

My Lord, Rio de Janeiro, 10th November, 1842

I take the earliest opportunity to obey the orders of your Excellency in reporting whatever has come within my notice respecting Trade & Revenue during my late visit to the Port of Santos, and City of St. Paulo. On a first view of said Port, and of the Country in the interior, which sends its produce thereto for market or export, both the one & the other appear to be more favoured by nature towards commercial and agricultural purposes than any other parts of the Brazil, which I have yet seen or heard of. The advantages of the Port of Santos as a good Harbour for shipping with a commodious and fine river to the town affording opportunity for excellent quays and wharfs at the very doors of the warehouses of the Merchants, are so clear, even to a cursory observer, that they leave me nothing to add on those points, except a remark, how great a pity it were, that the spirit of Commerce has not as yet cultivated, & encouraged these gifts of nature to such a degree, as to attract to that Port the whole of the produce of that Capitania, and of the adjacent provinces of the interior, nor even to preserve that market for the same, which at some earlier date enriched and gave consequence to the inhabitants of Santos. Several causes perhaps have operated adversely to this decline, and want of commercial prosperity, and as I am authorized to treat of this with your Excellency in confidence, I shall not hesitate to expose, without reserve, the ideas I have formed thereon from general observations, as well as from the information I collected in various

conversations with mercantile & other residents at Santos and at St. Pauls. At the commencement of the period when the former place was frequented as a commercial port, the spirit of the adventurers overcame difficulties of much magnitude, that were such to present themselves in these times, I conceive they would not be encountered. These difficulties principally consisted in two obstacles, which presented themselves as barriers against the transport of all Merchandise from the Port into the country, and consequently of produce to the Place of export. The one of these obstacles was the great height and steepness of the mountain to be ascended, before the Traveller gained the heights, on which is situated the greater part of the country of the interior; the other was the total deficiency of any road or land conveyance to the foot of the mountain, and because the river on which on which this passage was made is not navigable for above one third of the distance, even for the smallest description of vessels. The perseverance however of the first adventurers caused them to trade with the interior in spite of those great impediments, and by dint of their industry and encouragement, the road of ascent was so much improved, whilst the passage of the river effected in small boats that in the course of time, considerable traffick was carried on betwixt the Port of Santos and several extensive Provinces beyond its own. In this flourishing progress Santos promised fairly to become perhaps the principal commercial port in the Brazil, if the same spirit had been pursued under prudent Government, and regular system; but as much depended upon the disposition of the Governors

of the Province of St. Pauls, I am inclined to imagine that some of them, thro' neglect or misapplication of means & measures, may have tended as much to discourage and destroy, as others by attention with just application of means, will have animated and improved the Commerce of that Country; also as these Governors were in power for terms of three years only, such frequent changes were obviously a bar to the systematic prosecution of any plan beyond that term; for whether the motives that actuated the conduct of the rulers were good or bad, with every change of men, a change of measures of course took place and there were necessarily so many checks on the support & progress of a trade which owing to the natural impediments, require rather to be fostered with peculiar care & attention. In some instances perhaps, uttermost individual interest, and in others, want of judgment may have caused prejudicial measures to be adopted. I have made the above observations in order to account, if possible, for the gradual decline, and evident fall of the prosperity of the Port of Santos at the same time. I am free to confess, that my judgment is formed more on presumptions from present appearances & a comparative review of the variety of the former exports, than on any actual information as to facts. Altho' it may be matter of regret, that Trade in that quarter has been so much retarded, I have great pleasure in assuring you Excellency,

