the roads were little used, insufferably bad, intricate, and embarrassed; and it is a fact beyond dispute, and probably worth observing, that had not the interior of South America possessed the precious Metals, it would have remained as utterly unknown at this day as is the interior of Africa. There would have been as little inducement for the inhabitants of the Coast to climb the Mantiqueira and the Andes, as there is to penetrate by the Senegal or Sofala towards the Mountains of the Moon. In young countries, however, Mines and Sea-ports will usually collect inhabitants, which do not depend upon Agriculture for subsistence, and this circumstance, in Brazil, occasioned some little internal Commerce for their supply.

The value of the Colonies to Portugal arose, not, as it ought to have done, from the consumption of manufactures, the employment of hands and of shipping; but from the heavy duties imposed in the Mother Country, upon articles exported, and upon the Gold, Silver, Precious Stones, Sugar, Hides, Indigo, and other Produce, which was brought home, and enabled the country to carry on the trades to some European countries, Africa, India, and China. If we contemplate the taxes paid by all the branches of Brazilian Commerce, we find that they amounted to one hundred and fifty pounds per cent. of direct imposts, that is, for every hundred pounds, which Portugal sent out in materials and labour, she received two hundred and fifty pounds back again; besides all charges of transport and interest of capital; without estimating the rent or value of Brazilian land, wages for labour, or even the Royal Monopolies of Diamonds, Brazil Wood, and Snuff: without reckoning, likewise, the charges of the Government Establishments in its American Colonies. Nothing can more strongly show than this does, the wisdom of the Government in removing from Portugal to Brazil, at a moment when political circumstances threatened the immediate and everlasting separation of the two countries. The change, as has been repeatedly noticed, has produced a most wonderful effect upon Brazil.

The Condé de Linhares soon saw that good roads, and an easy communication between one place and another, were of the first consequence

toward the improvement of an infant State, and promoted them with all his influence, especially such as connected the Interior with Sea-ports. His plans, notwithstanding all the obstacles and delays they have met with, are carried into effect so far as to create, or improve and facilitate, the intercourse betwixt Espirito Santo and Villa Rica; that of St. George dos Ilhos with Tejuca, St. Vincent's, and St. Paul's, and that of Rio de Janeiro with every part of the Empire. Geographical circumstances prohibit the same extent of intercourse from the ports of Bahia and Pernambuco, with the Interior; but the case is much more happy both in Maranham and Para.

By this increased facility of communication, a very intimate and active correspondence has been promoted between all the different parts of Brazil. Planters and Breeders of Cattle, and Miners, are now within reach of Ports, where their produce is in demand; and Manufactured Goods of Europe and other parts of the world, can be easily transported to the utmost frontier, through forests, across rivers, and over mountains, which only a few years ago, presented an impenetrable barrier. This has created a demand for produce where it was never before sought, has furnished employment to the industrious, and given to estates a value which ten years ago would have been considered as absolutely chimerical. It would be pleasant, and perhaps useful, to describe the several points on the Coast, which are favourable to a communication with the Interior: and to mark the line which Commerce must ultimately follow. But this would lead us too far; minute descriptions must be confined to the Port of Rio and its dependencies, and some general remarks shall be offered upon the other Districts, when we speak of the Coasting Trade.

Internal Commerce, in such a country as Brazil, and indeed through the whole of South America, must depend, in a great measure, upon the towns which are situate upon the Coast, and to which strangers resort who require support and assistance during their stay, and necessaries for the voyages, on which they subsequently proceed. Where the Court resides, also, whether it be that of the Sovereign or of his Vicereys, will

be the resort of the wealthy and the idle, of those who hold offices under the Crown, or depend upon Merchandise, in all its various forms, for the employment of capital, or the support of life. Thither also Commercial Vessels will resort with their lading, and seek for employment and cargoes; and the whole must be supplied by channels, which communicate with the Interior. These pour daily into Rio quantities of Vegetables, Fruit, Milk, Grass, Firewood and Charcoal, Lime, Bricks, Tiles, and Timber, with numberless other articles of domestic use, which are furnished from the Coasts of its extensive Bay, and the rivers which flow into it; and not by water conveyance alone, but by a great number of mules and of slaves, who are constantly passing and repassing to the distance of twelve or fourteen miles by land. Besides this moving mass, another is now occupied in bringing down Oxen, Hogs, Sheep, Farinha, Bacon, Poultry, Cheese, Sugar, Rum, Indigo, Cotton, Cotton-cloth, Salt-Petre, Gold, Crystals, and Precious Stones, and other articles of necessity and luxury; which are produced over an extent of country, measuring about six hundred miles by a thousand; the greatest part of which, indeed, has not yet been visited by civilized man, but exhibiting, so far as it has been explored, almost every variety of soil, climate, situation, and circumstance, which can ever become desirable, and capable of furnishing the most ample supplies, and forming a broad basis of growing and perpetual prosperity.

