Supreme Tribunal. A College was added to this extensive establishment; and the King assigned, for the support of the whole, one Real de plata upon each Marc of Silver coined, to be deducted from the duty of Seignorage, which had before been paid to the Crown.

A part of this revenue was destined to cover the salaries of the Supreme Tribunal, (which did not, however, exceed 25,000 dollars in all,) while the remainder defrayed the expenses of the College, and furnished a Capital, out of which advances, (*Avios*) were made, at the discretion of the Tribunal, to Mining Proprietors, who required funds in order to complete their works. These advances were distri-

buted, (according to Humboldt) with more liberality than judgment; there being instances on record of individuals having obtained "*Avios*" of from two to three hundred thousand dollars, for single Mines. But although, in more than one case, the whole of the money thus improvidently invested was lost, great enterprises were encouraged by the certainty, which every respectable Miner felt, that, in an emergency, it would always be in his power to obtain assistance: and this, in conjunction with the removal of the commercial restrictions, by which the progress of the Country had before been cramped, but which were much diminished in 1778 by the Decree of Free Trade, exercised so beneficial an influence throughout New Spain that the produce of the Mines increased, (in a term of ten years,) from 112,828,860 dollars, (which was the amount of Silver raised from 1760 to 1769,) to 193,504,554 dollars, which were yielded by the mines from 1780 to 1789, when the ameliorations introduced began to produce their full effect. From 1790 to 1799, still farther progress was made, the produce having amounted to 231,080,214 dollars, or more than double what it had been in 1769; and there is little doubt that the increase would have continued in a similar ratio, during the next ten years, (from 1779 to 1809,) when the produce only amounted to 226,265,711 dollars, had not the munificent donations of Charles III. been swallowed up by the distresses of his Successors. During the wars which fol-

lowed the French Revolution, the Tribunal of Mines, in addition to a voluntary gift of half a million of dollars, was forced to assist the Royal Treasury with a loan of Three millions more. The whole of its disposable funds were swept away by these advances, and more than half its revenue has been absorbed since, by the interest of the money raised in order to meet such unexpected demands. The Miners, forced again to depend upon the speculations of individuals for "Avios," confined their operations within narrower limits; and although in two years of the term under consideration the Coinage attained the Maximum of Twenty-seven millions of dollars, (in 1804 and 1805,) still, there was a decrease upon the whole term, as compared with that ending in 1799, of nearly Five millions.

The Mining Code of Mexico, (Las Ordonanzas de Minería) having been published in English, with notes, it will be sufficient for me to observe, that the object of its provisions was rather to determine disputes between individuals, than to settle any differences between the Mining proprietors and the Sovereign. The whole Mining property of the Country was, indeed, supposed to be invested in the Crown, but the only use which the King made of his rights, was to concede to any individual, who "denounced" \* the existence of a metalliferous vein

\* To "denounce," in the Mining Code of Mexico, implies that process, by which a legal right of possession is obtained to a particular portion of any vein, worked or unworked, known

upon any particular spot, exclusive possession of a certain number of varas, (yards,) measured from that spot upon the course of the vein, which were called a *Pertinencia*, and which became the real, *bonâ fide* property of the Denouncer, upon condition that he should undertake certain works for the extraction of ores, within a given time. If this condition were not complied with, the spot selected reverted to its original state of unappropriated Royal Property, and might be again denounced, by any other individual, before the Mining Deputation of the District, which could not refuse a title to the new applicant, on his proving that, during the time specified by the *Ordonanzas*, no attempt had been made by the first denouncer to work the vein. No other intervention, direct or indirect, took place on the part of the Crown. The King (individually) was not proprietor of a single mine, nor is there one instance, since the Conquest, of an attempt having been made by the Government to interfere with the mode of working adopted by individuals, or to diminish the profits of the successful adventurer, by exacting, under any plea, or pretence, from the more fortunate, a higher rate of duties than that which was payable by the poorest miner to the Royal Treasury.

or unknown, which a Miner chooses to select for his operations. I have adopted the word because we have no equivalent for it in English. It probably originated with the first discoveries, when a person might be fairly said to announce, or denounce a vein, the existence of which was not previously known.

By this judicious liberality and good faith, the fullest scope was given for private exertion; and this, in a country where mineral treasures are so abundant, was soon found to be all that was requisite in order to ensure their production to a great extent.