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that much had already been done, and considerable advance-
ment had been made, by the constant active attention of the
present Governor of that province, towards the recovery
& future improvement of its commerce, as well as agri-
-culture. This fact will be more clearly seen & confirmed
by a comparative reference to the tables I have in my
possession, shewing the exports during the years immediately
previous to, and since the present Governor came into
power, up to the present time. It should however be
noticed, that his operations have received a most unforeseen
and unavoidable check, by reason of the total cessation
of the arrival from, or shipments made directly to the
mother country, and which stagnation has proceeded
from the disastrous political change of affairs in
Portugal in 1807. The former flourishing trade in
that Capitanía, owing to want of attention, and
encouragement, as well as to mis application
of means, had already been diverted into new openings,
tho' circuitous, and tedious journeys to the capital;
their whole commerce with the Minas Gerais, and
other neighbouring Provinces, being consequently
driven thither also, and carrying with it millio-
-ments for the improvements of the more Northern
roads; it would appear, that, added to these primary
causes, the settling of the Court at Rio de Janeiro
became the finishing stroke or death blow to the
rivalship formerly subsisting betwixt the Port of
Santos, and that of the present Metropolis. Foreign
buyers no more frequent the markets of Santos,

and the resident merchants surround them, content themselves with, and confirm themselves almost entirely, to the purchase of sugars, which they send to his for sale. The Planter finds no encouragement to cultivate any other produce, and in the sale, even of this, he meets with so little competition amongst the purchasers, that he can hardly be said to obtain fair prices; nevertheless being needy and frequently under obligations for pecuniary advances, made by the merchant, he sells this necessity, and the merchant, taking advantage of this, fixes his own prices upon the commodity. The planter thus finding so scanty a living from the produce of his Sugars, seeks his remedy, in endeavouring to bring to market larger quantities, and does so; but in order to effect this, he extracts so much from their quality in order to add to the quantity, that the Sugars of that Country, have deservedly grown into disrepute for their great want of strength or grain. By all the above mentioned effects, an inferior sugar is perhaps the only produce of any magnitude to be found at Santos, and as that is sent off by Smacks or small vessels to this, as fast as it comes down from the interior, a quantity, even of that, arrives is seldom collected there at one time sufficiently for an inducement to European Shippers to send a Vessel for loading at that port; it would require at least three or four months delay in order to collect a small

adventure, the quality would be unsatisfactory, and no assortment of light goods could there be purchased for to export and complete a cargo. This last deficiency more particularly requires to be attended to, being an evil in itself, and at the same time that the Planter persists in not cultivating variety, his detrimental overgrowth of Sugar is a prejudice to its quality, and precludes the advantage to himself of having the loss on one article of produce, in a bad year, compensated by the growth of some other, to which the same year may, in the like degree, be propitious; whereas were he to grow several kinds of produce, his general profits would, in the first place, be more secure, and the market, being supplied with a proper assortment, foreign buyers or Shippers would be attracted to the whole, introducing thereto, general & beneficial competition of purchasers.

Rice has very justly been a considerable article of export from Santos, because its quality is superior to any other grown in Brazil; but this article, being now taken to Europe in such quantities by the North Americans, who by reason of their numerous trading Vessels can transport it with so little expense of freight, and consequently there sell it at such low prices, it cannot answer to be shipped, until improved agriculture & increased shipping, may much reduce its cost to the adventurer. Both Rice & Sugar have been shipped, in considerable quantities, from Santos to the River Plate, but that Southern branch of trade is so precarious and unsettled, that we should rather look to

European markets, in order to guide any system of commercial or agricultural operation in the Brazil. Besides the disadvantages I have here enumerated, I have to mention two very great causes of discouragement, which at present affect the whole Trade of Santos with the Interior. The first of these is the high price at which the Countryman purchases the principal and most important article of Salt, immediately after its importation: as this is an absolute necessity, and may almost be termed, a requisite food towards the support of Agriculture, in the Interior, the planter seeks where he may purchase it at the lowest rate. In this he finds an additional excitement to deviate from the ancient Port of the Province, and is directed to that of Rio, where he is not only able to purchase this at more advantageous prices, but also finds greater opportunity to sell his produce. The price of Salt is enhanced at Santos, by a contribution, which is laid upon it, being R\$.400. Malquien, and by its transport from Santos to Cubatan, being R\$.20. more; these payments of R\$.520. added to the first Cost or importer's price; whereas at Rio, the whole contribution is no more than R\$.80., and consequently causes to the latter market an exclusive advantage of R\$.440. (which is tantamount to 60 p.c. ~~of~~ on the current total value of the same) over that of Santos. The second cause of general discouragement is, perhaps, of more consequence than the first as