The intercourse with this extensive tract is carried on, at present, only through a few channels, and to a limited extent. Toward the East, one of them, through Praia Grande, the Guaxendiba, and the Iguapé-zu, employs, perhaps, seventy mules per day. From the North, the road passes through Porto d' Estrella, and brings thither about two hundred and fifty loaded mules daily. From the West, they enter the City by Venda Grande, and amount to two hundred, exclusive of fifty from the North, through St. Antonio da Jacatinga. Each of these mules carrying, at least, one hundred weight and a half. The return burdens consist of Dry Goods, Hardware, Salt, Wine, Iron, and Cocos. Besides the employment, which these troops afford to people in the City and the

places where they halt, every one of them, if it consist of fifty beasts of burden, will occupy twelve slaves, consume two quarters of milho, and travel each day twelve miles. The Eastern line forms a communication with the Interior Country as far as Espirito Santo, nearly three hundred miles; the Northern one passes through the Provinces of Minas Geraes, Goyaz, and Matto Grosso, to distances of fifteen or eighteen hundred miles, with roads branching off at different places, which diverge and extend from Bom Successo, in the longitude of Cape Frio on the East, as far as Villa Bella in the West, a lineal distance of nine hundred miles. The Western road is chiefly occupied with transporting produce from the Northern part of St. Paul's, and the intermediate countries; but Cattle, Mules, and Sheep, have been occasionally brought along it, from Rio Grandé, from distances not less than six, seven, and eight hundred miles. Such is the vast field presented, by the Port of Rio de Janeiro to the Cultivator and the Merchant.

A Commercial Intercourse with distant places, whether carried on by land or water, must depend, in a great measure, for success, upon good faith, and a facility of remitting cash, or its representative, Bills of Exchange. In this respect, the Brazilians have much to learn.—When a free trade was first admitted to the Capital, we found its Merchants almost totally ignorant of the value of credit; money was never put out to interest, except to the Government, and then only in sums which the moneyed men found it prudent to advance, and frequently with a suspicion that they would never be repaid. They had, as yet, little idea of the value and influence of Capital; nor confidence sufficient in each other, to lend it upon Bonds, nor to discount Acceptances.—There was, indeed, a sort of paper security in use, called a Credito, but it answered none of the various purposes of a paper currency. It amounted to little more than an acknowledgment of the debt, and a declaration that the Creditor was, at some time or other, to be satisfied out of the goods and estate of the Debtor, when all other means of payment had failed. The people likewise had some notion of a Bondsman or

Fiador, but he stood in a very different relation to the Creditor from that which Bondsmen occupy among us. He could be compelled to pay only after the Debtor had been declared, by the laws of the country, to be insolvent, and when the dividends from his effects had fallen short of one hundred per cent.; and there were many cases where the real estate both of the Debtor and the Bondsman was so fenced by the laws as to be utterly intangible by the Creditor.

Under such circumstances, it is evident that a great deal of our early business with Rio must have been done for ready money, until the contents of the Merchants' Coffers were exhausted by the varied and multiplied demands for cash. Then it was, that people of a lower description, of good character and industrious habits, learned the value of the opinion which others entertained of them, were enabled to establish themselves in the very line of their former masters, soon learned the important rudiments of Commercial Knowledge, and, acquiring habits of confidence and punctuality, opened connections with distant places upon new and general principles.

It was not wonderful that confidence was sometimes abused, that we found it occasionally ill placed, and that bad people took advantage of legal quibbles to defraud their Creditors. An attempt of this kind was made in the early part of 1815, upon a scale and in a way which excited public attention, and was frustrated in a singular mode. During the performance of a Comedy at the Theatre, one of the Actors happily introduced the case, with a good deal of point, and produced through the house a general sensation. Thus the parties found themselves unexpectedly held up to the severity of public scorn; their Store was forsaken; the traders of Rio received a lesson which they have not forgotten, and Creditors obtained, in this instance, from the well-timed sarcasm of a Comedian, what would have been never, or with difficulty, procured from the justice of the Magistrate.