The Duties, however, which were payable upon the whole of the Silver raised, were very considerable. They consisted of the King's Fifth, (reduced, subsequently, to the Demiquint, or tenth,) the Duty of One per cent. (*derecho del uno por ciento*) and the Mint dues, (*derechos de Monedage, y Señoreage*) which amounted, in all, to  $3\frac{1}{2}$  reals (of eight to the dollar) upon each marc of Silver, which contained 68 reals, but for which the proprietor received only 64. Where Gold was combined with the Silver, the duties of the Casa del Apartado were added, which made a total of  $19\frac{1}{8}$  per cent. Those paid on pure Silver were  $16\frac{2}{5}$ .

The amount of these Duties was not nearly so detrimental to the interests of the Miner, as the necessity of transmitting the whole produce of his mine in Bars to the Mint of the Capital, where alone it could be converted into dollars. This, in the more distant Provinces, (from the enormous expence of land-carriage,) was equivalent to a very heavy additional duty, from which neither the Revenue, nor the Country derived any material benefit; but which tended, unavoidably, to confine all Mining operations to a small circle, and caused the rich Districts of the North to be neglected, while the Mining Capitals

were employed, almost exclusively, upon the poorer ores of the South. A similar effect was produced by the restrictions upon the sale of Quicksilver, the monopoly of which belonged to the Crown; for although, by a series of judicious reductions, the price of this essential article was so much lowered, as to place it within the reach of every class of Miners, still, the distribution of it, (which depended upon the Viceroy,) was by no means impartially regulated, the poorer Miners being generally sacrificed to the influence of the richer; while the necessity of concentrating the supply in one great Depôt, (the Capital) and of effecting the importation through one solitary port, (Veracruz,) rendered the possibility of obtaining a sufficiency for the regular reduction of ores, in the North, extremely uncertain, although the want of it entailed upon the Mining proprietor inevitable ruin.

Such were the principal characteristics of the Mining System of New Spain before 1810, at which time the country was supposed to contain 500 Reales, or Realitos, (spots in which mines were worked,) with from Three to Five thousand mines, (large and small,) included in the thirty-seven Mining Districts, or Deputations, into which the Viceroyalty was divided.

The names of these Districts, with those of the principal mines in each, may be found in Humboldt, (Book IV. Chapter II.) as given by a manuscript, drawn up by Don Fausto Ellhuyar, (first Director

of the Supreme Tribunal,) for the Viceroy, Count Revillagigedo. I do not insert them here, both because I am unwilling to trespass unnecessarily upon the time of my readers, and because it will be more suitable to the purposes of the present inquiry to give, subsequently, a Table of those Mines, for which contracts have been entered into by British Companies, and to specify the *States* in which they are situated; that being now the only territorial division recognized in Mexico. It is, therefore, only necessary to repeat, what I have attempted to demonstrate in the first Section, namely, that the average annual produce of these thirty-seven Districts, during the fifteen years which preceded the Civil War, was Twenty-four millions of dollars.

The extraction of this enormous mass of Silver, was not, (as has been supposed in Europe,) the result of a simple process, in which the Mine owners and the Government were the only parties concerned, but rather the effect of a most complicated system, by which the Silver raised was made to pass through the hands of four or five immediate agents, before it was brought into circulation, or even paid the Duties to the Crown. Few of the old Miners were originally capitalists. Many were unable, at first, to obtain advances from those who were so, except to a very limited amount; and were thus compelled to carry on the works of their mines, by converting the first fruits into ready money, without waiting to ascertain the quantity of Silver which

the ores might contain. This led to the establishment of a class of middle-men, called *Rescatadores*, who bought up the ores at the mouth of the mine, and reduced them in Haciendas (Amalgamation works) of their own. The *Rescatadores* again, being mostly small capitalists themselves, had recourse, in their more extensive operations, to the opulent merchants established in the towns, who furnished them with funds, when required, on condition of receiving the Silver produced at a rate considerably below the Mint, or market price; (for instance, at six and seven dollars per marc, when the Mint price was eight;) and by this process, (which was called "*Avio á premio de platas*") both the risk and the profits were so subdivided, as to give the poor Miner great facilities at first, while the capitalist was enabled to invest his money, almost without fear of loss.

The system was carried to an enormous extent before the Revolution, and by it, almost all classes of the community were interested in the success of the mines, while a vast floating capital was employed in them, besides that which was, in some measure, withdrawn from circulation, and sunk in dead works. It gave an impulse to Mining operations altogether unprecedented in the history of the world; and as discoveries were pushed on all sides by the poorer adventurers, who required but very trifling advances to search for mineral treasures, it is more than probable that, if public tranquillity had continued undisturbed, the Mining produce of Mexico, at the

present day, would have exceeded, by at least one-third, the utmost produce of the richest years before the Revolution.