above described, and occurs in the transport of all goods or produce from Santos to Lebaton, and vice versa, to effect which the difficulties are exceedingly great, such as loss of time damage to the goods, and the heavy expenses attendant on such delays & losses; so that in fact, the great advantage, and facility of water carriage in lieu of being a benefit, is then become a most onerous and grievous obstacle to Trade & Agriculture, so much indeed does it affect the abundant and almost spontaneous growth of grain, milks, &c. &c., Mandioca &c., that it has totally precluded these articles from the opportunities of export or utterance markets of the coast and thus at the same time, when it may frequently happen, that a scarcity of them is severely felt at this or at other Sea ports. These principal and important species of provisions not only are subject to the general delays & inconveniences of transport from Lebaton, but also are more especially precluded from export, because the rates of that passage, being computed upon all things indiscriminately by weight, and not upon their proportionate values, an Alqueire of milho or other grain, as it will weigh nearly three arrobas (tho' in that Country not exceeding 120 lbs or 200. in value) becomes liable to a toll of \$1.20., whereas an arroba of Sugar Coffee &c., which is worth three or four times the value of an alqueire of grain is not liable to more than 40 cts. The delays and losses on this passage have been occasioned from the want of attention & system on the part of the Contractors, who have administered

to the same. Neither suitable Boats nor a sufficient number of able hands have been employed. The River in many parts has very little depth and the Boats in use are not calculated to contain large burthens in shallow water consequently they are inadequate to load & convey the great quantities of produce so fast as they arrive in many seasons of the year, and therefore the same accumulate to such a degree in the stores waiting for conveyance that owing to the frequency of changes in stowing away, moving, piling, & unpiling &c, it receives great detriment; besides which the stores at Cubaton have not been kept in proper repair, so as to exclude the rain. Had weather, the boats also from want of repair, have been incapable of protecting free from injury, the property of the Planter. These last evils have accrued by the negligence of the contractors, whose only care appears to have been to collect their rates; but the improper construction of the Boats has been owing to errors from the beginning. A complaint is generally entertained by the inhabitants of Santa against the Persons in power at St. Pauls, the nature of which is as follows. Some few years back, the former being desirous to obviate the inconvenience occasioned by the transport or passage from Cubaton to Santa, conceived the idea of making an artificial road for land conveyance from the one place to the other. For this purpose they proposed that all produce &c. passing on the River should pay an additional toll of Rs 20. per annuities, in order to fund a fund to carry this into effect. It was permitted accordingly

that they ~~same~~ should be levied; but in prospect of time, it
appeared that the idea was extravagant, and that the
means would never amount to a sum, sufficient
to carry the proposed plan into effect, because the nature
of the country betwixt these two places renders such plan
impracticable being a low wood overflown by the tide
at high water, to the height of two palms above the
surface of the mud or roots of the trees; so that a solid
foundation could not be laid, even for foot passengers, and
much less for beasts of burthen &c. at the same time
the roads of the mountains, and in other parts of the
interior being in such a state of decay, and the
resources of the provinces so inadequate to render
them passable without some additional means, it
was thought expedient to apply the money, so raised
for the projected new road, to the benefit of the roads
of the interior. Had it not been then for the help of this
or some new supply, the Produce could not have passed
to or arrive at Cuzco, from whence it was always
possible to preserve the passage by water without ad-
ditional expence. It is not for me to determine if this
conduct were prudent, or if it were blameable; but
your Excellency may judge if the money were not
applied for the most effectual benefit of the ultimate
object in view, namely "to facilitate the carriage of
Produce from the interior", whether or not the ^{Government}
in power at Cuzco have decided with judgement
where & how its application was most required
for that object, and whether the inhabitants of Santos
have any just ground of complaint, where it