While these things were going on, the Bank of Brazil was established upon the principle of subscriptions or responsibilities; that is, the Capital was to be divided into a certain number of Actions, and each

Subscriber, or Actionista, was bound to advance, whenever it should be required, the sum placed opposite to his name. This was done with a view principally of circulating Paper payable on demand, and with the capital thus raised discounting Bills payable after date. Of the profit thus acquired five-sixths were to be divided among the Actionistas, at the close of every year, and the remaining one-sixth to be retained, as a permanent capital, upon which future dividends should be paid, in proportion to the profit of the concern. The Bank ultimately became the agent of Government for receiving taxes, and thus, as well as by private speculation, was furnished with the means of drawing upon distant places, and charged for the transaction a premium upon its bills, proportioned to the demand for them. As they were payable after sight, they left to the drawers a very handsome profit, even when taken at par, and greatly promoted the facility of speculation, and the general interests of commerce.

In the year 1814 the number of Actions was augmented, and the company was, in a great measure, secured from loss by obtaining the privileges of a Royal Fazenda, which answer, in some measure, to those possessed by our Exchequer, and had a preference given to it in demands upon the effects of insolvent debtors. With these advantages it payed, in February, 1815, to the old proprietors, 11.60 per cent. beside their share of the reserve fund; to the new proprietors, who had no share in such fund, 11.35 per cent. In 1816, the dividends amounted, upon all the shares, to 16.45 per cent. besides the reserve of one-sixth part; and in 1817, it reached 22.75, under the same circumstances, with every reasonable prospect of a continued advance. Yet when the dividend, for 1818, was paid, it amounted to no more than 17.85 per cent; and, in consequence, the privileges of the Bank were enlarged. Such instances of the value of capital and credit, as they were afforded from year to year, exerted a very material influence over the ideas of commercial men, and the nature of their speculations: it highly stimulated every branch of commerce. Yet there were still no bills drawn by the out-ports upon Rio, nor from Rio upon other

places, unless under the sanction of some direct connection with either the Bank, the Treasury, or with British Merchants. In every channel, but the last, there prevailed a monopolizing and usurious spirit, for commercial knowledge is not yet far enough advanced in Brazil, to establish the conviction that small and highly probable profits are generally those which accumulate most rapidly, and that a secure and steady trade is really most advantageous, both to the State and to the Merchant. In this view it is a circumstance not unworthy of remark, that, in the first commercial City of the Southern Hemisphere, there is no Course of Exchange except with England and Buenos Ayres; and that the latter is rather a Treasury transaction than a commercial one.

Since the Treasury at Rio is the agent in purchasing all public supplies, and the payment of all public debts; since it includes within itself the Mint, and creates the Bullion market for silver, it may properly be noticed among commercial establishments. In the first of these characters there are two sorts of demands upon it,—the one consists of Bonds of an old date, which were given for capital advanced in the Vice-Regal times, and which, if the Government had been anxious to maintain public faith with its creditors, would long since have been paid. In the early part of my residence in Brazil, when a number of these bonds were discharged, several of them came into my hands, and were presented in due form. They were acknowledged as the just debts of the Crown, were in every shape undisputed, had been due several years, and might have been paid, at length, but for the following circumstance :— The Officer who was to discharge them demanded, besides the renunciation of all interest, a deduction of thsrty-three per cent. from the principal amount. I was authorised to offer only twenty-five, and this Premium or Perquisite being deemed too little, I hesitated respecting the higher one, took time to consult my friend, and lost the opportunity of receiving his money. The bonds were in existence several years afterwards, and I have never yet heard that they have been paid.

When the Bills which are recently drawn upon the Treasury become due, and are presented for payment, it is usual to detain them, not only

for days and weeks, but even months, under the bare-faced avowal that there is no money in the coffers. And when the Treasurer condescends to part with the cash, he deducts a heavy premium, as the reward of favouritism, which, in one instance at least, amounted to seventeen per cent. These things are not countenanced by the Sovereign, and, I am aware, are generally unknown to him, and within a very short period Royal authority has interfered, in one or two cases; but it is difficult to gain such an order, and as expensive, in most instances, as the more direct mode of proceeding. Hence the Treasurer goes on in his usual manner, adding frequently personal insults to the common insolence of office.

Something of the same nature takes place in purchases for the public service; preference not only exists, but must be paid for, and he, of course, who pays highest, has most of it. I make no assertions which I am unable to support. In a case where a vessel was wanted by the Government, a bargain was made with the heads of the naval department, but the money must come from the Treasury; here two agents interposed, each of whom claimed a commission on the sale, although neither of them had been employed, and so effectually barred the payment for her, that it was absolutely necessary to renounce the bargain; which both of them had previously declared would be the issue of the negociation, unless their demands were satisfied.