The Civil War entirely destroyed this chain of communication between the highest and lowest classes of Mining speculators. In many Districts the Haciendas of the Rescatadores were ruined, as were the machinery and works of the mines themselves. In others, water was allowed to accumulate to an immense extent, in consequence of the suspension of the usual labours; while in all, the merchants, who had before supplied funds for carrying on the different operations, withdrew their capitals, as soon as the intercourse between the Seat of Government and the Provinces was interrupted. In the years 1811 and 1812, the Agricultural produce of the country likewise decreased so rapidly, that it became difficult to procure the means of subsistence. The Mining towns were surrounded by Insurgent parties, which occupied the whole of the open country, and rendered it impossible either to receive supplies, or to make remittances, without the protection of a large escort; while the exactions of the officers, by whom these escorts were commanded, (exactions, which were reduced to a system, and in which the Viceroy himself largely participated,) doubled the price of quicksilver, and every other article consumed in the mines; and thus reduced the value of Silver to the miner so much, that the marc did not repay the cost of extraction, even with the richest

ores. The poor ores were allowed to accumulate untouched.

This was the real evil of the Revolution. It was not the destruction of the *matériel* of the mines, however severe the loss, that could have prevented them from recovering the shock, as soon as the first fury of the Civil War had subsided: but the want of confidence, and the constant risk to which capitals were exposed, which, from being in so very tangible a shape, were peculiarly objects of attraction to all parties,—led to the gradual dissolution of a system, which it had required three centuries to bring to the state of perfection in which it existed at the commencement of the War of Independence. I do not believe that I am guilty of any exaggeration in stating, that there never was a greater spirit of enterprise, more liberality, or, in general, better faith, displayed in any part of the world, than amongst the Miners of Mexico before the year 1810. Unexampled prosperity was their reward; and had freedom of commerce then existed, there is no doubt that the country would have derived the greatest permanent benefit from their exertions. As it was, riches easily acquired, were as lightly dissipated;—but little was done towards national improvement;—no fund was provided for future emergencies;—and, after the great convulsions of 1810, 1811, and 1812, nothing remained to denote, amidst the general wreck, the epoch of splendour which had so immediately preceded it.

The efforts of the Spanish Government to alleviate this distress were unavailing; although, in justice to Spain, it must be said, that whatever may have been the faults of her Colonial System in general, with regard to the Mines, she has always adopted a more liberal policy. This liberality commenced soon after the War of Succession, when, in order to conciliate the Mexicans, the King's Fifth was reduced to a Tenth, by a Decree dated the 30th of December, 1716. In 1769, the price of the Quintal of Quicksilver, (a Royal Monopoly,) was reduced from eighty to sixty dollars, and in 1777, to forty-one dollars including the freight to Mexico. In 1780, Gunpowder, (another monopoly,) was ordered to be sold at  $4\frac{1}{2}$  reals per pound, instead of six reals; and an exemption from Alcavalas was granted in favour of all articles consumed in the Mines; which exemption was so rigorously observed, that Don José Galvez, when establishing a small tax upon Maize, at Güanājūatō, in order to improve the present entrance into the town, allowed the Maize for the consumption of the Mines to pass duty free.

By order of the same Count Galvez, in 1785, during a year of scarcity, the Miners were supplied with Maize from the Royal Stores, at the usual price. In 1793, the Government declared its intention not to raise the price of Quicksilver, even in time of war; and as recently as 1814, (8th August,) an order was issued, again exempting from the tax of Alcavalas, every article of ordinary consumption

in the Mines, and extending this privilege to all the Mining Districts.

But no encouragement, on the part of the Royal Government, could supply the want of capital, and of confidence; and, with the exception of some works at Catorce,\* Zacatecas, and Sombrerete, which were prosecuted successfully, after the reverses of the Insurgents in 1814, and 1815, by small Spanish Capitalists, who resided upon the spot, Mining, throughout the Kingdom, was reduced to a mere shadow of what it had been. In 1821, even these partial works were given up, (on the Declaration of the Independence,) and most of the Spaniards who had invested money in them withdrew their capitals, and returned to Europe.

Such was the state of the Mining interests of Mexico, when the first Independent Government was established. Its attention was early, and unavoidably, drawn to the subject, because the Mines had involved in their fall both agriculture and trade, to which their restoration could alone give a new impulse.

This part of the subject, however, belongs more properly to the observations with which it is my

\* The Emigrants from Catorce were very numerous; I mean those who returned to Spain, or France, with 60, or 76,000 dollars. The United Company has now almost all the Mines at Zacatecas, which were abandoned at this time, and also those belonging to Don Narciso Anitua, at Sombrerete, which he was compelled to give up just as he had completed the drainage.