be considered that they are not the contributors; but
that it is the planters who pay the increased rate,
previous to the delivery of their produce to the
Merchant. Having now exposed to your Excellency
all that has occurred to me as my humble opinion
on the past & present state of commerce, I have
to request it may be considered as matter of
opinion only; for I do not presume to think my
judgement is infallible, or that I may be totally
free from error, which however, I have been
as careful as possible to avoid. I have now
to offer such hints at improvement, as I hope
may tend to recover in a great degree the fallen
trade of the Port & Province in question; but I
should preface these by submitting to your Excellency
that I am guided by a presumption, that in
endeavouring impartially to assist or patronise
a Peruvian Port with means to purchase of the
trade of the Metropolis, in such proportion,
as the industry of the former can gain upon
the latter by fair means, it cannot be
reasonably contended, that in detracting
in such degree from the commerce
of the Capital would in any way
prejudice the general interests of the
State; because any species of

rivalry in commerce that can be excited & encouraged
 in the smaller as well as in the larger Ports & Provinces,
 must be the strongest stimulus for the improvement,
 and industry of the whole country, and I shall
 therefore regulate my observations in conformity
 with such positions. In order to encourage
 the Planter, the greatest possible facility should be
 afforded to him in the transport of his produce for
 sale, and in fully supplying his wants in return
 at reasonable prices. In order to this it is of the
 greatest importance that the duty of contribution
 on Salt, at the port of Santos, should be reduced
 to a par with that of Rio, but as this would
 create a diminution of the public revenue
 of the province, it would be requisite to raise
 a substitute, or compensatory contribution by
 some other means. In order to this, I would
 recommend some one of the following measures,
 I have already observed on the great evils of the
 overgrowth of Sugar, as prejudicial to the
 general prosperity both of the commerce and
 agriculture in that province, and therefore
 submit to your Lordship, whether or no it might
 not be well to increase the contribution
 thereon (which is now one tenth) to a fifth
 of the value of the cane. This would tend to
 induce the Planter to grow less of that article, and

and consequently he would have more opportunity to
attend to the improvement of its quality, at the same
time that he would also find it his interest, to cultivate
other produce. He would thus afford that apartment,
which is so necessary for the export trade. Some addi-
tional contribution might also be laid on the
aguardientes; this being an article of so much less
indispensable necessity, than that of salt, it appears
to me, that it would be a general benefit to alleviate
the duty on the latter, by laying some part of it on the
former. The above increase on Sugar, I have under-
stood would more than compensate for the deduction
of \$2.50. per alquien on Salt, which would then remain
charged with 80¢ only per alquien. But if such measures
as the above should not be approved, the trifling annual
contribution of \$1.400. for every Slave in the Province,
to be paid by the papas, would also be tantamount
to the said deduction upon Salt; and surely no
one who papas Slaves can be said to be aggrieved
by so small a contribution as \$1.400 for each,
during a term of twelve months; nor can it be
denied that he is well able to afford it. My own
private opinion is that Slavery cannot be
over taxed, even in a political point of view,
because in the same proportions that such
service may be found efficacious, so will
the industry of free people be provoked thereby,
whereas, whilst the latter can procure