It may be said, indeed, that such charges as these are always calculated by the seller, and that he receives the full value of his goods;—so he does, but the country pays for them at too high a rate. Such transactions are not concealed,—there is no attempt to cover them; the Brokers act as openly as in any other business whatever, and what they do is known to every one who has an establishment in Rio. It is this which makes the name of the Brazilian Treasury to be despised on the Exchanges of Britain. It may be asked, where do these perquisites and fees of office go? Does the Treasury, as it ought, receive the benefit of them? I answer, No.

Silver is the only description of bullion which the Treasury finds itself obliged to purchase. Formerly the Royal fifths upon gold were

much more than sufficient to supply both Brazil and Portugal with a circulating medium; but so soon as the native metal of Brazil bore a premium in the markets of Europe, the country was nearly drained of it, and silver, in the shape of dollars, was sought for to supply its place. These dollars had previously circulated, in small numbers as a foreign coin, at the rate of 750 Reis each. The Treasury purchased them at that rate, recoined them, and sent precisely the same quality and weight of silver into circulation, at the rate of 960 Reis. This circumstance, as was indeed clearly foreseen, caused the Spanish dollar to advance to 915 Reis, and the country has been inundated with them at the advanced price. Estimating the gold which the Treasury has exchanged for these dollars at the rate established by law, it appears that the country has paid a premium upon every million of dollars which it has received, not less than 21,120 contos of Reis; in other words, the people have paid so much more for the silver than they can sell it for again. It may be said, indeed, that, during the same period, gold has borne a premium, and that, in consequence, the silver has not actually cost so much as, at first sight, appears to be the case; yet, even if we take this into consideration, it will be found that the Brazilian Treasury has very simply given what is intrinsically worth 22, for that which will produce to it no more than 17, thus making five-seventeenths of the whole transaction against the country. Yet as these Notes are designed to represent the state of things, rather than its attending evils, and the cure of them, perhaps sufficient has been said upon a subject which relates almost exclusively to South America.

It may be advantageous to contemplate the more active part of Commerce, under the several heads of the Coasting and Colonial trades, the Brazilian Foreign trade, and that which is carried on in Foreign vessels to Foreign ports. And, owing to the magnitude of this subject, it will be necessary to confine our views to the Port of Rio de Janeiro, as the principal one, and that which is best calculated to furnish an example of the nature, growth, and present state of Brazilian Commerce. These will be exhibited best by Tables, in which the vessels entering the

Port of Rio, and clearing out, are arranged in classes of 50, 100, 150, and 200 tons each, under the names of Launches, Smacks, Brigs, and Ships; which, though not applied with great accuracy, may serve us for the sake of distinction. The Tables, which will be found in the Appendix, likewise show the whole amount of Tonnage, the number of Seamen employed; and the Cargoes with which the vessels are laden. There is added to them a statement of the average voyages which the vessels perform, or rather the time which they occupy in going from one Port to another, in different seasons of the year.

It is not pretended that these Tables are absolutely correct, nor, owing to the very careless manner in which all public duties are performed in Rio, is it possible that they should be so: nevertheless they are as correct as any which are ever delivered to the Brazilian Government, and have the same basis as those which are regularly forwarded to the British Board of Trade. They relate to the time included between the 1st of April, 1813 and 1817, and this period was selected because the trade had become steady, and its fluctuations bore a less proportion to the whole than in previous years. Before 1808, indeed, the Coasting Trade of Rio was almost nothing, and, in 1816, it was secured entirely to Brazilian or Portuguese vessels. The Decree for this purpose is dated the 2nd of June, but it was not acted upon, I believe, until the 21st of August.

The earlier periods will afford us no objects of valuable inquiry, except those which relate to the forming and collecting a body of Seamen, and the procuring for merchant-vessels a better outfit. Previous to the arrival of the Royal Family, Coasting-vessels had all their running rigging, and many parts of the rest, of twisted hide; their cables were bass, their sails of light cotton-cloth, and, instead of a top-gallant sail, they used two triangular ones, which were handed on deck. In general they went to sea without a quadrant, and frequently without a compass; they always crept along shore, often went into ports, staid there until the wind was again fair for them, and thus made long voyages. Now, in this respect, they are greatly improved; they are better found,