the service of slavery at a cheap rate, they will not
exact themselves in the laborious, but necessary, task
of cultivation, and will continue in those slothful
habits, which, to the cost of the prosperity of Brazil,
they have so many years indulged in. So long as
they are ~~suffered~~ to continue in these habits,
without experiencing some more inconvenience
or expense attending the same, the absolute practical
part of agriculture will be, for the most part, left
to these unenlightened negroes, and consequently
will never make any progress towards improve-
ment; but be this idea erroneous or not,
the contribution proposed (tho' adequate to meet
the exigency in question) is so trifling, that it
could not be either grievous or prejudicial to any
interests whatever. The encouragement for the
loading of ships direct for European markets is of
such great consequence to the advancement or
progress of every port, that foreign as well as other
buyers, who embark on such trade, should be
invited or attracted by every possible means, and
no measure is perhaps so indispensable to
this purpose, as that of being able to offer them
produce well stored; for the greater the
variety the better; and therefore if the means
I have before proposed, should not be deemed
sufficiently efficacious, in order to excite
the cultivation of more articles than sugar, some
new method should be devised, towards the partial
suppression of the latter, and for the increased

plantations of other produce. This is indeed the more
desirable, as the diversity of climate, and great fertility
of soil in the province of St Paul, will be found
such, as to be capable of sending to market many
articles of commerce, hitherto not thought of, and
many others not now produced, merely for want
of buyers, to afford due encouragement and
profits. In order however to facilitate, as well
as to animate the planters to this more systematic
supply of the market at the Port, it is unavoidably
necessary, that a great reform should take place, in
the administration of the transport or passage from
Cubatou to Santos. It appears to me that much
of this depends solely in compelling the Contractor
to fulfil his duty strictly, by his giving due
attention, that sufficient hands shall at all
times be employed to remove the produce which
may arrive, and that proper care should be taken,
that no damage should accrue to the same, from
the time of unloading the mules which bring it
from the interior, to the time of its delivery at
Santos. According to the conditions of said
Contract His Royal Highness obliges himself,
to furnish the requisite Store-Houses, and also
a sufficient number of negroes, for the service
and for the hire of which last, the Contractor is
to pay to the Prince a certain fixed rate per day.

The Contractor engages to preserve the Boats Stores, in the same good condition & repair, in which he receives them. Notwithstanding however these precautionary measures for the preservation of the Boats Stores, time & constant use much being in decay, and in this instance, it has so much affected the boats, that they are not fit for secure conveyance, and in like manner the stores are become incapable of affording security or shelter to the produce on its arrival, wherein it must necessarily be housed for some short space of time. added to this, the stores have not been at all times sufficiently capacious to contain the quantities arriving at once, during the time whilst they are detained at Subatun, for the want of adequate means to convey them to Sanitov. This last evil however would be remedied if a proper number of Boats were provided, & employed. On a review therefore of the obligatory conditions on the part of His Royal Highness, which I have stated, where the Contractor is required to fulfil his duty punctually, it will not be in his power to accomplish it unless the Prince on his part, first enables him to do so, by ordering to be constructed a proper number of papage Boats, which should be built on a plan adapted in all respects, for the service required. If the Contractor is to preserve the Boats Stores in good condition, they should also be delivered to him in good ~~condition~~ ^{condition}. The following points appear to be essential

- necessary to the future good order, and successful management of this transport service.
- 2^d The stores should be duly inspected, and the necessary repairs ordered to be made immediately.
 - 3^d Four new boats or barges, of suitable dimensions & appropriate construction should be furnished to the Contractor who should pay for the same, on a fair evaluation, and at the same time, he should be reimbursed such like amount for the old unserviceable boats, as he shall have paid for them.
 - 4th The original number of thirty negroes, as before supplied for this service, should be completed by His Royal Highness, there being now only fifteen in that employ.
 - 4th Those more proportionate rates, to be levied for the passage of goods, which have been already specified in the new conditions, published at St. Pauls previous to the bidding there, should be established, for the reasons hereafter to be treated on.
 - 5th The good repair of the roads for the interior to Calabazas should continue to be preserved, with that peculiar care & method hitherto adopted, and maintained by the present governor of St. Pauls.
- I have already observed that the fertile soil of the province of St. Pauls may be rendered productive of the greatest variety of articles, fit for exportation to Europe; but there is another object of the greater consequence to be attended to not only

for the benefit of the interest of that Province, but also
in order to form a plentiful supply of several articles
of provisions, the scarcity of which, is occasionally severely
felt at Rio, and in other parts of the Coast. These
consist principally, in grain of different kinds, but
more particularly in Mandioca, Maize, and
Cassavaes or feijoes, which might be furnished
in great abundance from the province of Paulo,
provided the present heavy charges on their passage,
from Cubatão to Santos, were materially reduced.
This is what had the honor to propose to the Junta
at S. Paulo, at the same time pointing out to them,
that untill some such measure took place,
this important branch of agriculture would remain
as useless & excluded from exportation, as it has
hitherto been. Even the Town of Santos now depends,
in a great degree, upon its supply of these necessities,
from Rebataha & other distant parts of the Coast,
from whence it is brought by tedious & hazardous
sea voyages, in canoes, the profits of the same
not affording more secure means of conveyance.
The Junta at S. Paulo, seeing the advantage which
might be derived by encouraging the export trade
of provisions, listened to my proposals, and immediately
published new conditions for the Bidding of the
Cubatão Contract, specifying considerable reduc-
tions to be made in the price of that Passage,
on all articles of grain or pulse, which hereafter
should be rated by measure, & not by weight as hitherto
imposed.

This mode of rating such articles would be much more
proportionate, than that hitherto practiced, with respect
to the relative value betwixt them & other produce, and
might thereby bring about beneficial Commerce to
the joint interests of that & other provinces of Brazil,
tending at the same time to render each mutually
serviceable to the other. The wants of Rio would be
supplied by S. Paulo, whilst the agriculture of the
latter would be encouraged by the former. The Junta
above-mentioned, not being able to make any altera-
tion in the established conditions of the Contract
in question, without the sanction or approbation
of the Ministers at Court, have therefore taken separate
biddings on the old & new conditions of the same, leaving
the said Ministers to make their election, which of the
two plans they may be pleased to adopt, and here
I cannot refrain from representing to your Excellency,
that it will be far more beneficial to the general
interests of the Country, to accept the new conditions,
or a lower bidding, in order to encourage
the agriculture, & open a door to the exportation
of its productions, than to suffer that door to
remain for ever shut against them, by continuing
in the prohibitory system of the disproportionate
rates, as now imposed by the existing Contract.

I have yet to mention to your Lordship, that
at the ' His Royal Highness issued a most gracious
Proclamation on his arrival at Bahia, and
at Rio, annulling all former Prohibitions,

and permitting Englishmen to afree trade with the
 Bravils, such Proclamation has not yet reached, officially,
 the commandants or Governors of several places
 on the coast, being minor Ports: for this reason, at the
 villa Santa Maria of St. Sebastian, after having, upon
 purchases of produce, and on proceeding to ship the
 same in an English Vessel, I was required to pay
 double duties or contributions, thus placing me
 on the same footing, as that prescribed for all supplies
 made to foreign ships, previous to the issuing of the
 above mentioned Proclamation. In this transaction
 I was never engaged in a coasting trade in the
 same manner as practised by A. R. H. Subjects, and
 not being aware that any law prescribed a distinction
 of this nature, as applied to Englishmen, I appealed
 to the Governor of St. Paulo, who on this occasion
 allowed me, provisionally, to pursue my
 negotiation. As I conceive however that this point
 is now set forth so clearly in the treaty of Alliance
 and of Commerce, and that Englishmen are
 permitted to engage in the coasting trade of Brazil,
 I should imagine that it will be necessary, that your
 Excellency should give directions, that instructions
 should be sent officially to the commandants
 of all minor Ports in order that they may
 permit Englishmen and English Vessels to
 trade at the different ports, conformably with
 the same regulations, and on the same
 footing as prescribed to A. R. H. Subjects.